



# Standing Timber Insurance Policy



**INSURANCE**  
FACILITATORS

Issued by Insurance Facilitators (NZ) Limited, NZBN 9429031224727 on behalf of and as underwriting agent for the Insurer HDI Global Specialty SE – New Zealand, FSP 774050

IF – Standing Timber PWNZ010523

# NOTICE TO INTENDING INSURED

## Who is the Insurer?

The **Insurer** of the **Policy** is HDI Global Specialty SE – New Zealand. HDI Global Specialty SE – New Zealand and is authorised to carry on insurance business in New Zealand in accordance with the Insurance (Prudential Supervision) Act 2010 and is registered as a financial service provider on the Financial Service Providers Register (FSP 774050).

HDI Global Specialty SE is registered in Germany, with its registered office at Podbielskistraße 396, 30659, Germany with registration number HRB211924 and authorised by Bundesanstalt für Finanzdienstleistungsaufsicht (“BaFin”). It is authorised to carry on insurance business in Germany under the German Insurance Supervisory Act (“Versicherungsaufsichtsgesetz”).

## Who is the Underwriting Agent?

In effecting this contract of insurance, Insurance Facilitators (NZ) Limited, NZBN: 9429031224727, will be acting under an authority given to it by the Insurer. Insurance Facilitators (NZ) Limited will be acting as the agent for the Insurer and not for **You** as the Insured.

## Insurer Rating Information

Standard & Poor’s has assigned the financial strength rating of ‘A+’ (Strong) to HDI Global Specialty SE. More information about S&P’s rating of HDI Global Specialty SE is available at [https://www.spglobal.com/ratings/en/index#find\\_a\\_rating](https://www.spglobal.com/ratings/en/index#find_a_rating)

The Standard & Poor’s rating scale is:

AAA Extremely Strong	B Weak
AA Very Strong	CCC Very Weak
A Strong	CC Extremely Weak
BBB Good	R Regulatory Action
BB Marginal	

The rating from ‘AA’ to ‘CCC’ may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories.

## Our Contract with You

The contract is based on the information **You** gave **Us** when **You** applied for the insurance, and any subsequent information which **You** have supplied.

**We** will provide cover for those sections of the **Policy** **You** have selected and that are shown on **Your Certificate of Insurance**.

**You** must pay the premium and any relevant government charges for the **Period of Insurance** and comply with all of the **Policy** terms and conditions.

The **Policy**, any other declarations **You** make and any endorsement, amendment or alteration to **Your** cover will form the legal contract between **You** and **Us**.

## Duty of Disclosure

Before **You** enter into an insurance contract, **You** have a duty to tell **Us** anything that **You** know, or could reasonably be expected to know, that may affect **Our** decision to insure **You** and on what terms.

**You** have this duty until we agree to insure **You**.

**You** have the same duty before **You** renew, extend, vary or reinstate an insurance contract.

**You** do not need to tell **Us** anything that:

- I. Reduces the risk **We** insure **You** for; or
- II. Is common knowledge; or
- III. **We** know or should know as an insurer; or
- IV. **We** waive **Your** duty to tell **Us** about.

## Non-disclosure

If what **You** tell **Us** is substantially incorrect and is material to **Our** decision to insure **You** **We** may cancel **Your** Contract or reduce the amount **We** will pay **You** if **You** make a claim, or both.

If **Your** failure to tell **Us** is fraudulent, **We** may refuse to pay a claim and treat the Contract as if it never existed.

## Agreements Affecting Rights of Subrogation

**We** will not pay a claim if, without prior agreement from **Your** insurer, **You** make any agreement that will prevent the insurer from recovering the loss from a third party.

## Interested Parties

**We** will not accept any financial interests over **Plantation Timber** of any party other than **You**, unless **You** have notified **Us** of such interest and:

- Request the interest to be noted on the **Policy**
- Authorise **Us** to use that party’s personal information about **You** in connection with that **Policy**.

**We** must have agreed and noted that interest on **Your Certificate of Insurance**.

That party is not covered nor do they become an Insured under the **Policy**. If the interests of another party have been noted on the **Policy**, then in the event of a claim **We** are obliged to enquire from that interested party whether the claim is subject to that interest. If so, **We** are obliged to first make payment of the claim to the interested party and thereafter make payment to **You** of the balance. A payment by **Us** to an interested party

constitutes a discharge of **Our** liability to **You** under the **Policy** to the extent of that payment.

