

Plantation Insurance - Macquarie Eucalypt Project 2010

As Responsible Entity of the Macquarie Eucalypt Project 2010, Macquarie Alternative Assets Management Limited (MAAML) have appointed specialist agribusiness insurance broker, AgriRisk Services Pty Limited (*AFS Licence Number 233798*) to facilitate the provision of Plantation Insurance for all investors in the project. Purchasing the cover as a project under a Master Policy, rather than individually, provides significant benefits to investors in terms of both the available coverage and pricing.

WHAT PERILS ARE INSURED?

Plantation Insurance has been arranged to cover the following perils;

• Fire (including lightning) and Backburning

Fire is a natural, and sometimes man made phenomenon. Whilst Midway Pty Limited and McEwens Contracting Pty Limited, the Forestry Managers will implement strategies to reduce fire risk there remains the risk that your plantation lot/s will be destroyed by fires that are difficult or impossible to suppress.

• Hail

Hail is a peril that is impossible to control in a plantation environment and intense hail strikes can lead to the death or loss of commercial viability of young trees.

• Windstorm (Limitations do apply)

All plantations are at risk of windstorm especially young plantings. The policy covers all types of wind damage where the trees are rendered no longer suitable for their intended purpose.

• Malicious Acts, Impact, Earthquake, Volcanic Eruption and landslip

The Master Policy provides limited coverage for these perils. Fires that originate from these perils are covered under the fire section of the cover.

WHAT ADDITIONAL BENEFITS ARE PROVIDED?

The Master Policy includes limited cover for the following Additional Benefits;

• Fire Suppression Costs

Costs associated with fire fighting or protecting the plantation from the threat of fire.

• Removal of Debris

Costs of removing and disposing of destroyed trees in preparation for replanting.

• Claims Preparation Costs

Professional Fees and expenses for the preparation of any claim under this policy.

WHAT IS THE SUM INSURED PER HECTARE?

The insurance will cover the estimated cost of replanting the trees should your trees be destroyed by an insured peril. Trees are deemed to be destroyed when they are no longer suitable for the intended purpose for which they are being grown.

The sum insured per one quarter of a hectare is \$500.

WHAT IS THE PERIOD OF INSURANCE?

Cover will commence on 1 May 2011 and cease on 1 May 2012.

WHAT IS THE EXCESS?

The excess, is the first amount you must bear in the event of a loss. The excess under this policy is 2.5% of the Sum Insured of your damaged lots subject to a minimum \$5,000 per loss event. Where more than one investor's lots are affected by a single loss event, this minimum excess will be shared.

WHAT IS THE PREMIUM PER HECTARE?

The premium rate is based on the plantation's risk profile. This risk profile evaluates; the location, topography aspect and layout of the plantation, the surrounding land use, the age and tree species within the plantation, overall plantation management and fire risk management in terms of preparedness and suppression capability.

The premium is \$3.21 per one quarter of a hectare which includes State Government Stamp Duty and GST.

HOW WILL A CLAIM BE MANAGED?

In the event of a plantation being damaged or destroyed, MAAML will manage the claim process on behalf of investors. When a loss occurs MAAML will advise the Insurers immediately.

The Insurers have appointed specialist agricultural loss adjusters, AgriBusiness Consulting Group to quantify the loss in accordance with the policy coverage and conditions. Claims are payable on the basis of the agreed value per hectare of the area damaged or destroyed, less any salvage, plus any Additional Benefits, less the excess.

AgriRisk will liaise with the loss adjuster to ensure all claims are settled efficiently and fairly. The insurance claim will be paid to MAAML who will arrange for the proceeds of any plantation lot losses to be paid to the insured investors.

WHO IS THE INSURER?

The insurance is managed by a specialist crop insurance agency, Primacy Underwriting Agency Pty Ltd **ABN 42 092 738 997**. Primacy act as agents for the Insurers who issue the policy namely, Allianz Australia Insurance Limited **ABN 15 000 122 850**. Allianz Australia are part of the Allianz Group one of the largest Insurance Groups in the world.

CAN I OBTAIN FURTHER INFORMATION?

Yes simply contact AgriRisk Services for a copy of the Master Policy or additional information on the cover provided. AgriRisk's contact details are as follow;

Telephone (02) 9965 1129
Fax (02) 9965 1111
Email trees@agrisk.com.au