



COTTON AUSTRALIA

Cotton Crop Insurance Policy wording

Powered by **Allianz** 

 **primacy**



Contents

Important Information	Page 3
Your Duty of Disclosure	Page 3
Privacy Information	Page 3
General Insurance Code of Practice	Page 4
Contact Details	Page 4
1. Definitions	Page 4
2. What We Insure	Page 7
3. What We Will Pay	Page 8
4. Additional Benefits	Page 8
5. Optional Benefits	Page 8
6. Basis of Settlement	Page 9
7. Exclusions	Page 13
8. General Conditions	Page 13
9. Making a Claim	Page 16
10. NGCS day scales	Page 17

Primacy Underwriting Management Pty Limited
ABN 87 070 058 212 AFS Licence 237271
as agent for the insurer Allianz Australia Insurance Limited
ABN 15 000 122 850 AFS Licence 234708
Level 5, Rialto South Tower, 525 Collins Street, Melbourne, VIC 3000
Phone: (03) 8624 8400 **Email:** cotton@pum.com.au
www.pum.com.au

Important information

Please read the following information carefully.

About Your Policy

This is Your Cotton Crop Insurance Policy wording.

Along with Your Schedule of Insurance and any other documents that make up Your Policy, it contains the terms, conditions, limits and exclusions of the Policy such as the type of cover provided and how to make a claim.

When You enter into a Policy with Us, We issue a Schedule of Insurance which sets out information relevant to You and may affect the terms of this document. We may also issue endorsements amending the cover.

Together the above documents form Your "Policy" with Us. You must read this Policy wording together with Your Schedule of Insurance and any endorsements to ensure You understand the cover offered and also to ascertain that it meets Your requirements.

Where We agree to enter into a Policy with You, We agree to provide insurance protection in accordance with the Policy and the coverage You have selected and We have agreed to provide in the Schedule of Insurance, provided You have paid or agree to pay the required premium including any amounts in relation to Government taxes, duties and other charges.

If You have any queries about this insurance, You should contact Your insurance broker.

Not a renewable Policy

Cover under the Policy is not renewable and ceases on the earlier of when the Period of Insurance specified in Your Schedule of Insurance ends, the Policy is cancelled or where the cover ends in accordance with the Policy terms and conditions. If You wish to effect similar insurance for the next growing season, it will be necessary for You to complete a new Application.

Primacy Underwriting Management Pty Limited and Your insurer

Primacy Underwriting Management Pty Limited ABN 87 070 058 212, AFS Licence 237271 (Primacy) is an underwriting agent. Primacy has been given a binder authority by the insurer, which allows Primacy to enter into the Policy, to administer it and to handle and settle claims made under it as if it were the insurer, subject to the terms of the binder authority. In arranging and administering the Policy, Primacy is acting as the agent of the insurer and not as Your agent.

Your Policy is insured by the insurer Allianz Australia Insurance Limited ABN 15 000 122 850, AFS Licence 234708, GPO Box 9870, Melbourne, VIC 3000. Allianz act through its agent, Primacy, and in Your Policy are referred to as 'We', 'Us' and 'Our'.

Important information about Goods and Services Tax (GST)

This Policy has provision for payment of Goods and Services Tax:

- by You in relation to premiums;
- by Us in relation to claims.

You must insure Your whole Crop(s)

You must insure Your whole Crop(s) unless We have agreed in writing that specific Field(s) are not be covered by the Policy. See 8.16 for details of what happens if You do not insure Your whole Crop(s).

Limit of liability

Limits apply and some Sections of the Policy have sub-limits. You must read this Policy wording and make sure You understand these limits.

Excess and Deductible

This Policy is subject to Excesses and Deductibles. Information about Excesses and Deductibles and how they apply to the Policy can be found in the Schedule of Insurance and in this Policy wording.

Your Duty of Disclosure

Before You enter into a contract of insurance with Us, You have a duty, under the Insurance Contracts Act 1984 (Cth), to disclose to Us every matter that You know, or could reasonably be expected to know, is relevant to Our decision whether to accept the risk of the insurance and, if so, on what terms.

You have the same duty to disclose those matters to Us before You extend, vary or reinstate the contract.

This duty of disclosure applies until the contract is entered into (or extended, varied or reinstated as applicable).

Your duty however does not require disclosure of any matter:

- that diminishes the risk to be undertaken by Us; or
- that is of common knowledge; or
- that We know or, in the ordinary course of Our business as an insurer, ought to know; or
- as to which compliance with Your duty is waived by Us.

Non-disclosure

If You fail to comply with Your duty of disclosure, We may be entitled to reduce Our liability under the contract in respect of a claim, cancel the contract, or both. If Your non-disclosure is fraudulent, We may also have the option of avoiding the contract from its beginning.

Privacy information

At Allianz, We give priority to protecting the privacy of Your personal information. We do this by handling personal information in a responsible manner and in accordance with the Privacy Act 1988 (Cth). In this Privacy Notice, 'We', 'Our', 'Us' means Primacy Underwriting Management Pty Limited and Allianz Australia Insurance Limited.

How We collect Your personal information

We usually collect Your personal information from You or Your agents. We may also collect it from Our agents and service providers; other insurers and insurance reference bureaus; medical practitioners; third parties or people involved in a claim or assisting Us in investigating or processing claims, including third parties claiming under Your Policy, witnesses and third parties who may be arranging insurance cover for a group that You are a part of; law enforcement, dispute resolution, statutory and regulatory bodies; marketing lists and industry databases; and publicly available sources.

Why We collect Your personal information

We collect Your personal information to enable Us to provide Our products and services, including to process and settle claims; make offers of products and services provided by Us, Our related companies, brokers, intermediaries, business partners and others that We have an association with that may interest You; and conduct market or customer research to determine those products or services that may suit You. If You do not provide Your personal information We require, We may not be able to provide You with Our services, including settlement of claims.

Who We disclose Your personal information to

We may disclose Your personal information to others with whom We have business arrangements for the purposes listed in the paragraph above or to enable them to offer their products and services to You. These parties may include insurers, intermediaries, reinsurers, insurance reference bureaus, related companies, Our advisers, persons involved in claims, external claims data collectors and verifiers, parties that We have an insurance scheme in place with under which You purchased Your Policy (such as a financier or motor vehicle manufacturer and/or dealer).

Disclosure may also be made to government, law enforcement, dispute resolution, statutory or regulatory bodies, or as required by law.

Disclosure overseas

Your personal information may be disclosed to other companies in the Allianz Group, business partners, reinsurers and service providers that may be located in Australia or overseas. The countries to which this information may be disclosed will vary from time to time, but may include Canada, Germany, New Zealand, United Kingdom, United States of America and other countries in which the Allianz Group has a presence or engages subcontractors.

We regularly review the security of Our systems used for sending personal information overseas. Any information disclosed may only be used for the purposes of collection detailed above and system administration.

Your Consent

By providing Us with personal information You and any other person You provide personal information for, consent to these uses and disclosures until You tell Us otherwise. If You wish to withdraw Your consent, including for things such as receiving information on products and offers by Us or persons We have an association with, please contact Us.

Access to Your personal information and complaints

You may ask for access to the personal information We hold about You and seek correction by calling (03) 8624 8400 9am-5pm Melbourne time, Monday to Friday. Our Privacy Policy contains details about how You may make a complaint about a breach of the privacy principles contained in the Privacy Act 1988 (Cth) and how We deal with complaints. Our Privacy Policy is available at www.pum.com.au and www.allianz.com.au.

General Insurance Code of Practice

The General Insurance Code of Practice was developed by the Insurance Council of Australia to further raise standards of practice and service across the insurance industry.

The Code Governance Committee (CGC) is an independent body that monitors and enforces insurers' compliance with the Code.

You can obtain more information on the Code of Practice and how it assists You by contacting Us. Contact details are provided on the back cover of this Policy wording.

For more information on the Code Governance Committee (CGC) go to <https://insurancecode.org.au/>

Complaints

If You are dissatisfied with Our service in any way, please contact Us and We will attempt to resolve the matter in accordance with Our internal dispute resolution procedures.

If We do not make a decision within the period that We tell You We will respond, We will tell You about Your right to lodge a complaint with an external dispute resolution scheme.

If You are not happy with Our response, You can refer Your complaint to AFCA subject to its terms of reference. AFCA provides a free and independent dispute resolution service for consumers who have general insurance disputes falling within its terms.

AFCA's contact details are:

The Australian Financial Complaints Authority

Online: www.afca.org.au

Phone: 1800 931 678

Email: info@afca.org.au

Mail: GPO Box 3, Melbourne, VIC 3001

For more information on how We handle complaints You can request a copy of Our procedures, using Our contact details on the back cover of this Policy wording.