### This is Not a Renewable Contract

Cover provided under this **Policy** will cease at expiry of the **Period of Insurance** shown on **Your Certificate of Insurance**. If **You** wish to arrange similar insurance with **Us** for the following season, **You** will need to complete the proposal sent to **You** and **We** will provide terms of cover for **Your** consideration.

### Underinsurance

**You** must insure **Your** whole **Plantation Timber** unless **You** have declared and **We** have agreed not to insure all **Compartments**. **You** will not be covered by **Us** in respect of any area which is not shown on **Your Certificate of Insurance**.

If a planted **Compartment** is greater than **Your** nominated area shown on **Your Certificate of Insurance** by more than 7.5%, **Your** claim in respect of **Area Damaged** will be reduced by the underinsurance percentage of the total area planted.

Example - Underinsurance	
Compartment Area	150ha
Compartment Insured	100ha
Area Damaged	50ha
Underinsurance %	66.7% $((100 \div 150) \times 100)$
Underinsurance Calculation	50ha x 66.7%
Net Claim Area	33.35ha

### Making a Complaint

If **You** have a complaint about an insurance product issued by **Us** or a service **You** have received from **Us**, including the settlement of a claim, please contact **Your** intermediary to initiate the complaint with Insurance Facilitators. If **You** are unable to contact **Your** intermediary, call Insurance Facilitators on (08) 8372 4020.

When **You** first let Insurance Facilitators know about **Your** complaint or concern, the person trying to resolve **Your** complaint will listen to **You**, consider the facts and attempt to resolve **Your** complaint immediately.

If **Your** complaint is still not resolved to **Your** satisfaction, **We** will refer **Your** complaint to Our Internal Dispute Resolution Committee. **You** may also contact our Internal Dispute Resolution Committee Yourself:

HGSNZdisputes@hdi-specialty.com  
HDI Global Specialty SE - New Zealand  
Tower One, Level 33, 100 Barangaroo Avenue, Sydney, NSW, 2000, Australia

**Your** dispute will be acknowledged in writing within 5 business days of receipt, and **You** will be kept informed of the progress of our review of **Your** dispute at least every 10 business days. The length of time required to resolve a particular dispute will depend on the individual issues raised, however in most cases **You** will receive a full written response to **Your** dispute within 15 business days of receipt, provided **We** have received all necessary information and have completed any investigation required.

If **You** are not satisfied with the finding of the Committee, or if **We** have been unable to resolve **Your** complaint within eight (8) Weeks, **You** may contact **Our** external independent dispute resolution scheme. This service is free and may help investigate or resolve the complaint.

**We** are a member of the Insurance & Financial Services Ombudsman (IFSO) approved dispute resolution scheme. **You** can contact the IFSO at:

PO Box 10-845  
Wellington 6143 New Zealand  
Phone: 0800 888 202 or +64 4 499 7612  
Fax: +64 4 499 7614  
info@ifso.nz www.ifso.nz

There is no cost to **You** to use the services of IFSO

### Privacy Statement

**Your** personal information. In accordance with the Privacy Act 2020, **Your** attention is drawn to the following: **We** only collect personal information that is required and/or permitted by law and is collected by **Us** for the purposes of:

- evaluating information that has been requested by **Us** and provided by **You**, specific to the product or service **You** require from **Us**.
- Providing quotes for **Your** insurance needs
- evaluating any request for a change to any insurance provided
- providing, administering, and managing the insurance following acceptance of a proposal
- investigating and managing potential claims made in relation to any insurance **You** have with **Us**
- providing information about insurance matters to **You**.

It is not mandatory for **You** to provide the personal information that **We** request. However, if **You** do not provide this personal information, **We** may not be able to issue insurance cover to **You** or process **Your** claim.

**We** may disclose personal information to other persons necessary or useful in order to provide **You** with our products and/or services such as **Your** insurance broker, our risk carriers, loss adjusters, claims investigators,

reinsurers, insurance intermediaries, other entities within Our group, legal and other professional advisors. These persons may be located overseas, including Australia, UK and the European Union. It is possible that the overseas recipients may not be required to protect the information in a way that, overall, provides comparable safeguards to those in the Privacy Act 2020. However, where possible, **We** try to enter into agreements with the overseas recipients to ensure comparable safeguards.

