Growers have the option to insure against either hail only, frost only or hail and frost for the growing fruit. Cover for vines is also available on request.

**Early Acceptance** is recommended, as premiums are not affected by the Date of Acceptance. The premium remains the same for the whole season regardless of when cover is taken so there is no financial advantage in taking cover later in the season.

Cover can be obtained from the 1st August 2016 for Hail Only Top-Up Insurance or the 1st September for Comprehensive Cover.

Premiums are reflective of the orchard location, past loss history, variety of fruit (green or gold) and any frost protection systems in place.

Significant discounts for sprinkler protection and wind fans will apply. There is no discount for the use of heat dragons or smoke pots. Past claims history (for the last 5 years) will also influence premiums.

### Option 1: Full Comprehensive Cover

**The Sum Insured** will be the total productive hectares within an orchard multiplied by your nominated sum insured. This figure can be within the below value bands. Available for Hail and Frost with the optional addition of Increased Production Costs and CTL.

- **Green Fruit** – $5,000 to $60,000 per canopy hectare.
- **Gold Fruit** – $5,000 to $80,000 per canopy hectare.

For example: an orchard with 4 hectares of Green canopy and 3 hectares of Gold, the sum insured could be:

- 4 hectares x $25,000 = $100,000
- 3 hectares x $35,000 = $105,000
- **Total Sum Insured** = **$205,000**

Regardless of when the cover is taken, cover will cease when the crop is picked or at 4:00pm on 15 June 2017, whichever is earliest.

**Excess Amounts — Comprehensive Cover Only**

- **Hail Excess** – 10% of the orchard sum insured for hail damage subject to a minimum of $2,500 and maximum of $25,000 per orchard.
- **Frost Excess** – 20% of the orchard sum insured for frost damage subject to a minimum of $5,000 and maximum of $50,000 per orchard.

### Option 2: Hail Only Top-Up Insurance

This cover is hail only and is based on the number of trays insured and the value per tray. This cover works alongside the Zespri Pool Hail Insurance cover. Claims are based on the assessed damage under the Zespri Pool Hail Insurance cover and the same assessor is used to assess the claim. Cover is for trays of class 1 export grade kiwifruit. You must insure your whole crop.

- **Expiry Date** — 30 June 2017
- A Nil excess applies.

Claims are calculated on:

- **Net Tray Loss x Sum Insured per Tray.**

Optional extensions CTL and IPC not available with this cover.

**Hail Waiting Period — (Comprehensive and Top Up)**

In the case of Hail Strike, cover takes effect at 48 hours (2 days) after 4:00pm on the day we receive your unconditional acceptance of our quotation.

The reason for this is that insurers do not wish the policy to become elective only because adverse weather patterns are predicted, but encourage growers to take cover for the whole season.

**Frost Waiting Periods — (Comprehensive Cover Only)**

The policy covers both spring and autumn frost risk with no distinction between either.

Frost cover takes effect 168 hours (7 days) after 4.00pm on the day we receive your unconditional acceptance of our quotation.

**Aggregate Loss Limits**

The policy total frost claim payment limit of $10,000,000 for the season. This means the total that can be paid for all accumulated frost claims across the country cannot exceed $10,000,000 for the season. Should the total of all **frost** claims exceed $10,000,000 all claims will be scaled proportionately to equal the limit.

The orchard location will have particular relevance in regard to frost risk and this will be reflected in the premium quoted.

There is no annual claim payment limit applicable to hail related claims.
Optional Extensions for Comprehensive Cover

Increased Production Costs (IPC)
Compensation for the increased costs growers may incur when fruit is damaged by an insured event, such as thinning prior to harvest, dropping fruit during harvest and penalties imposed by packhouses for grading out hail or frost damaged fruit. A set percentage of your nominated IPC sum insured will be paid to you depending upon the amount of damage assessed in the insured orchard as set out on the following page:

The sum insured for IPC can be up to 50% of your fruit sum insured. The IPC premium rate is only 2% of the IPC sum insured.

<table>
<thead>
<tr>
<th>Assessed Average % Loss of Yield across the Insured Orchard</th>
<th>% of Sum Insured for Increased Production Costs that we will Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 20%</td>
<td>0</td>
</tr>
<tr>
<td>More than 20 and no more than 40</td>
<td>30%</td>
</tr>
<tr>
<td>More than 40 and no more than 60</td>
<td>50%</td>
</tr>
<tr>
<td>More than 60 and no more than 80</td>
<td>70%</td>
</tr>
<tr>
<td>More than 80 and no more than 100</td>
<td>100%</td>
</tr>
</tbody>
</table>

Constructive Total Loss (CTL)
Constructive Total Loss (CTL) at a loss level of 65% is an optional extension. If you elect to take the CTL extension, the assessed % of Loss is equal to or greater than your selected CTL; your claim will be treated as a 100% loss. The default CTL on the policy is 80%.

The policy does not differentiate between Grade 1 or 2 fruit, with losses being assessed as a percentage of the orchard damaged applied to sum insured. There is no variation between regions.

