



The Supply Agreement Pricing and Payments Manual for kiwifruit and services sets out the rules to determine the categories of revenue and costs that are charged to the New Zealand supply pools as part of the calculation of Total Fruit and Service Payments (TFSP).

The Zespri Pool Manual incorporates the rules from the Pricing and Payments Manual and further sets out how pool revenue and costs are allocated by class, variety and growing method to individual pools. The Pool Manual also sets out the payment policy for the payment of fruit and service payments. The scope of the Pool Manual does not extend to non-New Zealand sourced fruit.

Clause A2.6 (b) - (h) of the Pricing and Payments Manual sets out the insurance costs included in TFSP. The general allocation principles are that insurance costs directly attributable to a pool will be allocated to that pool. Non-pool specific insurance costs (e.g. insurance premium expense) will be apportioned to the pools based upon the TFSP value for each Pool.

The following table summarises the Insurance Policies currently in place and the apportionment of costs that are charged to the Grower Pools.

Insurer	Policy	Pool Allocation		Insurance Covers:
		Grower	Zespri	
Vero Marine	Marine Cargo	95%	5%	Kiwifruit leaving the orchard gate (after harvest) to Zespri overseas cool stores or to the purchaser or its agents' premises, depending at which point the purchaser takes ownership. Coverage ceases when Zespri ceases to have an insurable interest in the fruit. Policy also applies to losses arising from earthquake, volcanic eruption, tsunami, hydrothermal activity and/or resulting fire.
Vero marine	Marine Cargo G14	95%	5%	As per the above but for G14 only.
P&I (Protection & Indemnity)	Charterers Liability	100%	-	<ul style="list-style-type: none"> Liability for loss of/damage to the Chartered vessel (i.e. Damage to Hull). Liability for loss of/damage to the Cargo being carried. <p>Other general liability risks associated with the operation of the ship and carriage of cargo.</p>
AIG	Contaminated Products	75%	25%	Responds to claims for loss suffered by Zespri and Grower Pool resulting from the Contamination of Zespri's own product (i.e. kiwifruit) that is harmful to human health.
Zurich	General Liability	50%	50%	Protects Zespri and Grower Pool for claims that arise from property damage, personal injury, punitive and exemplary damages. Combines the following cover: <ul style="list-style-type: none"> Product: any damage or loss suffered by someone using or consuming Zespri's product (i.e. kiwifruit). <p>Public: any loss or injury suffered by someone as a result of a Zespri business activity e.g. trade show.</p>



NZKGI Health & Safety Software Options Comparison Table

Euler Hermes	Credit Risk Management	75%	25%	Protects Zespri and Grower Pool from non-payment of commercial debt, thus allowing the business to reliably manage the commercial and political risks of trade, resulting in safer and more strategic accounts receivable management. Helps Zespri and Zespri Pool avoid catastrophic losses and grow profitability.
Allianz	Hail	100%	-	Kiwifruit damaged as a direct result of Hail Strike. 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 as a result of that damage. It does not cover consequential damage such as water stain or softening. NZKG have produced a Pool Hail Insurance Cover factsheet which can be located here .
AON	Cyber	-	100%	Zespri, like most businesses relies heavily on information systems, computer platforms and networks to operate. The Zespri business is global and a security breach could result in a loss of information for Zespri and its customers, loss of critical services, and ultimately have a huge reputational risk and result in significant financial loss. The risk of a Cyber Breach is ever-constant, and the risk needs to be managed. The policy is extended to include grower's interest through a 'Kiwifruit Crop Growers Endorsement'. This extension allows the policy to respond to the Growers Business Income Loss and Dependent Business Income Loss (income loss and extra expense) due to an interruption to a Zespri computer system.
AON	Crime	-	100%	Crime and Cyber go hand in hand. The crime policy covers internal crime fraud (employee) as well as external crime.