The Personal information collected by **Us** include:

- **Your** name, address, contact details
- other people that are related to **You** or the business, property or risk **You** are wanting **Us** to insure
- Specific information that outlines the risk **You** are asking **Us** to insure
- previous claims or losses,
- details of previous insurances and insurers
- credit status and any matters relevant to the insurance product to be provided.

**We** collect personal information in a number of ways to enable **Us** to provide **You** with our services and/or products such as:

- telephone directly or indirectly,
- email
- facsimile
- online
- post
- insurance brokers and other third parties (who may include investigators, medical advisers, and lawyers)
- in person from **You** or another person or persons.

**We** store personal information securely in a password protected database. Encrypted back-ups of personal information are performed daily and kept securely offsite.

**You** can seek access to **Your** personal information by contacting **Us** at:

Insurance Facilitators (NZ) Limited: support@if.net.au  
HDI Global Specialty SE – NZ:  
PrivacyNZBranch@hdispecialty.com

**You** can ask **Us** to correct the personal information if it is inaccurate, incomplete or out of date. **We** will respond to any such request within a reasonable time. **We** will provide **You** with access within a reasonable time in the manner requested, unless **We** are entitled to refuse to provide access. If **We** decline to provide **You** with access, **We** will provide **You** with the reasons for our refusal and how **You** may access our internal dispute resolution (IDR) process.

If **We** correct information, **We** will inform **You**. If **We** refuse to amend information, **We** will provide **You** with our reasons for the refusal and details of how to access our IDR process.

If **You** are dissatisfied with how **We** have dealt with **Your** personal information, or **You** have a complaint about our compliance with the Privacy Act, please contact **Us**:

08 8372 4020 or support@if.net.au or  
PrivacyNZBranch@hdi-specialty.com

**We** will acknowledge **Your** complaint within 2 business days, investigate **Your** complaint and respond to **You** within 15 business days.

If **You** are not satisfied with our response, **You** can refer **Your** complaint to the Privacy Commissioner. Their contact details are available on their website [www.privacy.org.nz](http://www.privacy.org.nz).

By providing **Your** personal information to **Us**, **You** consent to the collection and use of **Your** personal information as **Us** making the disclosures set out above which require consent. This consent to the **Use** and disclosure of **Your** personal information remains valid unless **You** alter or revoke it by giving **Us** written notice.

For more information about HDI Global Specialty SE – New Zealand's Privacy **Policy**:

<https://www.hdi-specialty.com/int/en/legals/privacy>

For more information about Insurance Facilitator (NZ) Limited's Privacy **Policy**:

<https://www.ifnz.co.nz/privacy>

## DEFINITIONS

Definitions explain words frequently used in the **Policy**. Defined words are shown in bold.

### Age

The number of years old trees will be in each **Compartment**, at the expiry date of **Your Period of Insurance**.

As an example: a **Compartment** planted date was completed in the same year as the **Policy** began, the **Age** of the **Compartment** is one (1) year old.

### Agreed Value

The fixed per hectare valuation of each **Compartment** current stumpage value by **Age** within **Your Standing Timber** as agreed by **Us** and shown on **Your Certificate of Insurance**.

This fixed Agreed Value is used in the calculation of premium and any claim settlement from Loss or Damage.

### Area Damaged

The area(s) in hectares, of **Loss or Damage** of **Your Standing Timber**.

If remaining undamaged **Standing Timber** from either the **Area Damaged** or **Compartment** which contain the **Area Damaged** is deemed by **Us** as impractical (as determined by generally recognised forestry management principles) to continue growing for its intended purpose **We** would consider that **Area Damaged** or **Compartment** a total constructive loss for the purpose of the claim.

### **Certificate of Insurance**

Is a document which issued by **Us** to **You** together with the Standing Timber Insurance Schedule and describes important details of your **Standing Timber** insurance and forms part of **Your Policy**.

### **Compartment**

A fixed area, sub area or block in hectares of trees defined by species and **Age** group within a **Forest Location** shown on **Your Certificate of Insurance**.