If this insurance has been issued through an insurance intermediary

If Your Policy has been issued through Our agent, or a broker who is acting under an agency arrangement such as a binder with Us, then they are acting as Our agent and not as Your agent.

If Your Policy has been arranged or issued by a broker, other than a broker acting under such an agency arrangement with Us, then the broker is acting as Your agent. Where Your Policy has been arranged through an intermediary a commission may be payable by Us to them for arranging it.

Contact details

Primacy Underwriting Management Pty Limited

ABN 87 070 058 212 AFS Licence 237271

Level 5, Rialto South Tower, 525 Collins Street, Melbourne, VIC 3000

Telephone: (03) 8624 8400

Email: cotton@pum.com.au

Website: www.pum.com.au

1. Definitions

For the purpose of this Policy wording and any other documentation provided by Us, which attaches to and forms part of the Policy, the definitions provided in this Section will apply unless We expressly state otherwise.

Act of Terrorism:

An act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

Actual Growing Costs Savings (Actual GCS):

The growing costs that were not incurred by You in the production of Your Crop(s) due to a Constructive Total Loss covered by the Policy. These costs are determined on a per hectare basis.

Additional Expenses:

Costs that You incurred as a result of an Insured Event for which We agreed to pay a claim that are necessarily and reasonably incurred to reduce the size of a claim.

Application:

The form required to be completed and signed by You and sent to Us giving details of the Crop(s) to be insured along with any supplementary documentation attached with it. We rely on this in entering into Your Policy. Information to be included with the Application includes, but is not limited to, maps of Field(s) and should be provided with the Application.

Arson:

The act by anyone of intentionally and maliciously setting a Fire that results in Damage or destruction of Crop(s) insured under Your Policy.

Audit Date:

The earlier of the date specified in the Schedule of Insurance or the date when You are required to declare Your planting areas to Your genetically modified cotton seed licence provider.

Bale(s):

Compacted Lint in a standard 227kg package.

Chemical Overspray:

Overspray as identified by the Loss Adjuster (acting reasonably) on a balance of probabilities to have originated from ground based chemical-spraying not including spraying performed by You, on Your behalf or by a share farmer, within a two (2) kilometre radius of the affected Crop(s).

Clean Up Costs:

The costs to clear and remove Damaged Seed Cotton from the site of a loss.

Constructive Total Loss (CTL):

The classification of a Field as uneconomic to continue with as a direct result of an Insured Event(s) covered by this Policy. The date on which the CTL occurs is the date that determination is made.

Cover Type:

The type of cover available for Your Crop(s). You can choose between a Fixed Yield Cover Type or a Variable Yield Cover Type. The Cover Type that You have selected is specified in Your Schedule of Insurance and will include Your GCS Deduction selection.

Crop(s):

Cotton grown as irrigated, semi-irrigated, Dryland Cotton or Refuge Crop(s) as specified in the Schedule of Insurance.

CTL Excess:

The additional Excess percentage specified in the Schedule of Insurance that is added to the standard Excess in the event of Your Crop being declared a Constructive Total Loss. The amount of the additional Excess percentage applicable is determined by the date on which the Insured Event affects Your Crop(s).

Damage:

Physical damage to the insured Crop(s) due to an Insured Event.

Declaration Form:

The form You complete and return after harvest, stating the Harvested Yield of Your Crop(s).

Deductible:

Where applicable, is the dollar amount of a loss You will need to pay as a contribution to a claim as specified in this Policy wording.

Defoliation and Harvest Savings (DHS):

The amount specified in the Schedule of Insurance reflecting all costs from and including the first application of defoliant. This amount is a fixed amount per hectare and will be deducted from the claim in the event of a Constructive Total Loss.

Downgraded Bale(s):

The number of Bale(s) harvested from Your Crop(s) that have a leaf and colour discount (refer to the Leaf and colour discounts benefit table) greater than 0%.

Dryland Cotton:

Crop(s) grown without irrigation.

Excess:

The percentage of the Field Sum Insured agreed with You and specified in the Schedule of Insurance, which You must first bear in the event of a claim in accordance with the Policy terms and conditions. If You have started to harvest the Crop(s), the Excess will only be applied to the unharvested portion of the Crop(s).

There is no Excess applicable for Fire claims on growing Crop(s).

Field(s):

An area of land that is specifically and separately identifiable on the Property(ies) by virtue of the existence of fences, lane ways, tree lines, changes in management or variety of Crop(s) sown. For the purposes of application of the Excess, Field(s) over one hundred (100) hectares will be split into equal units of no less than fifty (50) hectares.

Field Sum Insured:

The Field Sum Insured is calculated as follows:

$$\text{Area (ha)} \times \text{Sum Insured per Hectare}$$

Fire:

The rapid oxidation of a material in the chemical process of combustion releasing heat, light, flame and other by-products.

Flood:

The covering of normally dry land by water that has escaped or been released from the normal confines of any of the following:

- a lake (whether or not it has been altered or modified);
- a river (whether or not it has been altered or modified);
- a creek (whether or not it has been altered or modified);
- another natural watercourse (whether or not it has been altered or modified);
- a reservoir;
- a canal; or
- a dam.

Growing Cost Savings (GCS) Deduction:

The amount deducted from the Sum Insured per Hectare if Your Crop(s) are declared a Constructive Total Loss.

If the Schedule of Insurance specifies that the Actual Growing Cost Savings Cover Type applies, it is the Actual Growing Cost Savings.

If the Schedule of Insurance specifies that the Nominated Growing Cost Savings Cover Type applies, it is determined by multiplying the Nominated Growing Cost Savings amount by the percentage value shown in 10.1 NGCS Table corresponding with the number of days after planting that the Crop is declared a Constructive Total Loss as follows:

- If the Schedule of Insurance specifies that the one hundred and ten (110) day deduction scale applies, the percentage value shown in column A applies.
- If the Schedule of Insurance specifies that the one hundred and forty seven (147) day deduction scale applies, the percentage value shown in column B applies.

Hail:

Frozen water falling from the sky.

Harvested Yield:

The average number of Bale(s) actually harvested per hectare from each Field.

Insured:

The person(s) or entity(ies) specified in the Schedule of Insurance as the Insured.

Insured Event:

The type of Insured Event covered under the Policy (see in Section 2.2).

Insured Interest:

The percentage insurable interest a person has in the Crop(s) specified in the Schedule of Insurance.

Late Crop Removal Option:

The Monsanto Cotton Choices™ technology fee option where Your technology fee is waived if Your Crop(s) is removed due to Hail, drought or other adverse conditions or events.

Leaf and Colour Downgrade:

The discolouration and leaf contamination of Seed Cotton as a direct result of rainfall occurring after boll opening.

Licence Fee:

The per hectare amount specified in the Schedule of Insurance deducted from a Constructive Total Loss claim where it is refunded by Monsanto.

Lint:

The residual cotton fibre remaining after the Seed Cotton has been ginned.

Local Time:

The applicable time zone currently being observed for the state in which Your Property(ies) is/are located. When Your Property(ies) is/are located or spread over multiple states then the time zone being observed closest to Australian Eastern Standard Time (AEST) applies.

Loss Adjuster:

The person or entity appointed by Us to evaluate claims made under Your Policy.

Micronaire Code(s):

The official Australian classification given to the standard micronaire grades.

Micronaire Discounts:

The agreed percentage of the weighted Value per Bale specified under the optional benefit of Micronaire Downgrade for downgraded Bale(s).

Micronaire Downgrade:

The downgrading of Lint harvested from Hail Damaged Crop(s) based on Micronaire Code(s).

Net Loss Percentage:

The percentage loss of Potential Yield.

Nominated Growing Costs Savings (Nominated GCS):

The amount specified in the Schedule of Insurance as the maximum of growing costs deducted if Your Crop(s) are declared a Constructive Total Loss.

If, in the event of a loss, the Potential Yield of a Field is determined to be less than 75% of the Provisional Yield, the Nominated GCS is reduced by the same percentage applied to the Sum Insured per Hectare.

Period of Insurance:

The period beginning forty eight (48) hours after 4pm Local Time on the day We agree to accept Your request for cover, unless otherwise agreed by Us and ending at 4pm Local Time on the expiry date specified in the Schedule of Insurance or:

- for growing Crop(s), the period ending thirty (30) days after the completion of harvest for each Field or 4pm Local Time, on 31 August succeeding the commencement date of the Policy, whichever is the earlier.
- for the Seed Cotton option, the Period of Insurance ends at 4pm Local Time 31 August succeeding the commencement date of the Policy or when the module or round Bale crosses the ginner's weighbridge, whichever is the earlier.

