

FOREST INSURANCE PROPOSAL FORM

IMPORTANT NOTICES PLEASE READ THE FOLLOWING NOTICES CAREFULLY. THEY WILL HELP YOU ENSURE THAT YOUR COVER IS EFFECTIVE AND ADEQUATE.

YOUR DUTY OF DISCLOSURE

Before you enter into a contract of insurance with an insurer, you have a duty at law to disclose to the insurer every matter that you know, or could reasonably be expected to know that is relevant to the insurer's decision whether to accept the risk of the insurance and, if so, on what terms.

You have the same duty to disclose those matters to the insurer before you renew, extend, vary or reinstate a contract of insurance. Your duty however does not require disclosure of matter:

- that diminishes the risk to be undertaken by the Insurer;
- that is of common knowledge;
- that your insurer knows or, in the ordinary course of his business, ought to know;
- as to which compliance with your duty is waived by the insurer.

Non-Disclosure

If you fail to comply with your duty of disclosure, the insurer may be entitled to reduce its liability under the contract in respect of a claim or may cancel the contract.

If any non-disclosure is fraudulent, the insurer may also have the option of avoiding the contract from its beginning.

Your Privacy Rights

This information is requested by ForestRe to enable us to support your broker and insurer to provide the most appropriate cover. You may request to see your details held by us as permitted by the Data Protection Act.

We may disclose your personal information to others, such as insurers, reinsurers, and claims consultants, but only in accordance with the General Insurance Privacy Principles.

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Authorised and regulated by the Financial Services Authority No. 315263

1. You & Your Insurance Intermediaries

1.1 FOREST OWNER DETAILS

Business Name

Contact Name

Postal Address:

Line 1Line 2

Line 3..... City

State..... Zip/Post Code.....

Country.....

Telephone No.....

E-mail Address

1.2 OTHER INTERESTED PARTIES

Does any other party have an insurable interest in the Forest/Plantation you will list on next page **(Y/N)**?

If Yes, please provide details such as joint venture partners with separate title to part of the forest described below.:

.....

1.3 YOUR INSURANCE AGENT/BROKER/INTERMEDIARY (if any)

Agent / Broker Details

Business Nameif none: state

Contact Name

Postal Address:

Line 1Line 2

Line 3..... City

State..... Zip/Post Code.....

Country.....

Telephone No.....

E-mail Address.....

Facsimile No.....

1.4 Past & Current Standing Timber Insurance

Is your plantation(s) currently insured (Y/N)?.....

If Yes, with which insurance company....

If so when does this insurance expire? (dd/mm/yr)

FROM WHEN DO YOU WISH YOUR NEW INSURANCE TO START (DD/MM/YY)

Have you ever had any forest insurance policy declined or cancelled, a renewal refused, had special conditions imposed, had a claim rejected **(Y/N)**?

If yes, in which year? Name of Insurer.....

2.2 Valuing your Growing Trees: Valuation for Industrial Tree Crops (oil palm, jatropha, rubber, cocoa etc.)

| Please provide typical costs per hectare of Currency: _____ | Year 0 planting | Year 1 | Year 2 | Year 3 | Year 4 + annual costs |
|--|--------------------|--------|--------|--------|--------------------------|
| Land preparation for planting (exclude land clearing) | | | | | |
| Seedlings & replacements | | | | | |
| Planting | | | | | |
| Crop chemicals | | | | | |
| Weeding | | | | | |
| Other | | | | | |
| TOTALS per hectare | | | | | |



**** 2.3 Insured Values for your Growing Trees**

You may chose to insure by compounding the investment costs that you have shown above; or discounted cash flow basis or a combination of these.

The insurers are keen to insure at values that they perceive to be reasonable. Valuations should not include cost of land, buildings etc, original land preparation costs, or any costs that can not be destroyed by an insured event.

Please state how you have valued your Growing Trees species and any notes that explain the exact method.

Valuation method: _____

2.4 Growing Trees MAP

Please attach a map(s) of your plantations clearly showing their location and indicating the coordinates of each block/compartiment by longitude and latitude and the direction of North.

Please also indicate key features such as: firebreaks, primary and secondary roads (public and private), power lines, railway lines and available water sources for fire extinguishment.

Maps may be submitted in paper form or electronically attached in suitable file format.