If a **Compartment** is harvested during **The Period of Insurance** any new planted trees in this **Compartment** will be considered uninsured unless **You** have requested, in writing to **Us** and **We** have accepted and sent to **You**, an endorsed **Certificate of Insurance** listing the new planted trees.

### **Deductible**

The first amount of any claim **We** will not pay and which **You** must bear after adjustment for **Salvage** where necessary.

### **Forest Location**

The total planted hectares of contiguous **Standing Timber** with a minimum separation of two (2.0) kilometers from closest boundaries by other forest land with **Standing Timber** area for which **You** are, for all locations, the forest landowner, forest right-holder, lease holder or a crown conservation contract holder. Each **Forest Location** is to be shown separately on **Your Certificate of Insurance**.

### **Loss or Damage**

The result of a **Single Cause** resulting in physical **Area Damaged** during the **Period of Insurance**, triggering **Standing Timber** either to require righting, or to die.

### **Named Tropical Cyclone**

A circulation weather system originating in the tropical region of the Southern Indian Ocean or the South Pacific Ocean as a tropical disturbance or tropical depression system. The low is classified a **Named Tropical Cyclone** by the Regional South-West Pacific Ocean Specialised Centre or other Tropical Cyclone Warning Centre members participating in the World Meteorological Organisations Tropical Cyclone Programme once wind speed in the circulation system intensify to a critical level and retain their names throughout their lifespan.

For the purpose of this **Policy**, a **Named Tropical Cyclone** retains Single Cause classification during its transformation to an extratropical cyclone, ex-tropical cyclone or sub-tropical cyclone up until final dissipation has occurred.

### **Period of Insurance**

Commencing no earlier than the day shown on **Your Certificate of Insurance** or 9.00am on the day following a 96 hour period from when **Your** written acceptance is received by **Us**, extending through until the lesser period of **Your** interest as owner ceasing, or the **Policy** expiry date shown on **Your Certificate of Insurance**. The waiting period does not apply if **We** accept the continuation of the expiring cover **You** have with **Us** or another insurer. Where **We** accept the continuation of the expiring cover **You** have with another insurer **Our** cover commences at 9.00am or another time as stated in that expiring **Policy**.

### **Policy**

Means this document, the proposal, the **Certificate of Insurance** and any endorsement to the **Policy**, all of which are to be read as if they are one document.

### **Salvage**

Any income, net of any **Salvage** costs associated with the **Area Damaged**, received from the sale or disposal of trees for which a claim has been made. **Salvage** will be determined by **Us** and **Our** appointed loss adjuster on the basis there is evidence it will be economically viable. **Salvage** costs associated with the **Area Damaged** will not include any normal staff and overhead costs incurred by **You**. **Salvage** remains **Your** property after it is deducted from the gross value of a loss.

### **Single Cause**

**Loss or Damage** from each separate Defined Event and/or Additional Event Options is deemed a Single Cause.

A **Single Cause** results when **Loss or Damage** occurs from the same weather event or ignition point(s) or any other insured happening within 72 hours from when the first **Loss or Damage** occurred or later if agreed by **Us** in writing.

### **Standing Timber**

The calculated total number of living and commercially viable timber stems insured by **You** within the **Forest Location** or **Area Damaged**.

### **Sum Insured**

The combined total insured value of all **Compartments** within a **Forest Location** produced by multiplying the planted area (ha) by the **Agreed Value** (\$/ha) for each **Compartment** shown on **Your Certificate of Insurance**.

### **You, Your**

The insured entity, person or persons named in the **Certificate of Insurance**.

## We, Us, Our, Insurer

HDI Global Specialty SE - New Zealand acting through its agent Insurance Facilitators (NZ) Limited.

## WHAT YOU ARE COVERED FOR

Provided **You** pay the premium, **We** will insure **Your Standing Timber** against **Loss or Damage** at **Your insured Forest Location** subject otherwise to the terms, exclusions, conditions and any endorsements of this **Policy**.

The proposal, application, declaration, this **Policy** wording, **Your Certificate of Insurance** and Standing Timber Insurance Schedule are the **Policy** and are to be read as if they are one document.

## DEFINED EVENTS

### 1. Fire

the actual ignition of insured plant parts from any cause.

### 2. Lightning

the sudden discharge of electrically charged particles associated with a storm, leaving visible and physical evidence of the discharge.