Planting Configuration:

The cropping density and management applied to a particular Field based on row spacing, planting density and water application.

Policy:

The complete contract between You and Us, including the Schedule of Insurance, Policy wording and any endorsements or other written changes to the cover We issue You where specified before entry into the contract or where required or permitted by law.

Potential Yield:

The average number of Bale(s) per hectare for each Field the Crop(s) would have produced if the Insured Event(s) covered under the Policy had not occurred. The Potential Yield will take into consideration events and factors that impact or would have impacted the yield after an Insured Event.

Property(ies):

The location where the Crop(s) are situated, incorporating the shire and postcode specified in the Schedule of Insurance.

All cropped Field(s) owned or managed by You within two (2) kilometres of each other at the nearest point of growing plants will be considered part of the same Property.

Property's Bale Production:

The total number of Bale(s) produced on Your Property(ies) as declared in Your Declaration Form and agreed by Us.

Property's Insured Bale Production:

The total number of Bale(s) insured on Your Property(ies) calculated as follows:

Property Sum Insured divided by weighted average Value

Property Sum Insured:

The sum of the Field Sum(s) Insured for each Property.

Provisional Yield:

The average number of Bale(s) per hectare for each Field nominated by You and agreed by Us, as specified in the Schedule of Insurance.

Rainfall Downgrade:

The Leaf and Colour Downgrade of Crop(s) that have suffered a Potential Yield loss due to Hail.

Refuge Crop(s):

The non-genetically modified cotton or other plant type grown specifically to comply with the licence conditions for genetically modified cotton seed.

Schedule of Insurance:

The relevant document of that name We have provided to You which specifies important information such as Your Policy number and other important details of cover. It forms part of the Policy and must be read together with this document and any other documents forming the Policy. If We agree to alter Your Policy, We will issue a new Schedule of Insurance.

Seed Cotton:

The mixture of seed and Lint once it has been picked from the cotton Crop(s) and prior to it being ginned.

Sum Insured per Hectare:

The Sum Insured per Hectare for Actual Growing Cost Savings and Nominated Growing Cost Savings Cover Types are calculated as follows:

- If the Schedule of Insurance specifies that Your Policy is based on Variable Yield Cover Type, then the Sum Insured per Hectare is calculated as follows:
 - i) If You have not had a claim:
Harvested Yield x Value
 - ii) If You have had a claim:
Potential Yield x Value

For the purpose of calculating Your premium and the Sum Insured per Hectare, the Harvested Yield (or Potential Yield in the event of a claim) cannot exceed the Provisional Yield by more than 25% unless the Schedule of Insurance specifies that a Field is subject to the Dryland Cotton endorsement, in which case, on that Field, the maximum amount the Harvested Yield (or Potential Yield) can exceed the Provisional Yield is 100%.

- If the Schedule of Insurance specifies that Your Policy is based on Fixed Yield Cover Type, then the Sum Insured per Hectare is calculated as follows:

- i) Where the Harvested Yield (or Potential Yield in the event of a claim) is less than 75% of the Provisional Yield, the Sum Insured per Hectare is calculated as follows:

Harvested Yield (or Potential Yield) x Value

- ii) Where the Harvested Yield (or Potential Yield in the event of a claim) is between 75% and 100% of the Provisional Yield, the Sum Insured per Hectare is calculated as follows:

Provisional Yield x Value

For the purpose of calculating Your premium and the Sum Insured per Hectare, the Harvested Yield (or Potential Yield in the event of a claim) cannot exceed the Provisional Yield.

Total Sum Insured:

The sum of the Property Sum(s) Insured and is specified in the Schedule of Insurance.

Value:

The unit price of each Bale of Lint specified in the Schedule of Insurance.

We / Us / Our:

The insurer Allianz Australia Insurance Limited ABN 15 000 122 850, AFS Licence 234708 acting through its agent Primacy.

You / Your:

The Insured named in the Schedule of Insurance.

2. What We Insure

2.1 Insuring Clause

We will insure You for loss or Damage to Your Crop(s) caused by an Insured Event that occurs during the Period of Insurance.

In order to be sure that You are covered under this Policy You should always contact Us for approval before You incur costs You wish to claim. If You do not, We will pay for costs incurred up to the amount We would have authorised had You asked Us first.

2.2 Insured Event(s)

We will insure Your Crop(s) against loss or Damage caused directly by the following event(s) that occur during the Period of Insurance:

- Hail; or
- Hail and Fire.

The Schedule of Insurance will specify which Insured Event(s) apply.

2.3 Optional Insured Event(s)

The Schedule of Insurance will specify which of the following optional Insured Event(s) You have selected to include and We have agreed to provide cover for:

- Leaf and Colour Downgrade;
- loss of Seed Cotton.

Cover for Leaf and Colour Downgrade ceases at the completion of harvest or 31 August succeeding the commencement date of the Policy, whichever is the earlier.

3. What We Will Pay

The Schedule of Insurance will specify which of the following Insured Event(s) and optional Insured Event(s) We have agreed to provide cover for. Claims will be settled in accordance with Section 6. Basis of Settlement.

To the extent permitted by law, We will not pay for any loss until all premiums and Government taxes, duties and other charges have been paid.

3.1 Hail only Damage to growing Crop(s) cover

We will pay for loss of Potential Yield caused by Hail. Where the loss of Potential Yield is caused partly by Hail and partly by the effect of wind or rain, We will be liable only for that part of the loss of Potential Yield caused directly by Hail.

3.2 Fire Damage to growing Crop(s) cover

We will pay for loss of Potential Yield caused by Fire, including lightning.

3.3 Leaf and Colour Downgrade

We will pay for the loss arising as a result of Leaf and Colour Downgrade.

3.4 Seed Cotton

We will pay for any loss caused directly by Fire to Seed Cotton once it has been removed from the plant. We will also pay for any accidental loss or Damage to Seed Cotton while in transit from the place of harvest to the location at which ginning will occur.

We will only pay if You comply with the following conditions:

- a) Once a rectangular or round module has been formed, a sturdy and hole-free tarpaulin must cover it or it must be securely wrapped.
- b) Where a rectangular or round module is identified as a high Fire risk when being delivered to a ginning organisation, cover will continue for forty eight (48) hours from the time of delivery, provided the rectangular or round module is quarantined in an area with appropriate firefighting equipment and notification must be given to the ginning organisation prior to delivery.
- c) All losses must be notified to Primacy as soon as reasonably possible after the Fire commencing.

3.4.1 We will not pay for any loss of Seed Cotton in the following circumstances:

- a) When the Seed Cotton is being carried in any unroadworthy, inadequately constructed or overloaded vehicle.
- b) Where the loss occurs in transit and the driver:
 - i) is under the influence of any drug or alcohol; or
 - ii) as a result of the accident, is convicted of driving under the influence of any drug or alcohol; or
 - iii) had a percentage of alcohol in their breath or blood in excess of the legal limit where the accident occurred for the driver in question; or
 - iv) refused to submit to any test to determine the level of alcohol or drugs in the blood when reasonably requested by police; or
 - v) is unlicensed for the vehicle being used to move the Seed Cotton.

We will not refuse Your claim for the reasons set out in b) if You can satisfy Us You had no reason to suspect that the driver was affected by alcohol or any drug.

- c) Where the loss is caused directly or indirectly by water.
- d) Where the loss or Damage is caused directly or indirectly by Fire and more than six (6) rectangular modules or thirty six (36) round modules have been grouped together and a minimum distance of at least ten (10) metres is not maintained between each group of modules.

4. Additional Benefits

We will also provide You with the following additional benefits. In all cases the loss or Damage must occur during the Period of Insurance. Claims will be settled in accordance with Section 6. Basis of Settlement.

In order to be sure that You are covered under this Policy You should always contact Us for approval before You incur costs You wish to claim. If You do not, We will pay for costs incurred up to the amount We would have authorised had You asked Us first.

4.1 Additional Expenses

We will pay You for Additional Expenses arising as a direct result of an Insured Event for which We agree to pay a claim, which are necessarily and reasonably incurred.

Unless specifically agreed by Us, We will not pay more than the amount of savings generated by the Additional Expenses or the per hectare limit specified in the Schedule of Insurance. Claims for normal growing costs incurred during the season are not considered as being Additional Expenses.