Claim Calculation for Comprehensive Cover
To Calculate Compensation for loss of yield of kiwifruit, assessors perform the following calculation:

For each block in which you have suffered a loss of yield of kiwifruit they take the assessed percentage loss of yield for that block and apply the percentage to the agreed value (dollars per hectare), multiplying the resulting number of dollars per hectare by the insured area of the block, they add up the amounts of the gross loss for each block and deduct the excess. If the resulting amount is zero or less you are not entitled to recover any compensation. More than zero that is the compensation you are entitled to in respect of loss of yield of kiwifruit.

Claim Example

<table>
<thead>
<tr>
<th>Sum insured</th>
<th>$100,000</th>
</tr>
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<tbody>
<tr>
<td>Excess Frost</td>
<td>$20,000</td>
</tr>
<tr>
<td>Excess Hail</td>
<td>$10,000</td>
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<td>35%</td>
</tr>
<tr>
<td>Loss occurs Frost 20/10</td>
<td>30%</td>
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<tr>
<td>Total loss</td>
<td>65%</td>
</tr>
<tr>
<td>Claim is Frost 65% of $100,000</td>
<td>$65,000</td>
</tr>
<tr>
<td>Claim Payment</td>
<td>$45,000</td>
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Insured Orchard
Insured Orchard means an area of Kiwifruit covered by a continuous area of canopy as detailed in your Insurance Certificate. If there are multiple areas of separate canopy on one property, each section of canopy will be treated as a separate Orchard. The canopy(s) may be covered by one or more four digits Kiwifruit Property Identification Number (KPIN).

A map showing non-productive areas or areas of new plantings not yet in production should be submitted with the application to determine areas to be insured. If an orchard is in its first year of production, even though it is not fully productive, it should be included. These areas can be covered under the minimum sum insured.

Quotes
All quotations are generated by Aon Staff specialists, who will provide quotes via email or post. Cover will only be placed once the signed declaration is received by Aon. A certificate of insurance will be issued once cover has been accepted by Primacy.

Premium Funding is available through Hunter Premium Funding. If you would like to obtain a quote for premium funding, please indicate this on your quotation acceptance. Payments will be by monthly direct debit instalments over the period of the policy.

Kiwifruit Insurance Specialists

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Comprehensive Hail and Frost Insurance 2016

Kiwifruit Industry Expertise

Kiwifruit is now one of the most valuable crops per hectare in the world. Aon can help protect your income against ever-changing weather patterns. We will ensure you are able to keep on growing for future seasons.

Aon has a longstanding relationship with the Kiwifruit industry and pioneered the development of cost-effective insurance specifically for Kiwifruit growers.

More than $6 million of losses in the 2009 hail storm has shown us the importance of crop insurance protection.

Coverage benefits

Aon is the leading provider of insurance to the kiwifruit industry. Benefits of our tailored Hail & Frost insurance solution include:

- Significant discounts for growers with frost fans overhead sprinklers.
- Cover for Class 1 and 2 fruit.
- Policy pays in addition to the Zespri hail insurance pool and any cover purchased by your supplier.
- Two coverage options:
  - **Green** $5,000-$60,000 per canopy hectare.
  - **Gold** $5,000-$80,000 per canopy hectare.
  - Higher values available on request.
- Increased Cost of Production and Constructive Total Loss coverage extensions available.
- Premiums can be funded monthly.
- Early acceptance is recommended, as the premium remains the same across the entire season, regardless of when cover is bound.
- Additional insurances available including Fruiting Tree & Vine cover with Netting and Trellis cover.

Contact – Freephone 0800 800 398

Our specialist team will work you to tailor the best policy to suit your individual needs.

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Hail Only Top-Up Cover 2016

Kiwifruit Industry Expertise

Kiwifruit is now one of the most valuable crops per hectare in the world. Aon can help protect your income against ever-changing weather patterns. We will ensure you are able to keep on growing for future seasons.

Aon has a longstanding relationship with the Kiwifruit industry in NZ. We offer a cost-effective option of increasing the cover already provided by the Zespri grower hail insurance pool.

More than $6 million of losses in the 2009 hail storm has shown us the importance of crop insurance protection

Coverage Benefits

Aon is the leading provider of insurance to the Kiwifruit industry. Benefits of our kiwifruit industry Top Up insurance cover include:

- Policy pays in addition to the Zespri hail pool.
- No excess applies as cover is based on net tray loss.
- Cover is based on the number and nominated value per tray of class 1 export grade kiwifruit.
- Easy to complete application form.
- An efficient claims process – a claim paid by Zespri means a Top Up claim paid.
- Premiums can be funded monthly.
- Early acceptance is recommended, as the premium remains the same across the entire season, regardless of when cover is bound.
- Additional insurances available including Fruiting Tree & Vine cover with Netting and Trellis cover.

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Our specialist team will work you to tailor the best policy to suit your individual needs.

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