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Insurance for beekeepers

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Introduction

There are many different types of insurance available. Some that beekeepers commonly arrange include public liability, property, and income protection/personal accident insurance.

Public liability

As a beekeeper, public liability insurance is perhaps the most vital safeguard your money can buy. It protects you against claims by other persons resulting from damage or injury caused by your operations. Consider these examples:

- As a result of misuse or accident using a smoker, a fire starts on the property where you are working your bees.
- Someone, invited or uninvited, interferes with your bees and gets badly stung.
- A car with windows open passes your apiary, a bee stings the driver and there is an accident.
- Livestock, say a tethered dog or horse, is stung and dies in close proximity to your bees.
- Produce from your apiary is chemically contaminated and causes illness to consumers.

All these incidents could result in legal action against you for negligence. The resulting damages and legal costs awarded against you could run into huge figures.

If you choose to insure, the amount of cover will depend on the nature of your operation — the more hazardous the enterprise, the greater the cover required

If you are a backyard beekeeper (hobbyist), get your insurance broker to tell you whether your existing household policy covers public liability. If you shift your bees, or have bees on another person's property, extra insurance to cover this public liability may be necessary. If you lease forestry or Crown Land sites, it is a condition of your Bee Farming Permit that you indemnify the Crown against any legal action that may ensue as a result of you having your bees on publicly-owned land.

Standard public liability insurance often excludes certain operations — for instance, use of tractors, headers and sprayers. Ensure that your broker or agent explains exactly what you are not covered against.

If your operation does cause injury to some person, do not admit liability at any stage. The question of liability is for your insurer to decide no matter how obvious the matter may seem to you.

If injured persons wish to claim against you they must first furnish a letter of demand stating the claim and the incident which caused it. Forward this letter immediately to your insurer who will take the necessary action.

Finally, remember that no amount of public or product liability insurance removes your duty to take reasonable care in your operations.

How much cover?

Apiarists should consider public liability cover of at least $10,000,000 for two reasons:

- Land managers such as the National Parks and Wildlife Service require a minimum of $10 million cover for an apiarist to obtain a beekeeping occupation permit.
- Litigation can take years to finalise. If a claim settles in 10 years time, your cover remains at the level it was at the time of the incident, but

the claim will be settled in the currency value at the time of settlement. There is no way of comfortably estimating what a dollar will be worth in 10 years time.

Property insurance on your beehives

This will insure your beehives against lightning, fire, explosion, storm and tempest, suffocation caused by smoke from a fire, theft, earthquake and any malicious act. Depending on the insurance policy and company, other events may be excluded or included.

The question to ask yourself is whether you are prepared to take the risk of hives being destroyed or production lost for any reason. The answer will depend on what category of beekeeper you are. Amateurs may consider the benefit of insuring hives is not worth the outlay considering their operation is only a hobby. On the other hand, commercial beekeepers relying fully on hive production would be significantly affected if hives were stolen or burnt. Income would cease and the investment would be lost.

Another incentive to insure might be a hive location such as isolated forestry or Crown Land sites which you may not visit for weeks. Fire or theft could mean total destruction or loss.

It is important to insure beehives for their full value, otherwise you become a 'co-insurer'. You will be accepting part of the risk yourself and the insurance company will pay only their part of the claim. For instance, you insure 100 hives at $50 each but their real value is $100. If 10 hives are stolen you will get only $500 less any excess, not the true value of $1000.

Income protection/personal accident cover

If you are working on your own you are probably not covered by worker's compensation. If the business relies on you to perform essential tasks, such as working your bees, you may consider insuring yourself against illness or injury and against the cost of having to employ someone while you are off work.

This can be achieved through a personal accident or illness policy to insure against loss of your income. These policies act much the same as a worker's compensation policy. They can provide either weekly income while you are off work, or lump sum compensation for permanent injury if the correct options are selected.

The amount of insurance cover you wish to purchase will depend on your income and the premiums to be paid. Remember to read the policy carefully and determine under what circumstances you are not covered.

Some principles of insurance

Taking out insurance is a form of contract between you – the proposer – and the insurance company – the insurer. This contract is governed, in most cases, by the *Insurance Contracts Act 1984*, a Commonwealth statute.

The Act lays down the principles of insurance and the duties and responsibilities of the parties to the contract.

Insurable interest

The person insuring a risk must have some ownership or interest in the item. The reason is to deter fraud, such as when a person insures someone else's property and destroys it to claim the insurance.

Duty of disclosure

As proposer you always know more about the condition, history and defects of the item being insured. The Insurance Contracts Act places a duty on you to disclose to the insurer at the time of entering into the contract of insurance, all material facts relating to the item or items to be insured. Failure to disclose material facts could completely invalidate an insurance policy.

Indemnity

There is a common law principle that while you can recover the amount lost when an insured item is damaged, stolen or lost, you cannot recover from the insurer more than that amount. In other words, you cannot make a profit from the insurance.

Misrepresentation

In insurance, as in all contracted matters, a misrepresentation or providing false information may well give the insurer the right to avoid its responsibilities under the contract.

Subrogation

If another person is responsible for loss or damage to your property, you have the legal right to sue them for damages. When you are insured, the insurance company pays you for your loss and can then assume the right to sue that person for damages to recover the claim paid to you.

Agent or broker?

When seeking insurance there are two ways to go — take out a policy through an insurance company's agent, or to use the services of an insurance broker.

Regardless of which you choose, it can be important to deal with someone you know or feel comfortable with. Ask around — has your friend up the road had good service from the agent or broker you are thinking of using?

The agent

If you deal with an insurance company and their salesperson provides the service, you are dealing with an agent of the company. While salespersons will render you the best possible service, their loyalty and legal responsibility is to the company, not the client. If the crunch comes — such as in a difficult claim — company interests will take precedence over yours.

The broker

Brokers will act for you if you take out insurance through them. A broker's role is to select an insurance company best suited to your needs. In arranging insurance or in helping you with your claim, the broker acts on your behalf, not that of the company. This could make a significant difference to the way in which a complex claim is processed. Brokers normally charge a small fee for the service they provide.

Insuring through apiarist associations

A number of beekeeping clubs and associations at all levels of the beekeeping industry have negotiated with various insurance companies and brokers over the years for special deals and specific cover for beekeeping activities.

You are strongly advised to contact the various beekeeping associations to see if there is currently such a relationship — this could well save you money and ensure the best coverage possible, as beekeeping associations will ensure that a comprehensive policy is formulated to cover a beekeeper's specific needs.

Summary

Insurance is available from a multitude of sources and, like everything else, you need to shop around to get the best deal. Do not judge on price alone. The detail of the cover and the ability of the insurance company to provide service after you have paid your money is far more important.

Remember to ask these questions:

- Insurance is about risk — am I prepared to take the risk myself?
- What am I actually risking?
- How quickly does the company pay out on claims?
- Are there any hidden clauses in the policy that I didn't understand fully? Read the fine print very carefully and ask questions if you are unsure or unclear about any of the points.
- Is the insurance company stable and likely to be there in the future to pay your claim?

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