Refuge Crop(s) areas of up to 5% of the total area insured under this Policy will be covered for Additional Expenses up to the Additional Expenses per hectare limit specified in the Schedule of Insurance. The Refuge Crop(s) does not need to be noted in the Schedule of Insurance.

It may not be possible to agree to include these costs until after the Crop's usual harvest date in order to determine whether or not they are additional and as a consequence of the Insured Event.

4.2 Chemical Overspray

We will pay for loss of Potential Yield caused by Chemical Overspray and costs incurred to reduce a potential loss of Harvested Yield caused by Chemical Overspray. You must provide Us with the name and address of those responsible, or any other information that would reasonably allow Us to identify the person so that We can exercise Our rights of recovery. We will not pay any claims under this benefit if You do not provide Us with this information, to the extent permitted by law.

5. Optional Benefits

The Schedule of Insurance will specify if You have selected to include cover for one or more of the optional benefits. These benefits only apply to growing Crop(s) affected by Hail and replanted Crop(s) as per 6.3 Replanted Crop(s). The Hail must occur in the Period of Insurance and the percentage loss of Potential Yield from Hail must exceed the Excess. Additional premium will be payable.

5.1 Micronaire Downgrade

We will insure You against the Micronaire Downgrade loss associated with Micronaire Discounts (immature fibre) being applied to Lint from a Hail Damaged Crop.

We will pay the sum of Micronaire Discounts for each Field calculated as per table in 6.7.1.1 Micronaire Discounts.

5.2 Rainfall Downgrade

We will insure You against the Rainfall Downgrade loss affecting a Hail Damaged Crop. The rainfall causing the loss must occur during the Period of Insurance.

We will pay the leaf and colour discounts specified in 6.4.1 Leaf and colour discounts benefit table.

5.3 Late Harvest Crop Benefit

Subject to the Loss Adjuster (acting reasonably) determining that harvest of Your Crop(s) have been delayed by more than fourteen (14) days as a result of Hail, We will pay the amount specified in 6.7.3 Late Harvest Crop Benefit.

5.4 Dryland Cotton Yield Cap

Where this option is selected and specified in the Schedule of Insurance, the maximum amount the Harvested Yield (or Potential Yield in the event of a claim) can exceed by is 100% of the Provisional Yield. This benefit only applies to Dryland Cotton.

6. Basis of Settlement

6.1 Growing Crop(s) – Insured Event(s) – Partial Loss

When the claim is for loss of Potential Yield to Your Crop(s) from Insured Event(s) the amount payable will be calculated for each Field as follows:

$$\text{Net Loss Percentage} \times \text{Field Sum Insured}$$

6.1.1 Example when You have Variable Yield Cover Type specified in Your Schedule of Insurance:

Example – Partial loss	
Area:	50 ha
Provisional Yield:	9 Bale(s)/ha
Maximum or capped yield:	11.25 Bale(s)/ha (9 x 125% = 11.25)
Value per Bale:	\$400/Bale
Harvested Yield:	4 Bale(s)/ha
Potential Yield:	10 Bale(s)/ha
Field Sum Insured:	\$200,000 (50 ha x 10 Bale(s)/ha x \$400/Bale)
Percentage loss of Potential Yield:	60% (10-4)/10 or (Potential Yield less Harvested Yield) divided by Potential Yield
Excess:	10%
Net Loss Percentage:	50% (60% less 10% Excess)
Claim Payment:	\$100,000 (\$200,000 x 50%)
As this was not a CTL there were no Growing Cost Savings, Licence Fee or Defoliation and Harvest Savings deducted.	

Where the Potential Yield exceeds the Provisional Yield by more than 25%, a yield cap comes into effect. Below is an example of how the yield cap applies for a partial loss:

Example – Yield capping	
Area:	50 ha
Provisional Yield:	6 Bale(s)/ha
Maximum or capped yield:	7.5 Bale(s)/ha (6 x 125% = 7.5)
Value per Bale:	\$400/Bale
Harvested Yield:	4 Bale(s)/ha
Potential Yield:	10 Bale(s)/ha
Field Sum Insured:	\$150,000 (50 ha x 7.5 Bale(s)/ha x \$400/Bale)
Percentage loss of Potential Yield:	60.0% (10-4)/10 or (Potential Yield less Harvested Yield) divided by Potential Yield
Excess:	10%
Net Loss Percentage:	50% (60% less 10% Excess)
Claim Payment:	\$75,000 (\$150,000 x 50%)
As this was not a CTL there were no Growing Cost Savings, Licence Fee or Defoliation and Harvest Savings deducted.	

6.1.2 Example when You have Fixed Yield Cover Type specified in Your Schedule of Insurance:

Example – Partial loss	
Area:	50 ha
Provisional Yield:	9 Bale(s)/ha (maximum for purposes of setting the Sum Insured per Hectare)
Value per Bale:	\$400/Bale
Harvested Yield:	4 Bale(s)/ha
Potential Yield:	10 Bale(s)/ha
Field Sum Insured:	\$180,000 (50 ha x 9 Bale(s)/ha x \$400/Bale)
Percentage loss of Potential Yield:	60% (10-4)/10 or (Potential Yield less Harvested Yield) divided by Potential Yield
Excess:	10%
Net Loss Percentage:	50% (60% less 10% Excess)
Claim Payment:	\$90,000 (\$180,000 x 50%)
As this was not a CTL there were no Growing Cost Savings, Licence Fee or Defoliation and Harvest Savings deducted.	

Where the Potential Yield is less than 75% of the Provisional Yield the Sum Insured per Hectare is reduced. Below is an example of how this affects a partial loss:

Example – Partial loss Potential Yield less than 75% of Provisional Yield	
Area:	50 ha
Provisional Yield:	9 Bale(s)/ha (maximum for purposes of setting the Sum Insured per Hectare)
Value per Bale:	\$400/Bale
Harvested Yield:	4 Bale(s)/ha
Potential Yield:	6 Bale(s)/ha (applies for setting the Sum Insured per Hectare as less than 75% of the Provisional Yield)
Field Sum Insured:	\$120,000 (50 ha x 6 Bale(s)/ha x \$400/Bale)
Percentage loss of Potential Yield:	33.33% (6-4)/6 or (Potential Yield less Harvested Yield) divided by Potential Yield
Excess:	10%
Net Loss Percentage:	23.33% (33.33% less 10% Excess)
Claim Payment:	\$27,996 (\$120,000 x 23.33%)

6.2 Growing Crop(s) – Insured Event(s) – Constructive Total Loss

6.2.1 Constructive Total Loss Crop(s) - Conditions

If the Loss Adjuster reasonably deems Your Crop(s) to be a CTL and You do not abandon and plough out the CTL area, We will not pay more than the amount We would have paid if the Crop(s) had been abandoned and ploughed out.

We will only declare part of the Field a CTL where it is in keeping with the best farming practices and agreed with You.

Please see 8.22 in regards to assignment of inputs from CTL Crop(s).

6.2.2 Calculation of loss amount

This section applies when the Loss Adjuster reasonably deems Your Crop(s) to be a CTL and it has not been recommended that You replant Your Crop(s) (in which case Your claim will be settled in accordance with 6.3 Replanted Crop(s)).

When the claim is for loss of Potential Yield to Your Crop(s) from Insured Event(s) and Your Crop(s) is assessed as a Constructive Total Loss, and You agree to immediately abandon and plough out the Damaged area, the claim will be calculated based on a percentage loss of Potential Yield of 100%.

