

# COVER FOR THE DAIRY FARMER

67▼  
72▲  
85▼  
65▲ 90▲





# WE OFFER THE FOLLOWING COVER ON THE SANTAM AGRICULTURE POLICY



## FIRE

Damage or loss due to a power surge added to the sections Fire, Building Combined and Office Contents is limited to R50 000, and accidental damage to geysers and water pipes is automatically included, with R1 000 excess.

## BUSINESS ALL RISKS

- Milk bottles can be specified to cover loss or damage.
- Contamination of **own milk**: Our dairy farmer faces a real challenge in terms of the contamination of his own milk (direct financial loss) or of a third party's milk due to inhibitors exceeding the maximum allowable levels as a result of the deterioration of raw milk contained in a freezer or refrigeration unit, caused by accidental, unforeseen and sudden physical damage to machinery. This optional cover for his own milk is available under the Business All Risks section, and for the contamination of a **third party's milk** the claim will be entertained under the Public Liability section of the policy.



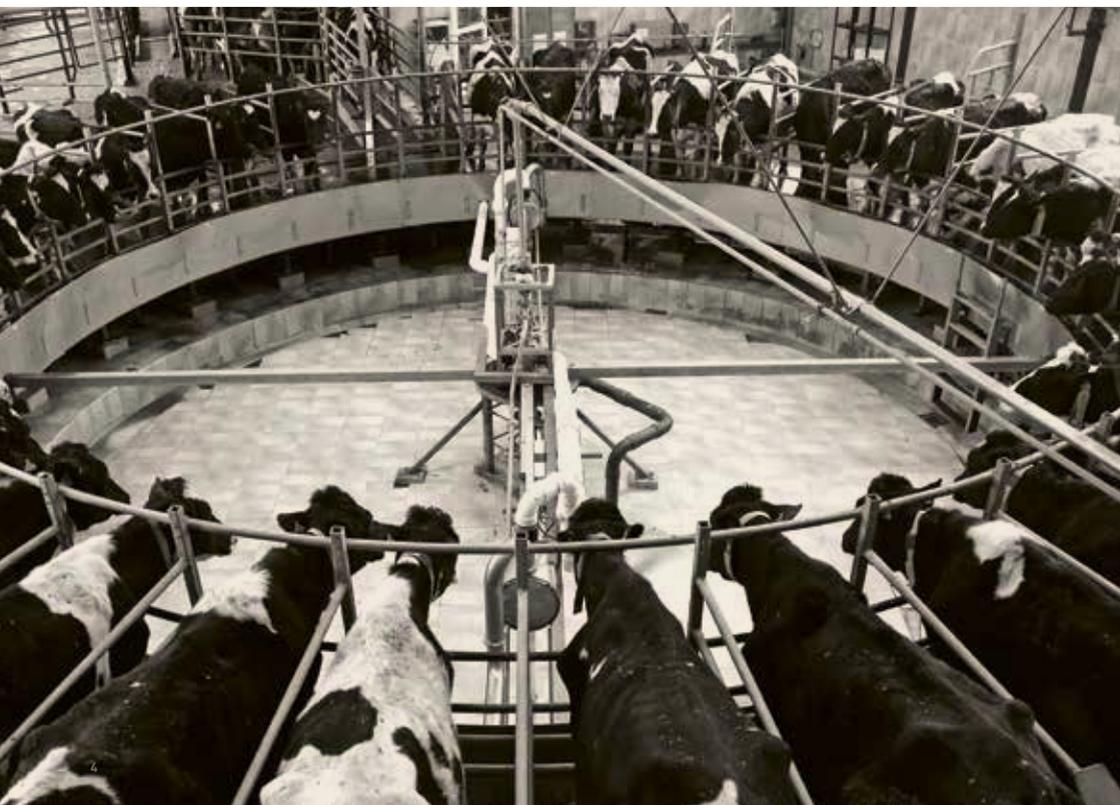
## LIVESTOCK

This section consists of comprehensive insurance for the death of the stud animals with options to include cover for illnesses, theft and infertility. There is limited cover for the herd for death caused by fire or lightning, and optional cover for extended and special perils. Carcass removal to the amount of R5 000 is now included.

## BUSINESS INTERRUPTION

The short-term insurance industry plays an important role in alleviating certain material losses that may be suffered as a result of, for example, fires, storms, earthquakes and explosions. But what about consequential loss like loss of profit after such an event?

