

WoodlandCover Insurance Scheme

Summary of Basis of Indemnity

(A) Work in Progress - up to the date of receipt of the first instalment of the planting grant from the Department of Agriculture, Marine and Food - Reinstatement Cost based on incurred expenditure up to a limit of the first instalment grant.

(B) First year crop and thereafter up to the thirtieth year - the basis of indemnity shall be, in the case of fire or windthrow (where applicable) the Specified Value which shall be calculated in accordance with the definition of same. The Specified Value shall not in any event exceed the Net Discounted Value as herein defined. The first year shall be deemed to commence with the month and year of planting and the Specified Value basis shall apply (unless otherwise agreed) commencing upon payment of the Department of Agriculture, Marine and Food planting (first instalment) grant.

(C) Thirtieth year and thereafter - The indemnity basis shall be the Net Discounted Value as herein defined; the onus is on the Owner to ensure adequacy of sum insured. Storm (windthrow) cover does not apply to timber over 55 years growing.

Reconstitution Cover – referred to as RC - the Owner may optionally insure a Reconstitution (Replanting) Allowance towards costs of actually reconstituting the woodland after damage by insured perils.

Definitions Specified Value is intended to reflect the loss of value increment following an insurable incident, assuming replanting within a year. It is the Owner's responsibility to consider the adequacy of the Specified Value for a given plantation. It may be appropriate to divide the plantation into sub-compartments because of differing species, age or Yield Class; the Scheme facilitates this.

(1) Specified Value is the Value Increment. Value Increment equals the First Average x the Multiplier if the Multiplier is less than or equal to ten, otherwise it equals the First Average x ten plus the Second Average x the (Multiplier minus ten), otherwise it equals the First Average x ten plus the Second Average x five plus the Third Average x (Multiplier – 15) plus an allowance (pro-rata) of up to €1,250 for professional fees. First Average is the average of the annual movements (year on year) in the Net Discounted Value (NDV as herein defined) for each of the first ten years; Second Average is the average of the annual movements (year on year) in the NDV for each of the next five years; Third Average is the Average of the annual movements (year on year) in the NDV for each of the next ten years. The Multiplier is defined as the crop age in years (defined as the Year in which this policy commences / is renewed less the Year of planting) plus, for plantations planted between 1 January and 30 June, two years and otherwise one year.

(2) Reconstitution Allowance [RA] is an allowance towards the estimated cost of reinstating woodland following fire or wind throw; the basis of calculation is stated on the Debit Note or information notice included with renewals / additions paperwork. The Owner may vary, with insurers agreement, the indicated RA at commencement of cover or renewal by written instruction and payment of any additional cost; basis of settlement of a valid claim will be the lesser of costs (generally defined as costs acceptable to Forest Service for grant-aid less available grant) and RA; proceeds must be applied to replanting within one year, unless otherwise agreed.

(3) Net Discounted Value (NDV) - should be calculated on the basis of the Price as defined (in the policy) applied to the anticipated volume yields for interim and final harvests less forecast operating and management expenses (net of applicable grants), discounted in accordance with the Currently Declared Rate. Land value is not included.

(4) Premium - the annual premium payable by the Department of Agriculture, Marine and Food, is not included in the Specified Value calculation as it is normally re-instated for the remaining years of the entitlement following replanting.

(5) Price - Price shall be agreed as being the weighted average of the Forest Service and / or Coillte Teoranta published prices extended from 1989 or a later date to the end of the year prior to renewal indexed in line with the Consumer Price Index or where such data is not available the nearest comparable data. For these purposes it is assumed that hardwood prices and movements shall reflect the published prices and trends for softwoods. (6) Anticipated Volume Yields- Anticipated volume yields are calculated on the basis of a designated yield class with reference to the appropriate British Forestry Commission Yield Model or in the absence of such data by reference to other suitable material. In general the nearest Sitka spruce equivalent will be used where species other than Sitka spruce form all or part of the crop.

(7) Interim and final Harvests (a) Final Harvest shall be deemed as occurring at the age of maximum mean annual volume increment for the appropriate yield model as above. (b) Interim Harvest of thinning shall be deemed to be made in accordance with the appropriate Yield Model as above.

(8) "Loss or Damage" - "Loss or Damage" shall mean loss, damage or destruction to the property insured arising from any one incident or series of incidents stemming from one occurrence.

(9) Currently Declared Rate - The currently declared Discount rate is 6%.

(10) Exclusions - Loss of Branch or Boughs only and standard exclusions as per the policy document.

(11) Deductibles (excess) and Limits- Excess €250 for each and every fire loss, €5,000 for windthrow, €720 for other losses or as otherwise notified - applies to each loss, each plantation. Upper Policy limits, any one loss, include €25,000 for felling for good management, €100,000 for walls, gates and fences arising from landslip (deductible €720), €43,230 for damage to felled timber, €57,641 for site clearance (where salvage remains the property of insured site clearance cover does not apply) - €216,154 for fire fighting costs (any one loss) and €2,500 for aerial photography (subject to prior approval), or as otherwise notified. Limits and deductibles may be varied at annual renewal. Insurers' maximum liability in respect of any woodland area is €2,882,000 - each insured plantation must be at least 15 yards away from any other plantation or else such adjoining areas will be regarded as one woodland area for the purposes of this clause.

Public Liability insurance – Summary of Basis of Indemnity This policy Indemnifies in respect of sums for which the insured shall become legally liable to pay for accidental bodily injury or disease arising in the course of business. Principal exclusions are lopping, thinning and tree felling of trees unless carried out by a contractor with appropriate insurances to indemnify Owner, burning of Scrub / Bush; pollution of atmosphere or water; the use of explosives, well sinking, demolition, quarrying, sand or gravel getting; Spectator stands. It does not cover Employer Liability. The Limit of Indemnity is €6,500,000 any one accident / unlimited in the period. The full extent of cover is set out in policy documents which embody the contract(s) of insurance, with all its / their terms, conditions and exclusions. The summaries herein, which do not alter any of the provisions of the policies, apply to renewals and additions on or after **18 March 2011**. The Conditions of Arrangement are stated [here](#).