The amount payable will be calculated for each Field as follows:

$$(\text{Sum Insured per Hectare} \times \text{Net Loss Percentage}) \text{ less } (\text{GCS Deduction} + \text{Licence Fee Deduction} + \text{Defoliation and Harvest Savings}) \times \text{area}$$

6.2.2.1 Example when You have Variable Yield Cover Type specified in Your Schedule of Insurance:

Example – Constructive Total Loss (not replanted) Crop declared a CTL 75 days after planting:	
Area:	50 ha
Provisional Yield:	9 Bale(s)/ha
Value per Bale:	\$400/Bale
Potential Yield:	10 Bale(s)/ha
Maximum or Capped Yield:	11.25 Bale(s)/ha (9 x 125% = 11.25)
Sum Insured per Hectare:	\$4,000 (\$400/Bale x 10 Bale(s)/ha)
Harvested Yield:	0 Bale(s)/ha
Percentage loss of Potential Yield:	100%
Excess:	10%
Net Loss Percentage:	90% (100% less 10% Excess)
Net Yield Loss:	\$3,600 (\$4,000 x 90%)
Nominated GCS:	\$1,200 / ha
GCS scale to apply:	147 days
GCS Deduction*:	\$764.76 / ha (\$1,200 x 63.73%)
Licence Fee Deduction:	\$420 / ha
Defoliation & Harvest Savings:	\$300 / ha
Total Deductions:	\$1,484.76 / ha
Net Yield Loss per Hectare less deductions:	\$2,115.24
Claim payment:	\$105,762 (50 ha x \$2,115.24/ha)

6.2.2.2 Example when You have Fixed Yield Cover Type specified in Your Schedule of Insurance:

Example – Constructive Total Loss (not replanted) Crop(s) declared a CTL 75 days after planting:	
Area:	50 ha
Provisional Yield:	9 Bale(s)/ha
Value per Bale:	\$400/Bale
Excess:	10%
Sum Insured per Hectare:	\$3,600 (\$400/Bale x 9)
Harvested Yield:	0 Bale(s)/ha
Percentage loss of Potential Yield:	100%
Excess:	10%
Net Loss Percentage:	90% (100% less 10% Excess)
Net Yield Loss:	\$3,240 (\$3,600 x 90%)
Nominated GCS:	\$1,200 / ha
GCS scale to apply:	147 days
GCS Deduction*:	\$764.76 / ha (\$1,200 x 63.73%)
Licence Fee Deduction:	\$420 / ha
Defoliation & Harvest Savings:	\$300 / ha
Total Deductions:	\$1,484.76 / ha
Net Yield Loss per Hectare less deductions:	\$1,755.24
Claim payment:	\$87,762 (50 ha x \$1,755.24/ha)

6.3 Replanted Crop(s)

This section applies where the Crop(s) is Damaged by an Insured Event(s), Your Crop(s) are deemed to be a CTL and it has been recommended that You replant the Crop(s). In this circumstance where You replant the Crop(s), We will reimburse You the reasonable cost of replanting the Crop(s) and if the yield of the replanted Crop(s) does not achieve the Potential Yield of the original Crop(s) the difference will be considered a loss of Potential Yield under the Policy. If You do not replant the Crop(s), the most We will pay is 10% of the Sum Insured per Hectare for each hectare You do not replant.

Any claim payment for replanting will not reduce a potential claim for loss of Potential Yield.

We will also pay for any Additional Expenses incurred in growing the replanted Crop(s).

6.4 Leaf and Colour Downgrade

We will pay the sum of the amounts calculated by multiplying the percentage leaf and colour discounts specified in 6.4.1 Leaf and colour discounts benefit table by the weighted average Value for the Property for each Bale that is downgraded, less the applicable Deductible (as defined below). Where Your Property's Bale Production exceeds Your Property's Insured Bale Production, the number of Downgraded Bale(s) will be reduced proportionately for the purpose of calculating a claim.

6.4.1 Leaf and colour discounts benefit table

% of Value to apply for the various Leaf and Colour Downgrade categories:

Colour	Leaf	%/Bale	Colour	Leaf	%/Bale
11	1 – 3	0.00%	33	1 – 2	19.00%
	4	2.66%		3 – 8	28.00%
	5 – 8	12.00%	34	1 – 8	28.00%
21	1 – 3	0.00%	41	1 – 4	12.00%
	4	2.66%		5	13.00%
	5	11.00%		6 – 8	19.00%
	6 – 8	14.00%	42	1 – 4	19.50%
22	1 – 3	4.50%		5	24.00%
	4	12.00%	43	6 – 8	28.00%
	5	17.00%		1 – 8	28.00%
	6 – 8	28.00%	44	1 – 8	28.00%
23	1 – 2	11.00%	51	1 – 5	19.00%
	3 – 4	19.00%		6	23.00%
	5	28.00%		7 – 8	24.00%
	6 – 8	35.00%	52	1 – 8	28.00%
24	1 – 8	28.00%	53	1 – 8	28.00%
31	1 – 3	0.00%	54	1 – 8	28.00%
	4	5.00%	61	1 – 8	24.00%
	5	11.00%	62	1 – 8	28.00%
	6 – 8	19.00%	63	1 – 8	28.00%
32	1 – 3	12.00%	71	1 – 8	28.00%
	4	13.00%	85	1 – 8	28.00%
	5	18.50%	xx	1 – 8	28.00%
	6 – 8	28.00%			

6.4.2 Deductible for Leaf and Colour Downgrade

The Leaf and Colour Downgrade cover has two Deductible options. Your Schedule of Insurance will specify which option applies, i.e. either:

- Deductible applied to Property's Insured Bale Production; or
- Deductible applied to the Downgraded Bale(s).

If You select the Deductible based on Downgraded Bale(s), a minimum Deductible applies calculated as 0.75% of the Property's Insured Bale Production multiplied by the weighted average Value for the Property.

Where the quantity of Lint does not equal a whole number of Bale(s) a proportional adjustment based on the net kilograms ginned applies.

6.5 Seed Cotton

We will pay the amount calculated by multiplying the number of Bale(s) lost or destroyed by the weighted average Value for the Property(ies) plus Clean Up Costs less a Deductible for Seed Cotton of two (2) times the weighted average Value for the Property(ies).

Each separate ignition source or vehicle movement resulting in a loss attracts a separate Deductible.

Claims for Clean Up Costs only are not subject to a Deductible.

6.6 Additional benefits

6.6.1 Additional Expenses

- a) We will pay You for Additional Expenses.

We will not pay more than the amount of the claim reduction generated by the Additional Expenses, unless the Additional Expenses were incurred on the written recommendation of the Loss Adjuster.

- b) Loss of Refuge areas

In respect of costs arising from destruction of Refuge Crop(s).

We will only pay for those extra costs reasonably incurred on the written recommendation of the Loss Adjuster to comply with the licence conditions on genetically modified Crop(s) where a Refuge Crop specified in the Schedule of Insurance is destroyed by an Insured Event.

- c) Valuation of Crop inputs

The value assigned to those Crop inputs in calculating Your Additional Expenses will be:

- Where part of Your Crop(s) has been declared a CTL, the value given to Crop inputs in determining the Growing Cost Savings.
- Where the quantity of Crop inputs required as Additional Expenses exceeds the quantity considered as Growing Cost Savings, or where no part of Your Crop(s) has been declared a CTL, the value given to Crop inputs will be the cost to You for the original acquisition of those inputs.

The most We will pay for all claims under 6.6.1 is \$200 per hectare unless specified otherwise in the Schedule of Insurance.

No further Excess or Deductible is applicable to claims for Additional Expenses. Additional Expenses will not be paid before the Crop's usual harvest date and finalisation of the claim.

6.6.2 Chemical Overspray

The most We will pay for any one (1) hectare under 6.6.2 is an amount equal to 25% of the value arrived at by multiplying the Provisional Yield by the Value per Bale for each affected Field. The most We will pay for any one Property for claims arising as a direct result of Chemical Overspray is \$50,000.

No Excess is applicable to Chemical Overspray.

6.7 Optional benefits

6.7.1 Micronaire Downgrade

Where it is specified in the Schedule of Insurance that the Micronaire Downgrade option applies, We will pay the sum of Micronaire Discounts for each Field calculated as follows:

$$\text{Micronaire Discounts} \times \text{number of Bale(s)} \\ \text{in each Micronaire Code}$$

6.7.1.1 Micronaire Discounts:

Micronaire Discounts per Bale are calculated by multiplying the Micronaire Discounts % (see below) for each grade by the number of Bale(s) downgraded into each grade and by the weighted average Value for the Property for each Bale that is downgraded.

Micronaire Code	Micronaire Discounts %
G7+ (5.3 & above)	13.41%
G6 (5.0 to 5.2)	8.69%
G5 (3.5 to 4.9)	0.00%
G4 (3.3 to 3.4)	7.91%
G3 (3.0 to 3.2)	15.46%
G2 (2.7 to 2.9)	20.84%
G1 (2.5 to 2.6)	26.96%
G0 (2.4 & below)	43.13%

No claim is payable unless the percentage loss of Potential Yield from Hail exceeds the Excess.

6.7.2 Rainfall Downgrade

Where it is specified in the Schedule of Insurance that the Rainfall Downgrade option applies, We will pay the sum of the amounts calculated by multiplying the percentage leaf and colour discounts specified in 6.4.1 Leaf and colour discount benefit table by the weighted average Value for the Property for each Bale that is downgraded.

No claim is payable unless the percentage loss of Potential Yield from Hail exceeds the Excess.

6.7.3 Late Harvest Crop Benefit

Where it is specified in the Schedule of Insurance that the late harvest Crop benefit applies, We will pay an amount equal to 2% of the Sum Insured per Hectare per week for Your Crop(s) where harvest has been delayed by more than fourteen (14) days due to Hail.