3. INSURANCE COVER REQUESTED

| | Perils – all subject to the deductible | Y/N or answer the questions |
|---------------------------------|--|-----------------------------|
| Insured Perils Requested | Fire* (*Exclusions: Fire following Quake, Subterranean Fire) | |
| | Wind (to be agreed by insurers and WILL be excluded for certain areas) | |
| | Fire Fighting Costs (cover limited to 5% Sum Insured) | |
| | Debris Removal (limited to 10% sum insured/damaged ha or US\$200,000 which ever is the lesser) | |
| | Hail (cover limited to US\$25,000) | |
| Total Sum Insured | Please confirm the total sum insured and indicate the currency | |
| Loss Limit* | Please state first loss limit if required | |
| Excess | Please state the amount you wish to pay when a claim occurs | |
| Coinsurance** | None | |
| | 25% of TSI | |
| | 50% of TSI | |
| Net of Salvage*** | Do you wish to benefit from 'Net of salvage' clause? | |

* **Loss Limits:** Larger forests may not be all at risk, and it is possible to set a 'loss limit' that represents the value of the largest loss that you consider likely. Typically this may be US\$5m depending on the values per hectare. This represents according to valuation about 3000 hectares of loss. Loss limits attract a premium discount.

** **Coinsurance** means the insured acts as its own insurer for a specified proportion of the sum insured in exchange for a rate credit.

This means that if there is a loss, we will pay you only the specified proportion of the net loss after the application of the deductible. 50% co-insurance means you pay 50% of the premium.

*** **Net of Salvage:** This ForestRe Policy allows you to retain ownership of the damaged trees and keep the proceeds of any sale. This also facilitates the prompt payment of any claim following confirmation by our inspectors of the area damaged by the insured peril. You may then maximise the value of the damaged timber sold to your advantage.

Salvage under this policy is assumed, if agreed, to be the % of the gross insured value of the damaged (being the surface area multiplied its gross insured value) listed in Table 2.1

Calculating your claim

Having established the value of your loss net of salvage, the policy excess is then deducted to determine the net loss. Insurers' share of the net loss is 100%.

Note that if you do not want to benefit from this 'net of salvage' clause then premiums will be more expensive.

4. FOREST RISK FACTORS

4.1 This section gathers information about the risks to which your plantation is exposed and your risk management procedures:

| |
|--|
| <p>Do you have a printed Fire Plan (y/n)? Please attach to this application if 'Yes'.</p> |
| <p>Is there a National Park/an area of native bush land within 5km of your forest (y/n)?</p> |
| <p>Is there a town within 10 km of your forest (y/n)?.... If Yes, please give the name....</p> |
| <p>Do the public have unlimited access to your forest (y/n)?</p> |
| <p>Are there any railway lines, power lines, a rubbish tip or a public road within or on the boundary of your forest (y/n)?</p> |
| <p>Would fire fighting appliances have difficulty accessing any of your forest locations (y/n)? If Yes, which locations have difficult access?</p> |
| <p>In the event of a fire, would you expect the fire brigade to take more than 30 minutes to attend the fire(y/n)?</p> |
| <p>Is the nearest permanent water supply located over 2.0 km from your forest (y/n)?</p> |
| <p>Do you have fire breaks running round the external boundary of your forest (y/n)?</p> |
| <p>Are fire breaks maintained to keep grass & weeds short in the dry season (y/n)?</p> |

4.2 Please complete the following tables for all your forest locations together:

| | Total number on or in sight of your forest | Built of what Materials / type? (wood, metal, earth, concrete) | Height (m) | Are these towers manned everyday during the fire season? |
|-------------|--|--|------------|--|
| Fire towers | | | | |

| | | | What is the water capacity (litres)? | Are these water sources available all year round? Yes or No |
|---------------------|--|--|--------------------------------------|---|
| Water tanks / dams | | | | |
| Natural river pools | | | | |
| Rivers | | | | |

| | Number | Number of men per team/brigade | What is the water capacity (litres)? | |
|---|--------|--------------------------------|--------------------------------------|--|
| Own trained fire fighting teams | | | | |
| Fire brigade Camps | | | | |
| Distance to local authority fire brigade (km) | | | | |
| Water tankers | | | | |
| Tractors | | | | |
| Bulldozers | | | | |
| Road graders | | | | |
| Trucks for transport | | | | |
| Fire detection cameras | | | | |

4.3 DOES YOUR FOREST HAVE ACCREDITED SUSTAINABLE FOREST MANAGEMENT (SFM) CERTIFICATION (Y/N)?
N.B. SFM certification reduces your premium

From which organisation is the certification?
 Certifying Body is:
 Date of Certification.....

