

CROP INSURANCE

Terms and conditions No. EE C-1

Effective as of 09.09.2020.

BTA Baltic Insurance Company AAS Estonian branch enters into crop insurance contracts on the basis of these Terms and Conditions and the General Terms and Conditions effective at the time the contract is entered into, which can be found at www.bta.ee/ee.

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1. DEFINITIONS OF TERM USED

BTA – the Estonian branch of BTA Baltic Insurance Company AAS.

Insurance Application – a document or another information that the Policyholder submits to BTA to inform about Insurance Object, facts and circumstances necessary to assess the Insured Risk. Acceptance of the Insurance Application does not impose any duty on BTA to conclude the Insurance Contract.

PRIA – Agricultural Registers and Information Board (Põllumajanduse Registrite ja Informatsiooni Amet).

Insured Fields – the fields, registered in the PRIA registers where the Insured Crops are located.

Insured object – crops listed in the insurance contract.

Claim application – a written application of specific form provided by BTA about the possible insurance claim

Crops – plants specified in the insurance contract that a person grows (cereals, legumes, oil plants).

Good agriculture practice conditions – requirements, suggestions and recommendations to be complied with by the Insured while growing Crops.

Deductible – the amount of losses indicated in the insurance contract, expressed as percentage from sum insured, not reimbursed by BTA. Deductible is subtracted from the claim indemnity payment.

Repeated Sowing – repeated sowing of Crops, if losses of Crops occurred during Wintering Period, as a result it is not economically viable to retain the Crops.

Wintering Period – a period from 1 November until 1 May of the next calendar year.

Lodging – Crops weighing down, bending over of the stems or their (partial) breaking from a vertical to horizontal position, caused by storm and/or rain.

2. INSURED COVER

2.1. The Insured Object is Insured against the following risks, if they are specified as Insured in the Insurance Contract:

2.1.1. Hail – precipitation in the form of ice grain. The Insured Risk has occurred if, as a result of hail, the Crops have been directly affected, i.e., chopped, bent, broken, damaged, torn, destroyed, the seeds and pods have been beaten out.

2.1.2. Rain – precipitation in the form of water drops falling down of more than 15 mm per 1 m² in 15 minutes or more than 50 mm per 1 m² in one day, and it can be clearly concluded that damages to the Crops have been caused as a result of rain. The Insured Risk has occurred if, as a result of rain, the Crops have been directly affected, i.e., torn, ripped off, destroyed, the seeds and pods have been beaten out, or as a result of soil erosion caused by rain, the Crops are pulled out or a soil jam has formed above the Crops.

2.1.3. Storm – wind of force of at least 8 (according to Beaufort scale) or 17.2 ms and it can be clearly concluded that the damages of the Crops have been caused by storm. If the wind speed cannot be determined in the place of operation of the insured field, it is considered that the storm has occurred if the buildings, trees and objects in perfect condition before and adjacent to the place have been damaged by wind. The Insured Risk has occurred if the Crops, by direct impact of wind, have been destroyed, blown away, crop shaken out, the ears and pods broken.

2.1.4. Winterkill – damages to Crops during Wintering Period due to freezing out, suffocating under the ice-crust or overheating under the snow layer.

- 2.1.5. Fire** – Crops Damages, occurring during harvesting by fire breaking out in the Insured Field from harvesting equipment bursting into flames.
- 2.1.6. Lightning** – direct impact of lightning on the insured Crops resulting in a fire.
- 2.1.7. Theft** – theft of Crops from the Insured Field, occurring during the threshing period.

3. SUM INSURED

- 3.1.** The Sum Insured shall be set for each Insured Field separately and indicated in the Insurance Contract.
- 3.2.** The Sum Insured is set by the Policyholder. When concluding the Insurance Contract, the Policyholder assumes full liability for setting the Sum Insured and its correspondence to the value of the Insurance Object. If, upon occurrence of an Insured Event the Sum Insured is established to differ from the value of the Insurance Object, then, calculating the amount of the Insurance Indemnity, the conditions regarding Under-insurance or Over-insurance shall be applied.
- 3.3.** The Sum Insured shall be set for each insured object in the amount of the estimated value of the harvested crop.