We will pro-rata this benefit based on the number of days delayed. The most We will pay for any one (1) hectare is 10% of the Sum Insured per Hectare. This benefit is applied on a per Field basis.

No claim is payable unless the percentage loss of Potential Yield from Hail exceeds the Excess.

6.8 Loss Adjuster

We may appoint a Loss Adjuster to assess Your claim under Your Policy. You must take reasonable steps to co-operate with the Loss Adjuster including any requests to provide reasonably necessary documentation, including current and prior years' records, access to the Property(ies), the provision of Harvested Yields (by Field(s)) for all Crop(s), whether Damaged or not. Failure to co-operate or provide the required information may result in Your claim being reduced or rejected to the extent We are prejudiced by the failure to co-operate or provide the required information to the extent permitted by law.

The Loss Adjuster may make recommendations concerning Your claim under Your Policy, but We reserve the right to make the final decision whether Your claim is covered by Your Policy and, if so, the amount You are entitled to be paid in settlement.

6.9 Share farmer

When the Crop(s) are share farmed, payment will be made to the Insured as specified in the Schedule of Insurance. That Insured's receipt of Our payment will be an effective and valid discharge of Our liability under the Policy.

6.10 Goods and Services Tax

6.10.1 GST Notice

Your Policy has a GST provision in relation to premium payments and Our payment to You for claims. It may have an impact on how You determine the amount of insurance You need. Please read the Policy wording carefully. Seek professional advice if You have any queries about GST and Your insurance.

6.10.2 Total Sum Insured

All monetary limits in this Policy may be adjusted for GST in some circumstances (see below).

6.10.3 Claim settlements – Where We agree to pay

When We calculate the amount We will pay You, We will have regard to the items below:

a) Acquisition of goods, services or repairs

Where You are liable to pay an amount for GST in respect of an acquisition relevant to Your claim (such as services to replant Your Crop(s)) We will pay for the GST amount.

We will pay the GST amount in addition to the Total Sum Insured/limit of liability or other limits specified in the Policy or in the current Schedule of Insurance (unless We state GST is included in the Total Sum Insured/limit of liability).

If the Total Sum Insured or limit of liability is not sufficient to cover Your loss, We will only pay the GST amount that relates to Our settlement of Your claim.

We will reduce the GST amount We pay by the amount of any input tax credits to which You are or would be entitled.

b) Payment as compensation

Where We make a payment under the Policy as compensation instead of payment for a relevant acquisition, We will reduce the amount of the payment by the amount of any input tax credit that You would have been entitled to had the payment been applied to a relevant acquisition.

6.10.4 Disclosure – Input tax credit entitlement

If You register, or are registered, for GST You are required to tell Us Your entitlement to an input tax credit on Your premium. If You fail to disclose or You understate Your entitlement, You may be liable for GST on a claim We may pay. The Policy does not cover You for this GST liability, or for any fine, penalty or charge for which You may be liable.

7. Exclusions

We will not pay for any loss of any type caused by, arising from or in any way connected with:

- a) reduction in Your Potential Yield due to rainfall or Flood;
- b) wind, snow and/or rain or the melting of hailstones, whether or not accompanying a storm that produces Hail;
- c) deliberate or negligent acts carried out by You or with Your permission, except where You have carried out a deliberate act to avoid or reduce Damage that would otherwise happen;
- d) loss of germination ability of seed;
- e) loss of quality or grade of Lint, seed or Crop(s), unless otherwise specified in the Policy;
- f) any consequential loss howsoever caused. This means We don't cover You for anything not expressly described in the cover sections of this Policy. Some examples of what We won't pay for include loss of use of the property and loss of contract;
- g) gradual deterioration, decay, contamination, animals, birds, pests (including uninsured plant species), termites, vermin, insects, larvae or disease howsoever caused (regardless of whether the loss occurs because of an Insured Event covered by this Policy);

- h) the use of chemicals other than as allowed under the additional benefit of Chemical Overspray;
- i) war or warlike activities, including, but not limited to the use of military power, invasion, other hostile acts or a foreign power whether war be declared or not, civil war, insurrection, rebellion, revolution and usurped power;
- j) expropriation, lawful seizure, resumption, confiscation, nationalisation or requisition, but this exclusion does not apply to physical damage that occurs because of the order if it prevents or attempts to prevent a loss that would be covered under the Policy;
- k) the use, existence or escape of nuclear material, or ionising radiation from, or contamination by radioactivity from any nuclear fuel or nuclear waste resulting from the combustion of nuclear fuel, including any self-sustaining process of nuclear fission or fusion;
- l) earthquake, volcanic eruption or subterranean fire;
- m) the actions of persons taking part in riots or civil commotions, or taking part in labour disturbances or persons of malicious intent acting on behalf of or in connection with any political organisation;
- n) any movement in Value or price of the Crop(s);
- o) Lint contamination by any substance or condition (including bark, oil, stickiness or preparation) in the Lint other than leaf;
- p) any Act of Terrorism. Notwithstanding any provision to the contrary contained in the Policy or any endorsement attached to it, the Policy excludes loss, physical damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any Act of Terrorism, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

This also excludes loss, physical damage, liability, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any Act of Terrorism.

8. General Conditions

8.1 Other insurances

You must give notice to Us of any other insurance which covers any or all of the Crop(s) against loss or Damage also covered by any Section or aspect of the Policy.

Where We have detailed another insurance policy in the Schedule of Insurance, this Policy will apply as an excess Policy to that other insurance and We will not pay anything until that other insurance has been exhausted.

8.2 Time of settlement of claims

Claims will be settled as soon as reasonably possible. This may be after the normal time for harvest of the Damaged Crop(s), any inspection of current and prior year's records and after any further analysis that is required has been completed.

8.3 Assignment of interest

If You wish to transfer Your interest in the Crop(s) to another person or entity and advise Us in writing before that event, We will transfer Your interest in the Policy to that person or entity provided that:

- You are not then in breach of any of the provisions of the Policy;
- the person or entity agrees to be bound by all of the provisions of the Policy; and
- the person or entity is, at Our sole and absolute discretion, acceptable to Us as an Insured.

We will not unreasonably withhold Our consent.

8.4 Cancellation by You

You may cancel Your Policy at any time by giving Us written notice at Level 5, Rialto South Tower, 525 Collins Street, Melbourne, VIC 3000, but You will be charged the full premium and Government taxes, duties and other charges other than cancellation allowed under 8.4.1.

8.4.1 Crop failure

In the event it is necessary to terminate the Crop(s) or it has failed due to an uninsured cause, You will be entitled to a proportionate refund of premium and charges based on the unexpired Period of Insurance, provided that no circumstances have arisen entitling You to a claim under the Policy and after allowance for a minimum premium of \$500. We reserve the right to inspect the Crop(s) to confirm failure or termination at a reasonable time and frequency. If We have paid or agreed to pay an amount in respect of Additional Expenses or for replanting Crop(s), the minimum premium will be the lesser of the amount we have paid or agreed to pay or 25% of the total premium and charges at the commencement of the Period of Insurance.

8.5 Cancellation by Us

We may cancel Your Policy in accordance with the Insurance Contracts Act 1984 (Cth). Upon cancellation by Us, We will inform You in writing and a proportionate refund of premium (less any amounts in relation to Government taxes, duties and other charges We are unable to recover) will be paid based on the unexpired Period of Insurance. You will not receive a refund of premium if You have already made a claim or if circumstances have arisen entitling You to make a claim. If You receive a refund and You later make a claim, the claim will be reduced by any such refunded premium.

8.6 Good management

Your Policy is issued to You on the understanding that You will take all reasonable steps necessary to employ best farming practices, including, but not limited to:

- a) planting within recognised planting windows, abiding by GM licence requirements, fertilising, Crop(s) protection (including but not limited to controlling weeds, the application of water for the growing and preservation of the Crop(s);
- b) using reasonable methods or techniques for protection, harvesting, storage and transit of the Crop(s);

both before and after any loss.

If We or the Loss Adjuster determines that Our interests have been prejudiced, the Crop's Potential Yield has been reduced or a claim amount has been increased as a result of poor management, then We may reduce Your claim or avoid any claim in full, to the extent permitted by law.

8.7 False claims

If a claim is in any respect fraudulent or if any fraudulent means or devices are used by You or anyone acting on Your behalf to obtain any benefit under the Policy or if any destruction or Damage is occasioned by Your wilful act or with Your connivance, We may refuse to pay the claim.