### 3. Impact

the impact by land based vehicles, aircraft, spacecraft, and other aerial devices designed to fly including impact from items dropped, other than chemicals from the air.

### 4. Malicious Damage

the act(s) undertaken within any 72 hour period of the first act happening by a third party to cause **Loss or Damage** to the **Forest Location** with deliberate intent.

## ADDITIONAL EVENT OPTIONS

The following Event Options provide additional **Loss or Damage** cover at **Your insured Forest Location** as long as an insured amount for each benefit is shown on **Your Certificate of Insurance**.

### 1. Wind

Sustained Wind with gusts, causing **Loss or Damage** to **Compartments** in **Your Forest Location(s)**.

Wind does not include any **Named Tropical Cyclone** that menace's or crosses New Zealand's coastline causing Wind **Loss or Damage** to any Forest Location during its lifecycle.

Wind covers **Loss or Damage** that leads to:

- (a) The uprooting of the tree exposing the root system;
- (b) The snapping of the stem of the tree in two parts and/or;
- (c) The leaning of trees in a **Compartment** away from the vertical axis to the extent that it is impractical (as determined by generally recognised best

forestry industry standards and agreed by **Us**) to continue growing them for their intended purpose.

**Your** request for **Wind** and **Named Tropical Cyclone**, if accepted by **Us**, may be sub limited to a maximum amount of cover during the **Period of Insurance** as shown on **Your Certificate of Insurance**.

### 2. Wind & Named Tropical Cyclone

Sustained Wind with gusts, causing **Loss or Damage** to **Compartments** in **Your Forest Location(s)**.

Wind cover including **Single Cause** wind **Loss or Damage** for **Named Tropical Cyclone** during **Your Period of Insurance** caused by:

- (a) The uprooting of the tree exposing the root system;
- (b) The snapping of the stem of the tree in two parts and/or;
- (c) The leaning of trees in a **Compartment** away from the vertical axis to the extent that it is impractical (as determined by generally recognised best forestry industry standards and agreed by **Us**) to continue growing them for their intended purpose.

**Your** request for **Wind** and **Named Tropical Cyclone**, if accepted by **Us**, may be sub limited to a maximum amount of cover during the **Period of Insurance** as shown on **Your Certificate of Insurance**.

## OPTIONAL BENEFITS

The following Optional Benefits apply if a **Single Cause** subsequently triggers them and an insured amount for each benefit is shown on **Your Certificate of Insurance**.

### 1. Claims Preparation Costs

The reasonable professional fees and other expenses incurred managing a loss and preparing a claim agreed by **Us** following **Loss or Damage**.

### 2. Fire-fighting Expenses

The reasonable consumable expenses over and above **Your** normal operating costs incurred mitigating further loss to **Your Forest Location** that are not reimbursed by FENZ. The maximum amount of cover is nominated by **You** and agreed by **Us** during any one **Period of Insurance** as shown on **Your Certificate of Insurance**.

**We** will not cover Fire Fighting expenses if associated by a notice by the state fire authority to make or clear a firebreak under s.62 of the Fire & Emergency New Zealand Act (2017 No 17).

### 3. Removal of Debris & Re-Planting Costs

**We** will provide cover for the reasonable costs of debris removal, righting and/or preparing and replanting of **Standing Timber** within the **Area Damaged**, including costs incurred removing undamaged trees to gain access to the **Area Damaged**.

Removal of Debris & Re-planting Costs do not apply to **Area Damaged** sections within a **Compartment** that are not practical (as determined by generally recognised forestry management principles) to **Salvage**, remove the debris or replant.

**We** won't pay any more than it costs to remove & re-establish the same species from the **Area Damaged** up to a maximum sublimit by **Age**, unless otherwise agreed by **Us** and shown on **Your Certificate of Insurance**.

Maximum sublimit by Age:

- (a) **Standing Timber** greater than 6 years old, \$2,500 per hectare,
- (b) **Standing Timber** 6 years or less, \$1,500 per hectare
- (c) **Standing Timber** requiring remedial action to righten leaning from the vertical axis due to an insured Wind event, \$600 per hectare.

The agreed replanting costs are payable for the replanted portion of the **Area Damaged** completed two (2) years from the **Single Cause** or date otherwise agreed by **Us**, and **We** have been notified of **Your** intention within 6 months from the date of **Loss or Damage**.