4. EXCLUSIONS

- 4.1.** In addition to the exclusions listed in the General Terms and Conditions, the following events shall not be considered Insured Events and indemnity shall not be paid for:
 - 4.1.1. Claims that are less the amount of deductible** – losses, if damages inflicted by Hail, Rain, Storm, is less than the deductible set out in insurance contract.
 - 4.1.2. Business interruption** – the Insured's lost profit, unearned income, current expenses, remuneration, tax and duty payments;
 - 4.1.3. Harmful substances** – losses incurred by explosive substances or mixes, inflammable gases, fluids or hard substances, toxic substances, mutagen substances, carcinogenous substances or persistent organic pollutants;
 - 4.1.4. Diseases and pests** – losses related to the effect of virus, fungi, bacteria induced diseases or pests on Crops;
 - 4.1.5. Ignoring good agriculture practice** – losses sustained due to failure to comply with the provisions for good agriculture practice defined in the laws and regulations, or mismanagement, including if the period of use of protection and fertilising means of the Crops and recommendations are not complied with, inappropriate fertilisers are used or they are used incorrectly in line with the planned amount of harvest; significant errors have been done in processing soil, in the process of sowing and planting process of the Crops; significant errors and failure to comply with the cultivating process have been committed, failure to comply with the agriculture events and methods;
 - 4.1.6. Harvesting Weather Conditions** – losses because of inappropriate weather conditions, which encumber harvesting (e.g., the Insured Field cannot be driven on by harvester);
 - 4.1.7. Damages to mature crops** – losses sustained due rain or storm after the grain of threshable Crops have fully matured (after Zadok scale 89)
 - 4.1.8. Water Accumulation** – losses related to failed operation of the drainage system of the Insured Field's soil or as a result of a soil jam caused by a beaver dam;
 - 4.1.9. Maintenance** – expenses for regular maintenance of Crops, taking care of regular or emergency needs of Crops, as well as no expenses of the Policyholder or the Insured for consultations, expertise, experiments or any kind of checks shall be subject to compensation;
 - 4.1.10. Lodging** – losses incurred in the case of Lodging of Crops before Crops development stage AS 59 (inclusive) and after Crops development stage AS 83 (inclusive). For Lodging, losses shall not be subject to compensation when the damaged plants are legumes and oil plants.

5. VALIDITY OF INSURANCE COVER

- 5.1.** The insurance cover is terminated prematurely along with harvesting but not later than crops have reached Zadok stage 89 (inclusive).
- 5.2.** The insurance cover is terminated after the Winterkill risk has taken place and it has been established and registered that a premature resowing of Crops is necessary, regardless of whether the resowing is actually performed but not later than when the Crops have reached Zadok stage 29 (inclusive). If resowing has taken place, then resowed crop need to be insured again and separately.
- 5.3.** The Insurance Contract can be terminated prematurely, though not sooner than as of 1 September of the calendar year with respect to Winter Crops and 1 October of the calendar year with respect to Summer Crops.

6. PAYMENT OF INDEMNITY

- 6.1.** If, upon occurrence of an Insured Event due to damages from Freezing Out, Hail, Rain and Storm until the Winter Crops development stage AS 29, the Insured, adhering to Good agriculture practice conditions and

the minimum live Crops count provisions per 1m², makes a decision of Resowing the Insured Field or its part, then BTA will pay Insurance Indemnity by applying the following terms:

- 6.1.1.** the value of not gained Crops harvest is not compensated and deductible is not applied
- 6.1.2.** indemnity is limited to the expenses of resowing of the Insured object or its part damaged as a result of the Insured Event, considering the limit for Resowing Expenses defined in the Insurance Contract;
- 6.1.3.** the minimum live Crops count per 1m² after restart of vegetation in spring for the listed Crops is less than:
 - 6.1.3.1.** winter rape – 10 plants;
 - 6.1.3.2.** winter turnip rape – 20 plants;
 - 6.1.3.3.** winter wheat – 100 plants;
 - 6.1.3.4.** winter rye – 80 plants;
 - 6.1.3.5.** winter barley – 100 plants;
 - 6.1.3.6.** winter triticale – 100 plants.
- 6.2.** If Crops (starting from Zadok scale 30) has been damaged as a result of Hail, Rain, Storm, Crop Theft, Lightning or Fire, Insurance Indemnity shall be calculated by means of the following method:
 - 6.2.1.** a loss evaluation expert appointed by BTA establishes the amount of damage to the Insured Crops;
 - 6.2.2.** the insurance indemnity is calculated in the amount of damaged per cent of the Sum Insured, subtracting the deductible.
- 6.3.** If Lodging has taken place from the ear emergence phase (starting from Zadok stage 59) until reaching the early dough phase (Zadok stage 83, inclusive), insurance indemnity is calculated by means of the following method:
 - 6.3.1.** a loss evaluation expert appointed by BTA establishes the amount of damage to the Insured Crops;
 - 6.3.2.** the value of harvest not obtained shall not be compensated
 - 6.3.3.** if the damage is less than the deductible specified in the Insurance Contract, the Insurance Indemnity shall not be paid.
 - 6.3.4.** if the damage is more than the deductible specified in the Insurance Contract, the Insurance Indemnity is calculated 15% from the damages
- 6.4.** After the Insurance Indemnity payment, the Sum Insured for the respective Insured Field is automatically reduced by the amount of the disbursed Insurance Indemnity.