



Agriculture

agriculture insurance

Property

- Fire and allied perils (eg special perils, earthquake etc) insurance – cover i.r.o fixed and movable property excluding vehicle (buildings, contents and property in the open)
- Business interruption – cover i.r.o loss of profit/income following material damage
- Theft insurance – cover i.r.o contents (full value or first loss basis)
- Money insurance – cover i.r.o money on the premises and in transit
- All risk insurance – cover i.r.o specified valuable items
- Glass insurance – cover i.r.o accidental damage to glass
- House owners and house holders – cover for private dwellings and contents
- Electronic equipment – cover i.r.o any electronic equipment
- Machinery breakdown – machinery breakdown and consequential loss after breakdown of machinery
- Accidental damage insurance – all risk insurance on property (subject to Head Office approval)

Vehicles

Options of cover available:

1. Comprehensive cover (including covers here under)
2. Third party, fire and theft
3. Third party only

Types of vehicles

1. Motorcars and LDV
2. Trucks and heavy horse and trailer
3. Tractors and combines
4. Farming implements and trailers

Liability

- Damages which the insured becomes legally liable to pay i.r.o death/bodily injury to persons as well as damage to property which results in a claim against the insured
- General liability
- Products liability
- Animals and spread of fire
- Dam walls
- Hunters liability
- Warehouseman's liability
- Employment practices liability
- Umbrella liability

Miscellaneous

- Fidelity insurance – cover against dishonesty of employees
- Stated benefits – cover i.r.o personal accident of employees
- Personal accident – cover i.r.o personal accident of insured

Specialised insurance

- Goods in transit – full or limited cover i.r.o farm produce and live stock whilst in transit
- Pivot Irrigation systems – comprehensive or limited cover available
- Live stock – full or limited cover available
- Tailor made products for guesthouses and the vine industry
- Funeral cover for farmer and farm workers
- Emergency medical assistance
- Watercraft – i.r.o motorboats, jet ski's etc

how does crop insurance work?

Where can I take out crop insurance?

Crop insurance can be taken out at our office or you can call us on 061 – 252 755

What determines the cost of insurance per hectare?

- Yield/hectare
- Commodity price-R/ton
- No-claim bonus
- Insurance rate
- Part of damages carried by farmer / producer (excess)

Yield per hectare

Insure every field according to its potential yield and increase later if the potential of a field has increased. Producers can decide for themselves against which yield to insure.



Commodity price-R/ton

- Producers can decide for which price (R/ton) they want to insure. Most producers use the closest silo, market or SAFEX price as norm when they insure. VAT is charged on the premium payable.
- Why VAT on crop insurance?
- When considering tax, crop insurance is an agricultural input and therefore VAT must be charged. When taking out the policy, the producer can claim back the VAT from SARS, but when claims are settled, the claim amount will include VAT and VAT must then be paid over. In order to do this, VAT must be levied on the premium payable.

Part of the damage carried by producer

- Apart from the fact that the client can determine the cost of his insurance through price and yield, he also has the choice of how much of the risk he wants to carry himself.
- Opting for higher levels of co-payment (excesses), the cost /ha of insurance gets cheaper, but the producer then carry a greater risk himself.
- Should the strategy be to obtain maximum cover, the producer will use a franchise and not an excess option. This minimizes the risk of the producer. Although the franchise option is more expensive, it affords the best cover.

No-claim bonus percentage

- The no-claim bonus system of *SANTAM AGRICULTURE* aims to financially benefit the insured producer with a lower risk and who thus claims less often than the other insured producers in the same magisterial district.
- A producer accumulates 10% no-claim bonus per crop per farm for every consecutive claim-free year insured, up to a maximum of 50%, except in the case of fruit and tobacco where 5% per claim-free year is accumulated up to a maximum of 30%.
- As the exposure to risk of crops and the location of farms differ, the no-claim bonus per crop per farm is accumulated for every claim-free year insured.
- Taken over a five-year period, the net insurance of the client who seldom claims will be cheaper than that of the client who claims every year.
- Should a client claim, the total no-claim bonus accumulated per crop per farm will lapse and the accumulation of the no-claim bonus will start again. The no-claim bonus is an ideal instrument with which producers can manage their insurance costs.