8.8 Subrogation

Subject to the Insurance Contracts Act 1984 (Cth), We have the right to recover any money paid by Us from any other person against whom You may be able to claim and We shall have full discretion in the conduct, defence or settlement of any claim in Your name. You must not hinder these rights and must take reasonable steps to give full information and cooperation that We may reasonably require. We will act reasonably having regard to Your interests, and will keep You informed if You ask Us to.

8.9 Preventing Our right of recovery

Where another person is liable to compensate You for any loss, destruction or Damage which is covered by the Policy but You have agreed not to seek recovery of any monies from that person, to the extent permitted by law, We will not cover You under this Policy for that loss, destruction or Damage to the extent that Your loss would have been recoverable from that person but for the agreement.

8.10 Third party interests

Before You enter into Your Policy, You must inform Us of the interests of all third parties (e.g. financiers, lessors etc.) who have an interest in the Crop(s) to be covered by the Policy. We will cover their interests only if You have informed Us of them and We have noted them in the Schedule of Insurance. We will only be liable to such third parties:

- to the extent of their interest in the insured property; and
- where Our Notional Liability exceeds the amount of Our liability to You in respect of the loss.

Notional Liability means the amount for which We would have been liable to You in respect of the particular claim if You had been the only person who had an interest in the insured property. We will never pay to such persons an amount exceeding the loss suffered by them.

8.11 Inspection of records and risk audit

If requested by Us or Our appointed representative You must give Us all reasonable assistance including access to current and prior years' records (including those held by third parties) so We may verify Your Crop(s) yield or to assist in calculating a claim that has been made under this insurance. We may use satellite imagery and any other technology or services to assist Us in the verification process of Your Crop(s) Potential Yield or Harvested Yield.

We reserve the right to undertake, at a reasonable time and frequency, an independent risk audit of the areas of the Property(ies) and Field(s) and the Provisional Yield and Harvested Yield in respect of all Crop(s) for which the Policy applies or should have applied within six (6) months of the expiry of the Period of Insurance.

Any variations to the risk that materially affects the amount of premium payable or the value of a claim will be adjusted accordingly.

8.12 Inspection of Crop(s)

We may need to physically inspect Your Crop(s). We will provide You with no less than seven (7) days' notice of Our intention to inspect the Crop(s). You must give Us or Our appointed representative all reasonable access and assistance at a reasonable time and frequency.

8.13 Changes to the Value per Bale

We will not accept any decrease to the Value per Bale. We may accept an increase to the Value per Bale which You submit in writing and We consider being reasonable. If We choose to accept an increase to the Value per Bale, cover is extended provided that You agree to a higher premium rate and pay an additional premium.

We will not accept any increase to the Value per Bale after any event which may lead to a claim.

8.14 Increases in the Provisional Yield

We may accept an increase to the Provisional Yield. If We choose to accept an increase in the Provisional Yield, cover is extended provided that You agree to a higher premium rate and pay an additional premium.

We will not accept any increase to the Provisional Yield after an event which may lead to a claim.

8.15 Crop Declarations

We will provide You with a Declaration Form. You must complete this Declaration Form and send it, together with a copy of Your ginning results, to Us or Your insurance broker as soon as the Harvested Yield of Your Crop(s) is known. This must be within twenty one (21) days of the completion of ginning of Your Crop(s) on each Property or by the declaration date specified in the Schedule of Insurance, whichever is the earlier.

If You do not provide Us with a Declaration Form by the declaration date specified in the Schedule of Insurance, for the purpose of determining Your premium, We will assume Harvested Yield to be as follows:

- If the Schedule of Insurance specifies that Your Policy is based on Variable Yield Cover Type, no less than 125% of Your Provisional Yield or 200% if You have selected Dryland Cotton optional benefit, and calculate Your premium based on that determination.
- If the Schedule of Insurance specifies that Your Policy is based on Fixed Yield Cover Type, 100% of Your Provisional Yield.
If You believe Your Harvested Yield (or Potential Yield if You have had a claim) will be less than 75% of the Provisional Yield, We may revise the Field Sum Insured accordingly. If the Field Sum Insured is revised, a commensurate premium adjustment will be made.

We will adjust the premium payable for that period based on the amount of premium We would have charged had You provided that information at the commencement of that period. Subject to any minimum premium applicable, the difference must be paid by You or will be refunded by Us.

No further adjustment will be made upon subsequent receipt of the Declaration Form or the ginning results.

8.16 You must insure Your whole Crop(s)

You must insure Your whole Crop(s) unless You have declared a Field(s) as not to be covered in Your Application and We have agreed in writing that specific Field(s) are not to be covered then:

- Prior to and including the Audit Date:
If the total area of Crop(s) of the type covered by the Policy and grown on the Property is found to be greater than the area of Crop(s) specified in the Schedule of Insurance by more than 25% for irrigated cotton and 50% for Dryland Cotton or semi irrigated cotton, You shall be considered as being Your own insurer for the difference and shall bear a rateable proportion of the claim accordingly.
- After the Audit Date:
If the total area of Crop(s) of the type covered by the Policy and grown on the Property is found to be greater than the area of Crop(s) specified in the Schedule of Insurance by more than 5% per Field, You shall be considered as being Your own insurer for the difference and shall bear a rateable proportion of the claim accordingly.

In the event that the area of a Field has been incorrectly recorded or a Field has been omitted and We have agreed to adjust the insured area, a commensurate premium adjustment will be proposed. We may cancel Your Policy if there is a change and We can't reach an agreement with You on altered terms and conditions or premium; or We are no longer prepared to insure You because there has been a material change to the risk.

8.17 Governing law and jurisdiction

Your Policy is governed by the laws of Australia. Any dispute relating to the Policy shall be submitted to the exclusive jurisdiction of an Australian Court within the State or Territory in which Your Policy was issued.

8.18 Forty eight (48) hour acceptance condition

The cover under Your Policy is subject to a forty eight (48) hour acceptance condition. This means that for any change to the Field Sum Insured, the change will not commence until forty eight (48) hours after 4pm Local Time on the day We agree to accept Your request for the change.

8.19 Premium calculation and payment

When Fixed Yield is specified as the Cover Type in Your Schedule of Insurance, Your premium will be calculated at the Policy expiry date by applying the premium rate applicable to the Field Sum Insured.

If You have a claim on Your Policy, and it has not been possible to finalise the claim by the Policy expiry date, We will charge You the premium calculated from the Provisional Yield with the final premium to be determined once the claim has been finalised.

When Variable Yield is specified as the Cover Type in Your Schedule of Insurance, subject to 8.15 above, once We have received Your Declaration Form, We will calculate Your premium by applying the premium rate applicable to the Field Sum Insured.

If You have a claim on Your Policy, and it has not been possible to finalise the claim ninety (90) days after the declaration date, We will charge You the premium calculated from the Provisional Yield with the final premium to be determined once the claim has been finalised.

We include an amount in the premium that covers Our actual or estimated obligations in relation to relevant Government taxes, duties and other charges relating to the Policy. For estimated amounts, We may over or under recover in any particular year but We will not adjust Your premium because of this. You can ask Us for more details if You wish.

Claims under the Policy will not be paid or finalised until You have paid all outstanding premiums.

8.20 Licence Fee

The Licence Fee is taken into consideration in determining Your premium rate. In the event of a claim where there is a Licence Fee specified in Your Schedule of Insurance, You must give Our appointed representative access to Your Licence Fee agreement. If it is determined that You have not selected the Late Crop Removal Option, We will re-calculate Your premium rate as if no Licence Fee had been nominated at the onset of the Policy. We will recalculate Your premium rate on all Field(s) on the Policy where the Late Crop Removal Option does not apply, regardless of whether there is a claim on those Field(s) or not.

8.21 Field splitting

For the purpose of application of the Excess, Field(s) over one hundred (100) hectares will be split. Where a large Field is split the following conditions apply:

- Field(s) over one hundred (100) ha may be split into "sub-Field(s)" of no less than fifty (50) ha;
- the resultant sub-Field(s) must be of equal size;
- the splits must run parallel to the Planting Configuration and in between planted rows or beds;
- in the event of a loss, You must reasonably provide the Loss Adjuster with a GIS based Field map confirming the total size of the Field and Your estimation of the location of the splits; and
- the Loss Adjuster, acting reasonably, will be the final arbitrator of the location of the splits.

8.22 Assignment of inputs from CTL Crop(s)

Where part of Your Crop(s) has been declared a CTL, some Crop inputs (e.g. water) which were to be used on the Crop that has been declared a CTL will be deemed to be available for use on any remaining partially Damaged Crop(s) and must not be otherwise assigned or disposed of without the written consent of the Loss Adjuster (acting reasonably).

