

FIRE ON VELD SECTION

DEFINED EVENTS

Damage to the whole or part of the Insured Property owned by the Insured or for which they are responsible situated at the premises stated in the schedule by:

1. fire, lightning or thunderbolt, subterranean fire or explosion but excluding damage to such property occasioned by its undergoing any heating or drying process;
2. the deliberate or willful or wanton act of any person committed with the intention of causing such damage.

DEFINITIONS

Grazing capacity (GC) shall mean the productivity of the grazeable / browseable portion of a homogeneous unit of vegetation expressed as the area of land required to maintain a Large Stock Unit (LSU) over an extended number of years without deterioration to vegetation or soil.

Indemnity period (IP) shall for the purposes of this section mean the period selected by the Insured, as stated in the schedule, representing the maximum period for which compensation will be paid by the Company commencing from the date of the occurrence of the Defined Event and ending not later than the number of months thereafter stated in the schedule again the Indemnity Period.

Insured amount of the Insured Property for the purposes of this section shall mean and be calculated as follows per premises stated in the schedule:

$$\text{Insured amount} = \frac{\text{Value of LSU}}{\text{GC}} \times \frac{\text{Hectares of premises}}{\text{IP}}$$

Insured property shall mean rangelands, pastures and crop residues owned by the Insured or for which they are responsible and used for animal consumption.

Large stock unit (LSU) shall mean one animal that can be classified as cattle with a mass of 450kg and which can gain 0,5kg per day on forage with a digestible energy percentage of 55%.

Value of LSU shall mean the estimated average value in Rand of one commercial LSU at the commencement of the current period of insurance.

BASIS OF CLAIMS SETTLEMENT

In the event of a claim following an insured Defined Event, the basis of settlement by the Company shall be calculated as follows:

1. The reasonable and necessary cost of feed purchased to replace or subsidize any lost Grazing capacity (GC) of the Insured Property;
2. for a period not exceeding the indemnity period;

3. for an amount not exceeding the Insured Amount stated in the schedule;
4. less the first amount payable stated in the schedule;
5. reduced further by the result of the average condition calculation.

SPECIFIC CONDITIONS

Average

If the Insured Property is, at the commencement of any damage to such property by any Defined Event insured against, collectively of greater value than the Insured Amount thereon, then the Insured shall be considered as being their own insurer for the difference and shall bear a rateable share of the loss accordingly. Every item, if more than one, shall be separately subject to this condition.

Claims reporting

Notwithstanding anything on the contrary in General Conditions 6, the Insured will be responsible to report insured damage to the Company within 3 (three) days after such damage has occurred and must provide particulars of any other insurance covering such events as are hereby insured.

National Veld and Forestry Act

Cover is subject to compliance by the Insured with the provisions of the National Veld and Forestry Act, Act 101 of 1998 (as amended over time) as if it has been incorporated in this policy. The Insured must be a member of an active Fire Protection Association (FPA) or alternatively a Farmer's Union (FU) if no FPA exists.

Minimum premium upon cancellation by the Insured

If the Insured requests that this section be cancelled (or an item within this section be deleted) mid-term during the period of insurance and the method of premium payment is once per annum, such premium shall be considered the minimum premium and this section will be cancelled (or the item deleted) without any refund of premium.

If the method of payment is by monthly debit order, cover will cease as requested but the section (or item) will remain active on the policy until the next annual anniversary date, allowing for the collection of the remainder of the premium, it being a requirement that the minimum premium is equal to 12 months premium from the previous annual anniversary date of the policy.

Prevention

Reasonable and sound measures must be in place for the prevention/control of fires. A fire break of at least 15m wide must be made around residential units and rubbish dumps on the insured farm or premises at all times.

Waiting period

Upon receipt of the first instruction to issue this section for the first time or upon instruction to reinstate this section following a previous cancellation of cover, there shall be a 7 day waiting period before cover commences. Such period shall remain uninsured and any Defined Event that may start in such period and continue in duration beyond the 7 day waiting period shall remain uninsured in its entirety.

SPECIFIC EXCLUSIONS

This section does not cover:

1. damage caused by or attributed to or arising from or as a result of volcanic eruptions or other convulsion of nature;
2. the actual value, physical state or quality of the rangeland;
3. loss in production value due to secondary damage or retarded growth that may occur due to any reason whatsoever;
4. arson by the Insured or anyone acting on their behalf or with their knowledge or consent;
5. damage to Insured Property that is within five (5) kilometres of:
 - 5.1 any National roads (N-roads);
 - 5.2 Communal grounds;
 - 5.3 the closest neighbouring country border;
 - 5.4 any residential suburb;
 - 5.5 any informal settlement.