Insurance rate

The premium to be paid for crop insurance is determined by the risk. The crop, location and claim-premium-ratio of crops differ, therefore the rate is calculated according to magisterial districts. The rate of a district directly reflects the risk for a group of crops in that district.

Cover per season

Crop insurance is a seasonal product, therefore cover is only granted for a specific production season. The following crop (season) must once again be insured against the chosen risks, price and yield. For the maximum value for money, it is important to insure as early as possible.

Premium is payable once off

Premiums are payable once off. Financing of premiums is available at most of the institutions acting as agents for SANTAM

Waiting period before commencement of cover

- A waiting period is applicable from the time the policy is taken out until such time cover commences. Producers/farmers must therefore insure in good time before damage can occur.
- The cost of insurance stays the same irrespective of the period for which cover is granted. It is therefore advantageous to insure as early as possible.

Crops can be insured before emerging

- You can insure at any stage of the season. The general practice is to insure summer crops before emergence as the risk of these crops is very high during emergence and a hailstorm can severely damage small seedlings. Cover only commences after emergence of the crop or the crop has reached a certain growth stage in the case of permanent crops.
- However, certain crops have to be insured before specific cut-off dates, for example, fruit.*

Can cover be increased?

Producers aim to manage their inputs optimally. Therefore the products are such that cover can be increased as the yield potential or price/ton had increased.

Assessment of damage

As the susceptibility to damage of crops vary during the various growth stages, *SANTAM AGRICULTURE* continually conducts research to determine the influence of the various damages that can occur during various growth stages. Assessments are performed by trained staff of *SANTAM AGRICULTURE* on the farms of the various insured producers.

Why are some assessments postponed before damage is determined?

- Assessments are sometimes postponed until the bruised or damaged parts of the plants have either dried out or have recovered, so that damage can be assessed objectively.

Maps

- GPS-measured maps of farms are ideal and are not only significant for crop insurance. They can also be used as resource for other inputs, i.e. seed, fertilizer, chemicals, and to determine yields accurately. Maps are ideal instruments for producers to use for their crop insurance planning and it is immediately clear which fields must be included in the crop insurance planning.

Some additional covers automatically included are:

Claims preparation costs per section N\$ 15 000

House Owners

Cost of removal of fallen trees N\$ 5 000

Loss of water by leakage N\$ 5 000

Accidental damage to machinery for domestic use N\$ 10 000

Cover compensates for domestic liability risks up to R5 million.

Household Goods

Description of property now includes:

Business goods N\$ 30 000

Property of guests N\$ 10 000

Accidental Death:

Persons 18 years and older N\$ 10 000

Persons under 18 years N\$ 5 000

Keys and locks N\$ 10 000

Security guards R 10 000

Clearance costs N\$ 10 000

Trauma N\$ 10 000

Includes cover on contents of domestic refrigerators and deep-freezers due to mechanical breakdown.

Personal Accident

Bereavement expenses N\$ 5 000

Mobility costs N\$ 10 000

Farm murders - double compensation following upon death N\$ 50 000

Double compensation in case of death of the insured and spouse within 12 months.

Motor

Emergency accommodation N\$ 3 000

Trauma treatment N\$ 5 000

Bereavement benefit N\$ 5 000

Replacement of new vehicles in the event of a total loss (private type motor cars and light delivery vehicles). The vehicle will be replaced with a new motor vehicle of the same type and model (subject to the availability thereof), if within 12 months after the first registration and not having been driven for more than 30 000 km .

Removal and protection costs following mechanical breakdown (private type motor vehicles and light delivery vehicles), will be paid up to N\$ 2 000.

Removal and protection costs following mechanical breakdown (private type motor vehicles and light delivery vehicles), will be paid up to N\$ 2 000.

Territorial limits are extended to include Mozambique and are applicable to all classes of vehicles.

Passenger liability for clients (Hunting and/or Game Viewing) being carried on open-sided vehicles as an optional extension.

House Owners and Buildings Combined

Rebuilding costs (professional fees and cost of demolition) automatically included up to 20% of the sum insured, in addition to any other sum insured.