



The 2019 Zespri Group Limited Pool Hail Insurance Policy pays for the loss of individual Class 1 kiwifruit which is damaged by having been directly struck by hail, on the vine, and is unable to then meet export standards as a result of that damage.

### THE INSURER

Allianz Australia Insurance Limited

### THE COMPANY

Zespri Group Limited

### POLICY PERIOD

1 August 2018 to 31 July 2019

### COVER

The policy provides cover for kiwifruit damaged as a direct result of hail strike for the current season. The policy pays for the loss of individual Zespri Class 1 kiwifruit which is damaged by having been directly struck by hail, on the vine, and is unable to then meet Zespri export standards because of that damage. It does not cover consequential damage such as water stain or softening.

### LIMIT VALUE

The total cover for the Zespri Green variety (including Organic and excluding Green 14) is \$6 million. The total cover for the Zespri SunGold variety (including Organic) is \$6 million. The cover consists of \$3 million pool-funded and \$3 million commercially-purchased insurance cover for each variety.

The total cover for the Green 14 variety is \$270 thousand. This cover consists of \$20 thousand pool-funded and \$250 thousand commercially-purchased insurance cover.

The commercial cover for each variety is activated only if the pool-funded cover is exceeded in the 2019 harvest season.

### DEDUCTIBLE

The base deductible is 10% of the potential yield of each variety for any first claim. Deductibles will further increase in increments of 5% for claims in consecutive seasons.

### REBATE

Orchards that have blocks with solid cover or hail netting erected before 1 November 2018 will receive a rebate. The rebate will be based on 80% total cost of the hail scheme for the season for the covered blocks production.

### IMPORTANT NOTE

The Pool Hail Insurance Cover provides partial compensation for yield loss due to hail strike. This policy does not provide full indemnity from hail losses and those growers who seek full indemnity or additional cover should consider purchasing additional private hail insurance or discuss with their grower entities hail insurance schemes available for entities through commercial insurers.

### IF A HAIL EVENT AFFECTS YOUR ORCHARD

Within 72 hours of a hail event you should notify the Zespri Grower Contact Centre on 0800 155 355 and provide the following:

- Your name and KPIN.
- Physical location of your orchard.
- The date and time the event occurred.
- Are you the owner or lessee of the orchard?
- Estimate of percentage of fruit damaged.
- Any additional information that may be helpful to the loss assessor e.g. hail stone size, leaf cover damage.

Then:

- Zespri will log a hail event under your KPIN.
- Zespri will send the above details to an external loss assessor.
- The external loss assessor will contact you to arrange a suitable time to come and carry out a preliminary estimate of hail damage on your orchard.

### BEWARE

If you proceed with harvest before assessment you will only be compensated for hail damage found during grading and packing within policy timeframes. If you choose to select pick you must have an on-orchard assessment before harvest for unharvested fruit to be included in the claim.

**It is important you do not do anything to mitigate the damage before discussion with the loss assessor as the assessor may need to sight the damage as part of his assessment.**

### CONSTRUCTIVE TOTAL LOSS (CTL)

The level of assessed damage due to hail strike under the terms of the policy at which the crop is considered a write-off. An external loss assessor will be appointed and will declare (or not) a CTL, according to the following CTL limits:

#### Green variety (including Organic and excluding Green 14)

- Hail events on or before 31 December 2018 - 70% damage.
- Hail events on or after 01 January 2019 but before 01 March 2019 - 60% damage.
- Hail events on or after 01 March 2019 - 40% damage.

#### SunGold variety (including Organic) and Green 14

- Hail events on or before 31 December 2018 - 70% damage.
- Hail events on or after 01 January 2019 but before 13 February 2019 - 60% damage.
- Hail events on or after 14 February 2019 - 40% damage.

A CTL can only be declared where these limits are breached. For an orchard that has been partially harvested at the time of the hail event, the CTL limit will be applicable to the yield that remains unharvested immediately before the hail event.

### COVERED CANOPY HECTARE REBATE

Orchards that have blocks with solid cover or hail netting will be eligible for a rebate. The rebate will be based on 80% of the total cost of the hail scheme for the season for the covered blocks production. To be eligible for this rebate, growers with covered canopies must:

- Have covered canopy erect by 01 November 2018.
- Have a minimum of 0.20 hectares covered or an entire variety on orchard covered.
- Have volume submitted into Zespri inventory that is from the area covered with hail netting or solid cover.
- Have indicated on their Spray Diary for the season, before 28 February 2019, blocks that have hail netting or solid cover.

Zespri must confirm and agree the covered area production and will verify or audit this during the season.

### POLICY RENEWAL

The Pool Hail Insurance Policy will be renewed on 1 August, 2019. Any changes will be communicated accordingly.

### DISCLAIMER

*NZKGI does not make any representation as to the accuracy of information and disclaims any liability in respect of loss or damage arising from its use.*

