

Genetically Modified Crops – Insurance Aspects

Key Points

- The production of certain genetically modified crops has now been approved by several State governments in Australia.
- Effective insurance cover for Genetically Modified (GM) crops is an issue being explored by the insurance market.
- Presently, insurance coverage generally exists for damage to GM crops.
- Cover relating to liability for GM crops is a more complex matter requiring discussion between individual producers and their insurer.
- Primary producers requiring insurance specifically for GM crops should make contact with their insurer.

Background

- Commercial production of GM crops such as wheat, canola, oats and barley have been approved by several Australian Governments.
- A highly competitive Australian general insurance market already provides a choice of cover for primary producers seeking to protect themselves from a loss resulting from damage to their GM crops, for example, from fire, hail, livestock and overspray.
- Insurance policies covering commercial crop production typically require strict compliance by the producer with relevant legislation and the requirements of public authorities. This is also the case with GM crops.
- While some producers have a high degree of experience with GM crop production, there is little collective experience in Australia with commercial broad acre GM crops and therefore little history concerning the particular insurance risks and controls surrounding their widespread cultivation in the Australian rural environment.
- Liability cover with respect to the risks (if any) presented by a GM crop to adjacent non-GM crops is an issue that should, if you as a primary producer are unclear on the issue, be raised with your insurer.
- Insurers supporting Australia's primary industries are constantly seeking to offer innovative products and commercial insurance policies, where the risks can be quantified and priced.

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