**DROUGHT INDEX INSURANCE POLICY**

CERTIFICATE OF INSURANCE

INTRODUCTION

CHAPTER I DEFINITIONS

CHAPTER II SCOPE OF COVER

CHAPTER III CLAIMS PROCESS

CHAPTER IV EXCLUSIONS

CHAPTER V GENERAL PROVISIONS

**CERTIFICATE OF INSURANCE**

|  |  |
| --- | --- |
| **PRODUCT** | Drought Index Insurance |
| **RISK** | Deficit rain |
| **POLICYHOLDER** | [Company or individual name] |
| **CONTACT OF POLICYHOLDER** | [Name] [Email] [Phone] |
| **INSURED** | [Company or individual name] |
| **CONTACT OF INSURED** | [Name] [Email] [Phone] |
| **BENEFICIARY** | [Company or individual name] |
| **CONTACT OF BENEFICIARY** | [Name] [Email] [Phone] |
| **RELATIONSHIP BETWEEN INSURED AND BENEFICIARY** | [Self / Parent / Spouse / Sibling / Child / Supplier / Buyer / Financial Institution] |
| **INSURED ASSET TYPE** | [Coffee] |
| **INSURED ASSET COORDINATES** | Latitude [16.3324], Longitude [107.4965] |
| **INSURED ASSET AREA** | [1.0] hectares |
| **INSURED ASSET ADDRESS** | [Address, including district and province] |
| **COVER PERIOD** | [01 June 2023 to 31 August 2023] (including both dates) |
| **COVER TYPE** | Not renewable |
| **THRESHOLD** | [816] mm of rain |
| **WEATHER DATA** | UCSB CHIRPS Rainfall |
| **WEATHER DATA PROVIDER** | ClimateSERV |
| **PAYMENT** | [235,000] VND per mm per ha below the threshold up to the Sum Insured, or [235,000] VND per mm in total |
| **SUM INSURED** | [58,750,000] VND per ha, or [58,750,000] VND in total |
| **PREMIUM** | [3,093,300] VND per ha, or [3,093,300] VND in total |
| **JURISCICTION** | Vietnam |

**INTRODUCTION**

**Thank you for choosing MSIG Insurance Vietnam, Co., Ltd. (“MSIG”) for your drought insurance needs.**

**You have paid the premium set out in the Certificate of Insurance. In return, we agree to provide you with cover as stated in this Policy, subject to its terms and conditions. We will only be liable under this Policy for amounts up to and including the Sum Insured.**

**Before you enter an insurance contract, you have a duty to tell us anything that you know, or could reasonably be expected to know, that may affect our decision to insure you.**

**You have this duty until we agree to insure you. You have the same duty before you renew, extend, vary, or reinstate an insurance contract.**

**You do not need to tell us anything that**

* **reduces our risk,**
* **is common knowledge,**
* **we should know as an insurer, or**
* **we waive your duty to tell us about.**

**If you do not tell us anything you are required to, we may cancel your contract or reduce the amount we will pay you if you make a claim, or both.** **If your failure to tell us is fraudulent, we may refuse to pay a claim and treat the contract as if it never existed.**

**CHAPTER I DEFINITIONS**

In this policy, the following terms have the following meanings:

* The **Beneficiary** is the Insured, or alternatively the person or organization to whom the Insured transfers the right to the insurance benefits. If not the Insured, the Beneficiary must be related the Insured as a parent, spouse, sibling, or child, a supplier to or buyer from the Insured, or a financial institution with an economic interest in the Insured Asset.
* The **Certificate of Insurance** is proof of insurance between the Insured and the Insurer.
* **Cover Period** is the policy period for this insurance, stated in the Certificate of Insurance. The maximum Cover Period is 12 months.
* **Drought Event** means when the cumulative rainfall over the Cover Period at the Index Area, based on the Weather Data published by the Weather Data Provider, is less than the Threshold.
* **Drought Event Payout** means the payment made by the Insurer to the Beneficiary on completion of the claim and calculation process under this Policy.
* **Index Area** means the 0.05 x 0.05 degree area (approximately 5 x 5km) that contains the Insured Asset Coordinates.
* **Index Loss** means the cumulative amount of rain below the threshold (to the nearest tenth of a millimeter) multiplied by Payment Amount per mm, but not to exceed the Sum Insured.
* **Insurer** is the MSIG Insurance Vietnam Co., Ltd. and its affiliated member companies, referred collectively to as “MSIG”.
* **Insured** is the individual or organization named in the Certificate of Insurance that has an insurable interest in the Insured Asset.
* **Insured Asset** means the agriculture, aquaculture or forestry asset, operation, or business at the Asset Coordinates covered under this Policy.
* **Insured Asset Coordinates** is the latitude and longitude of the Insured Asset, to four decimal places.
* **Insured Asset Area** is the geographic size of the productive area of the Insured Asset, expressed as hectares to one decimal place.
* **Policy** means this document, including any information provided or claimed by the Insured, the Certificate of Insurance and any endorsements issued by MSIG under this policy.
* **Policyholder** is an organization or individual who signs an insurance contract with an insurance company and pays the premium. The Policyholder can be the Insured and / or the Beneficiary, or someone acting on behalf of the Insured and / or the Beneficiary.
* The **Sum Insured** is the maximum amount noted on the Certificate of Insurance that the Insurer shall pay to the Beneficiary for the Drought Event over the Cover Period.
* **Weather Data** means the UCSB CHIRPS Rainfall observed daily average dataset, as published by the Weather Data Provider at <https://climateserv.servirglobal.net>.
* The **Weather Data Provider** is ClimateSERV, a joint initiative of NASA, USAID, and leading geospatial organizations in Asia, Africa, and Latin America.