### BASIS OF SETTLEMENT

In the event of **Loss or Damage** of **Your Standing Timber** and subject otherwise to the terms, exclusions, conditions and any endorsements of this **Policy**, the **Area Damaged** shall be determined by **Us**, after consultation if necessary with **You** and **Our** appointed loss adjuster, as soon as practical after the area has been declared safe for entry and working.

The **Area Damaged** multiplied by the **Agreed Value** of the **Standing Timber** within the **Area Damaged** is the maximum amount **We** will pay **You** in the event of **Loss or Damage** during the **Period of Insurance**, subject to the provisions of the **Deductible**, **Salvage**, **Optional Event Options**, **Policy** limits of liability, sub limits and/or **Policy** aggregates as shown on **Your Certificate of Insurance**.

Method of Settlement:

*Area Damaged x Agreed Value	\$
Less Salvage	\$
Plus Additional Event Options	\$
Plus Optional Benefits	\$
Less Deductible	\$
Net Claim	\$

\*subject to any **Policy** sub limit or aggregate if applicable

### EXCLUSIONS

**We** are not liable for **Loss or Damage** of **Your Standing Timber** caused directly or indirectly by or arising from:-

1. loss of branches or boughs only;
2. vermin, birds, insects, larvae;
3. disease, virus(es), bacteria or fungus howsoever caused;
4. dead or damaged trees where the cause cannot be attributed to a **Defined Event** and/or an **Additional Event Option** causing **Area Damaged** during the **Period of Insurance**;
5. the application of herbicides or insecticides;
6. snow or any accumulation of ice;
7. Loss of Sequestered Carbon at any **Forest Location**.
8. damage caused by an insured event that initiates asymmetric and/or short term decrease in biomass growth in live tree stems;
9. seepage and pollution including:
  - (a) any **Loss or Damage**, cost or expense; or
  - (b) any increase in insured **Loss or Damage**, cost, fine, penalty or expense;
 which is incurred, sustained or imposed by order or instruction or by agreement with any court, government agency or authority or whatever kind or for whatever reason which arises from any kind of seepage or any kind of pollution and/or contamination, or threat of that, whether or not caused by or resulting from a peril insured from steps or measures taken in connection with any salvage operations or the avoidance, prevention, abatement, mitigation, remediation, clean-up, or removal of such seepage or threat of seepage;
10. flood or inundation;
11. Tornado;
12. any interruption of business or any consequential loss beyond **Loss or Damage** to the **Standing Timber** at **Your Forest Location**;
13. any recovery action against **You** by anyone for damage or destruction to property and/or any public liability claim associated with fire(s) which were caused by an ignition at **Your Forest Location** during the **Period of Insurance**;
14. wilful, dishonest, fraudulent or criminal act or offence by **You**;
15. war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war is declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power, confiscation, resumption, nationalisation, requisition

**Loss or Damage to Standing Timber** by or under the order of any government, public or local authority;

16. any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss or any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism;  
An act of terrorism means 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 or in connection with any organisation(s) or government(s) which from its nature or context is done for, or in connection with political, religious, ideological, ethnic or similar purposes or reasons including the intention to influence any government and/or to put the public, or any section of the public, in fear;
17. any ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel or the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

**We** do not provide cover, and **We** are not liable to pay any claim or provide any benefit under the **Policy** to the extent that such claim payment or the provision of such cover or benefit would expose **Us** to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of Australia, New Zealand, the United Kingdom, the European Union, one (1) of its member states, or the United States of America.

### MANAGEMENT CONDITIONS

1. If **You** and/or **Your** contractors are performing back burning, harvesting or Silviculture operations **You** must;
  - (a) perform the operation(s) pursuant to the specific directions as prescribed in the latest reprint of the Fire & Emergency New Zealand Act 2017.
  - (b) adhere to any Fire and Emergency New Zealand specified notice of fire restrictions, prohibitions and total fire bans.
2. **You** must take all reasonable steps to ensure that **You** and all employees and contractors comply with the requirements of New Zealand legislation including Acts, Statutes, Regulations and FENZ fire plans.
3. **You** must maintain a record of all **Loss or Damage**, whether or not subject to an insurance claim, caused by any of the Defined Events and/or Additional Event Options covered by this **Policy** that could cause **Us** to make any payment or contribution in terms of this **Policy**.