8.23 Economic Sanctions

Notwithstanding anything contained in this Policy to the contrary, We shall not be liable to provide any cover or benefit or pay any claim where the provision of cover or benefit or payment of claim would constitute a breach of any trade or economic sanction, embargo, prohibition or restriction imposed by any of the following: United Nations, United States of America, Australia, European Union, United Kingdom, or New Zealand, or any other applicable national trade or economic sanctions, laws or regulations. This clause shall apply where such geographical location, provision of goods, services or other reasons shall contravene such sanction, embargo, prohibition or restriction.

9. Making a Claim

9.1 Notifying a claim

On the occurrence of any loss or Damage covered by this Policy, You must give notice to Us as soon as reasonably possible stating the time when the loss or Damage occurred, the cause, a description of the Crop(s) which is the subject of the claim, a detailed farm map showing the exact location of all the Damaged Field(s), an estimate of the nature and extent of the Damage and details of any other insurance under which You are entitled to claim for the same loss or Damage. We may reduce or refuse Your claim to the extent We are prejudiced by any delay in notifying Us.

In order to be sure that You are covered under this Policy You should always contact Us for approval before You incur costs You wish to claim. If You do not, We will pay for costs incurred up to the amount We would have authorised had You asked Us first.

When notifying a claim You should contact Primacy Underwriting Management Pty Limited as follows:

Telephone: (03) 8624 8400, or
Email: claims@pum.com.au
Website: www.pum.com.au

9.2 Required assistance

You must give Us all reasonable assistance that We may require to assess the nature and extent of the loss or Damage and all such reasonable proof and information that We or Our appointed representative may require to prove the nature and extent of the loss, verified under oath, if necessary.

In the event of any loss or Damage to the Crop(s), We may:

- inspect at a reasonable time and frequency and take possession of any property that is subject of the claim for reasonable purposes and in any reasonable manner;
- keep possession of the property that is subject of the claim for any reasonable purpose and in any reasonable manner; or
- acting reasonably sell the property that is subject of the claim or dispose of it as We see fit but You are not entitled to abandon such property to Us.

9.3 Harvest requirements

If the Crop(s) has been affected by an Insured Event and the Crop(s) is ready for harvest or is being harvested You may harvest or continue to harvest provided:

- You inform Us that the Crop(s) is ready for harvest;
- You leave five (5) inspection strips each approximately five (5) metres long by one harvester width wide, one in each corner of each affected Field one harvester/picker width in from the corner of the Field. These inspection strips should be representative of the area and should not include areas of poor growth, trees or areas with poor drainage;
- where the total of the affected area exceeds one hundred (100) hectares, a further four (4) representative samples are to be left for each additional fifty (50) hectares.

9.4 Important measures

You must take all reasonable steps to reduce the loss and prevent further loss. You must report to the police if You suspect Damage or destruction to Your Crop(s) has been caused by Arson or malicious damage.

10. NGCS DAY SCALES

The tables below specify the % of the per hectare Nominated Growing Cost Savings that will be deducted from a claim based on:

- the number of days after planting that the Crop(s) are declared a Constructive Total Loss (CTL); and
- the growing cost deduction scale specified in Your Schedule of Insurance.

10.1 NGCS Table

Days	Growing Scale		Days	Growing Scale		Days	Growing Scale		Days	Growing Scale	
	A) 110	B) 147		A) 110	B) 147		A) 110	B) 147		A) 110	B) 147
0	100%	100%	37	83.68%	84.04%	74	46.80%	64.62%	111	0.00%	31.68%
1	100%	100%	38	82.72%	83.53%	75	45.50%	63.73%	112	0.00%	30.79%
2	100%	100%	39	81.76%	83.01%	76	44.20%	62.84%	113	0.00%	29.90%
3	100%	100%	40	80.80%	82.50%	77	42.90%	61.95%	114	0.00%	29.01%
4	100%	100%	41	79.84%	81.99%	78	41.60%	61.06%	115	0.00%	28.12%
5	100%	100%	42	78.88%	81.47%	79	40.30%	60.17%	116	0.00%	27.23%
6	100%	100%	43	77.92%	80.96%	80	39.00%	59.28%	117	0.00%	26.34%
7	100%	99.49%	44	76.96%	80.44%	81	37.70%	58.39%	118	0.00%	25.45%
8	100%	98.97%	45	76.00%	79.93%	82	36.40%	57.50%	119	0.00%	24.56%
9	100%	98.46%	46	75.04%	79.41%	83	35.10%	56.61%	120	0.00%	23.67%
10	100%	97.94%	47	74.08%	78.90%	84	33.80%	55.72%	121	0.00%	22.77%
11	100%	97.43%	48	73.12%	78.38%	85	32.50%	54.83%	122	0.00%	21.88%
12	100%	96.91%	49	72.16%	77.87%	86	31.20%	53.94%	123	0.00%	20.99%
13	100%	96.40%	50	71.20%	77.35%	87	29.90%	53.05%	124	0.00%	20.10%
14	100%	95.88%	51	70.24%	76.84%	88	28.60%	52.16%	125	0.00%	19.21%
15	100%	95.37%	52	69.28%	76.32%	89	27.30%	51.27%	126	0.00%	18.32%
16	100%	94.85%	53	68.32%	75.81%	90	26.00%	50.38%	127	0.00%	17.43%
17	100%	94.34%	54	67.36%	75.29%	91	24.70%	49.49%	128	0.00%	16.54%
18	100%	93.82%	55	66.40%	74.78%	92	23.40%	48.60%	129	0.00%	15.65%
19	100%	93.31%	56	65.44%	74.26%	93	22.10%	47.71%	130	0.00%	14.76%
20	100%	92.79%	57	64.48%	73.75%	94	20.80%	46.82%	131	0.00%	13.87%
21	99.04%	92.28%	58	63.52%	73.24%	95	19.50%	45.93%	132	0.00%	12.98%
22	98.08%	91.76%	59	62.56%	72.72%	96	18.20%	45.04%	133	0.00%	12.09%
23	97.12%	91.25%	60	61.60%	72.21%	97	16.90%	44.14%	134	0.00%	11.20%
24	96.16%	90.74%	61	60.64%	71.69%	98	15.60%	43.25%	135	0.00%	10.31%
25	95.20%	90.22%	62	59.68%	71.18%	99	14.30%	42.36%	136	0.00%	9.42%
26	94.24%	89.71%	63	58.72%	70.66%	100	13.00%	41.47%	137	0.00%	8.53%
27	93.28%	89.19%	64	57.76%	70.15%	101	11.70%	40.58%	138	0.00%	7.64%
28	92.32%	88.68%	65	56.80%	69.63%	102	10.40%	39.69%	139	0.00%	6.75%
29	91.36%	88.16%	66	55.84%	69.12%	103	9.10%	38.80%	140	0.00%	5.86%
30	90.40%	87.65%	67	54.88%	68.60%	104	7.80%	37.91%	141	0.00%	4.97%
31	89.44%	87.13%	68	53.92%	68.09%	105	6.50%	37.02%	142	0.00%	4.08%
32	88.48%	86.62%	69	52.96%	67.57%	106	5.20%	36.13%	143	0.00%	3.19%
33	87.52%	86.10%	70	52.00%	67.06%	107	3.90%	35.24%	144	0.00%	2.30%
34	86.56%	85.59%	71	50.70%	66.54%	108	2.60%	34.35%	145	0.00%	1.41%
35	85.60%	85.07%	72	49.40%	66.03%	109	1.30%	33.46%	146	0.00%	0.51%
36	84.64%	84.56%	73	48.10%	65.51%	110	0.00%	32.57%	147	0.00%	0.00%

If You are not able to provide acceptable confirmation of the date the Crop(s) were planted the applicable date will be the date that the Loss Adjuster (acting reasonably) estimates the Crop(s) was planted on.

The above percentage values only apply where the Crop(s) are declared a Constructive Total Loss (CTL). Where the claim involves a partial loss there is no deduction for NGCS or AGCS.

Primacy Underwriting Management Pty Limited
ABN 87 070 058 212 AFS Licence 237271
as agent for the insurer
Allianz Australia Insurance Limited
ABN 15 000 122 850 AFS Licence 234708
Level 5, Rialto South Tower, 525 Collins Street, Melbourne, VIC 3000
Phone: (03) 8624 8400 **Email:** cotton@pum.com.au
www.pum.com.au

The information contained in this Policy wording is current as at 1 September 2023.

A23COTPW-V1.0