**CHAPTER II SCOPE OF COVER**

* **The Insurer will pay to the Beneficiary when:** 
  + **the Policy Holder has taken out this Policy, and paid the premium in due course;**
  + **a Drought Event occurs within the Cover Period;**
  + **the Index Loss is greater than zero; and**
  + **the Insured has an insurable interest in the Insured Asset.**
  + **The Insurer will pay to the Beneficiary for each Drought Event the Index Loss.**
* **The Index Loss is the cumulative amount of rain below the threshold (to the nearest tenth of a millimeter) multiplied by Payment Amount per mm, but not to exceed the Sum Insured.**
* **There will only be one payout per Drought Event, and only one Drought Event per Cover Period.**
* **The total amount paid for the Drought Event cannot exceed the Sum Insured.**
* **The Insured must provide the Insurer with proof of an insurable interest in the Insured Asset immediately. An ‘insurable interest’ means that a reasonable person would expect the Insured to suffer an actual loss if a Drought Event were to occur.**
* **The Insured can visit** <https://climateserv.servirglobal.net> **for rainfall data.**

**CHAPTER III CLAIMS PROCESS**

* **In the third week of the month following the month of the final date of the Cover Period, the Weather Data Provider publishes the Weather Data. By the end of that month, MSIG will notify the Policyholder via our app, email, SMS or via phone that a Drought Event has occurred.**
* **In that notification, MSIG will inform the Policyholder of the Index Loss for the Cover Period.**
* **The Policyholder must also provide the following documents and information:** 
  + **evidence that the Insured or Beneficiary has an insurable interest in the Insured Asset. This can include evidence of ownership or leasing of the land, or other documentation that indicates the Insured has an economic interest or stake in the agriculture, aquaculture, or forestry operation.**
  + **a copy of the National Identity Card/Passport/Citizen Identification Card used to apply for the insurance.**
  + **the bank account information of the Beneficiary.**
* **Drought Event Payouts are typically made within two (2) weeks of satisfactory receipt of the information above.**
* There is no VAT payable on the payout.
* As the additional benefit to the Insured, we can provide the final data upon policy expiration, even if a Drought Event has not occurred.

**CHAPTER IV EXCLUSIONS**

MSIG will not cover loss or liability directly or indirectly caused by:

* Any damages, costs or expenses incurred by the Insured or Beneficiary or any third party not related to the Drought Event;
* Any Index Loss or Drought Event directly or indirectly relating to ionizing radiation or contamination by radioactivity from any nuclear fuel or nuclear waste;
* Any Index loss directly or indirectly relating to war, invasion, acts of foreign enemies, hostilities, or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power, any act of terrorism, or any action taken in controlling, preventing or suppressing the above;
* Any Index Loss directly or indirectly caused by, resulting from or in connection with weather manipulation; or
* Any Index Loss directly or indirectly relating to fraudulent or dishonest acts committed independently, or in an act of collusion, by the Insured, its partners, officers, directors, members, trustees, employees, or any other authorized representatives, committed at any time.

**CHAPTER V GENERAL PROVISIONS**

* The construction, validity, and performance of this Policy shall be governed by and interpreted according to the laws of the Jurisdiction specified in the Policy Schedule. Any disputes will be submitted to the courts of the said Jurisdiction.
* Only one Policy can be made per Insured Asset. If the Insured has more than one (1) same or similar policy from the Insurer for the same Insured Asset, the Insurer will only cover the policy that provides the highest benefit to the Insured.
* When applying for insurance, the Policyholder has read, understood, and agreed to the contents of the insurance policy. The Policyholder, Insured and Beneficiary must honestly and fully declare insurance information as required by MSIG and comply with the terms and conditions, pay the correct and sufficient premium in accordance with the Policy or Certificate of Insurance.
* The insurance purchase and premium payment must be made at least 28 days before the first day of the Cover Period.
* A person or company that is not covered under this Policy will not have a contractual right to claim under this Policy.
* The Policyholder, Insured and Beneficiary must be honest in their declarations, and in providing documents for the claim.
* This Policy uses the National Identity Card, Passport or Citizen Identification Card to identify the Policyholder when they apply for insurance. These documents must be the same as documents used by the Policyholder to make a claim. If the registration information and the claim are not the same, no compensation will be paid.
* The Insured must not knowingly profiteer or take advantage of the insurance. The Insurer will not indemnify if the Insured or anyone acting on behalf of the Insured as follows:
  + **Claiming compensation despite knowing that the claim is incorrect or exaggerated;**
  + **Creating a false or altered document to support the claim;**
  + **Send documents to support the claim to the Insurer knowing that they are not correct.**
* In such case, the Insurer has the right to:
  + **Not to pay the Drought Event Payout;**
  + **Declare the insurance contract to be void;**
  + **Claim for payouts previously paid under the Policy;**
  + **Refuse to refund of any premium.**
* The Insurer has the right to represent the Insured to defend or mediate any claim and in the name of the Insured to protect the interests of the Insured.
* Within 6 months from the Drought Event, the Policyholder must provide the information or documents as prescribed in Chapter III of this Policy. If this time limit is passed, MSIG is not responsible for paying Drought Event Payouts except in case of force majeure.
* The policy will end at the end of the Cover Period, or when the Sum Insured indicated in the certificate of insurance is paid, whichever comes first.