Business Interruption insurance was established to make provision for these types of losses. If an insurance company indemnifies the insured against loss of or damage to his property, it may take considerable time before the turnover of the business returns to normal. During this period, a building has to be repaired or new stock or machinery replaced. The business is at a standstill, or activities are scaled down. This can have a serious effect on the business, and is the reason why this section offers cover for the consequential losses of the farmer.





## MACHINERY BREAKDOWN

### AND MACHINERY BREAKDOWN BUSINESS INTERRUPTION

#### **Why would an insured like to take out this type of cover?**

There could be a number of reasons, but it would mainly be to enjoy cover should equipment become unusable due to an unforeseen incident, as well as for any loss in turnover following on that. The need for machinery breakdown insurance may therefore be summarised as follows:

*Machinery breakdown insurance is of importance to any person involved with the operation of machinery. This type of insurance is not only for large plants, but also for smaller businesses where breakdown of machinery could lead to a huge financial loss. Organisations providing money for the purchase of new machinery also have a huge interest in the maintenance and protection of it.*

If, during the period of insurance, any of the machinery used by the insured on the premises for the purposes of the business is affected by an accident and the business consequently interrupted or interfered with, the insured will be indemnified against the amount of the loss resulting from the aforesaid interruption or interference under the Machinery Breakdown Business Interruption section of the policy.



### DETERIORATION OF STOCK

This covers loss of or damage to the insured milk caused by deterioration due to unforeseen, physical loss of or damage to the machinery specified in the Machinery Breakdown section and indemnifiable under the Machinery Breakdown section in force.

### ELECTRONIC EQUIPMENT

An analysis has shown that lightning and burglary are the two greatest risks for electronic equipment, which is the reason why this section is important to our farmer. All equipment must be insured at new replacement value and policies should be reviewed at least once a year to ensure that the insured amount is still equal to the new replacement value of the equipment, including freight, custom duty and installation costs, if applicable.



### IRRIGATION SYSTEMS

The modern farmer uses sophisticated irrigation systems to water his fields, and because it is exposed to many perils, he needs to insure it. The farmer will have the opportunity to insure these assets on subsection 1 – Fire, or subsection 2 – Accidental Damage. Indemnity will be based on replacement value, with liability cover to the amount of R2,5 million automatically included.

Cover for fire damage caused by fires, lightning, explosions and special perils, including freezing, with Accidental Damage indemnity is included on an All Risks basis, including theft and mechanical, electrical and electronic breakdown.

## PUBLIC LIABILITY

### Fire extinguishing charges (including water-bombing costs)

It is a condition that the insured must comply with the National Veld and Forest Fire Act No. 101 of 1998 (as amended). As the insured is legally liable **to prevent the spreading of fire beyond the borders of the insured's own premises**, clause 1651 under the Public Liability section will indemnify the insured against all reasonable **fire extinguishing** costs and expenses, with options of R100 000, R250 000, R500 000 or R1 million. Membership of a fire protection association will have certain benefits for the farmer in terms of premium and excesses.

### Product Liability

Damage which the insured shall become legally liable to pay consequent upon injury or damage caused by the product (milk).

## GOODS IN TRANSIT

Farmers tend to handle their own transport, which makes it apparent that the Santam Agriculture policy has to fulfil this need of farmers with cover without cover for livestock. Different cover options are available – from limited cover (fire, collision, overturning and derailment) to all risks. This section has also been extended to make provision for farmers acting as part-time contractors and occasionally transporting goods for a third party for compensation.

## TOLL-FREE SANTAM SOS – 0860 505 911

The Santam Agriculture policy has been extended to include the following services and cover free of charge and apply to the insured, employees and any guests:

- Personal health advisor (24-hour medical services), audio health library, medical advice, health counselling, general health information, etc.
- Emergency medical services (ambulance, helicopter and fixed-wing aircraft), immediate dispatch and transportation by air or road.
- Legal assistance and advice, a document service and a direct legal consultation service.
- A crisis line for assistance following a farm attack, theft, fire, medical emergency, etc.

For more information, contact your Relationship Manager or alternatively our Agriculture Contact Centre in Bloemfontein on 0860 247 400, or at [agriculture@santam.co.za](mailto:agriculture@santam.co.za).

Santam is an authorised financial services provider (licence number 3416).