4. **You** must take proper precautions to minimise public access and to minimise the fire hazard associated with public access to **Your Forest Location**.
5. All **Salvage** shall be to the benefit of this **Policy** and will be applied to reduce the gross loss resulting from Defined Events and/or Additional Event Options. **You** must;
  - (a) not abandon any **Standing Timber** with potential **Salvage** at a net profit as agreed by **Us** and **Our** appointed loss adjuster.
  - (b) endeavour to ensure, with **Us**, to get the best possible return for such **Salvage**; and/or
  - (c) **You** must prioritise for immediate harvest on all **Area Damaged** identified and agreed as having a positive net value **Salvage**.

### GENERAL CONDITIONS

#### Allocation of Deductible

If **Compartments** within **Your Forest Location** have different investment structures, then a portion of the total **Deductible** will be assigned to each **Compartment** equal to the percentage contribution of loss that **Compartment** has to the total **Area Damaged**.

#### Breach of Condition

If **You** or any insured under this **Policy** breaches any condition of this **Policy** and/or commits an offence against any New Zealand legislation including Acts, Statutes and Regulations all cover and under this **Policy** will be forfeited. However, nothing in this **Policy** affects **Our** common law rights, including **Our** right to avoid the **Policy** for non-disclosure.

#### Cancellation

**We** have the right to cancel the **Policy** by giving seven days notice. **We** will refund **You** the rateable proportion of the unexpired premium after adjustment for any seasonal hazards.

If no **Area Damaged** has occurred **You** may cancel this insurance by notifying **Us** in writing. **We** will refund **You** the rateable proportion of the unexpired premium after adjustment for any seasonal hazards and subject to **Our** customary short period scale.

#### Claims

Following **Loss or Damage** covered by this **Policy**, **You** must:

1. take all reasonable steps to reduce the loss and prevent further loss;
2. report to the Police if **You** suspect arson or malicious damage;
3. contact **Your** broker or **Us**, as soon as **You** become aware of a potential **Area Damaged**. A claim notification form will be provided for **You** to complete and return to **Us**, allowing **Your** claim to begin;

4. in order for **Us** to objectively assess the potential **Area Damaged** and related costs, give assistance in all inquiries, and access to claims related material, data, aerial maps, records and **Your** trees, after reasonable notice by **Us** has been given;
5. provide evidence and assist in **Our** decision to determine if a positive net value **Salvage** can be undertaken; and
6. not say or do anything that may prejudice **Our** ability to make recovery from any other person who may be responsible for it.

### Correctness and Fraud

If any claim under this **Policy** is supported by any incorrect information or statement or is in any respect fraudulent, then **Your** claim is not payable and this entire **Policy** automatically terminates from the date that the incorrect statement or fraudulent claim was made to **Us**.

### Material changes

**You** have an obligation to, and must, advise **Us** in writing as soon as reasonably possible of any material changes in the management or operation of **Your Standing Timber** during the **Period of Insurance** which materially differ from the declaration required and made in **Your** proposal and/or any **Salvage** agreement with **Us**. **We** may then be entitled to adjust the premium and/or the terms of this **Policy** or stop the **Salvage** operation with immediate effect, or **We** may cancel this **Policy**.

### Misdescription

The **Policy** will not be prejudiced by any innocent and inadvertent misdescription of **Your Standing Timber** in the proposal, application or declaration provided **We** are given notice of this immediately **You** become aware. **You** agree to pay an appropriate additional premium if required.

### Other insurance

If at the time of any **Loss or Damage**, for which there is a claim arising under this **Policy** there is any other valid and collectable insurance covering all or part of the same loss or additional cover, this **Policy** will only apply to the amount of any loss in excess of that recoverable under the other insurance.

### Subrogation

**We** have the right to prosecute a claim in **Your** name to recover damages from another person in respect of amounts paid under this **Policy**. **We** have full discretion in the conduct of such proceedings and in the settlement of such claims.

**You** must not exclude or limit **Your** rights against any such party. If **You** do, **We** will not pay a claim to the extent **We** can no longer recover from that other party because those rights are affected.