Wildfires

Are losses from resulting conditions of wildfire, such as smoke-taint, an insurable cause of loss?

Yes, for certain crops, please refer to the applicable Crop Provisions.

Must the wildfire have been ignited due to a natural cause such as lightning?

No, a fire may have been ignited due to an uninsured cause of loss (COL), but spread due to an insured COL, such as excessive heat, drought, or excessive wind. In other words, the “wildfire” spread due to other insurable conditions.

Are lab tests required to document losses due to smoke-taint? Does the lab test have to be from a third party?

The Grape Crop Provisions do not provide coverage for the inability to market the grapes for any reason other than actual physical damage from an insurable cause of loss. Therefore, lab tests are required to substantiate the loss is from smoke that was due to a “wildfire” as the result of an insured COL and not due to market related conditions. Lab tests must be performed by an independent lab, accredited lab, or other credible source (e.g., winery lab with the resources to perform such a test). Documentation must indicate the location of the field, the results of the test (may be attached), the lab name, and any accreditations that would indicate the lab/chemist was qualified to perform the appropriate test.

If labs are not available to perform tests, are there other options?

Other options must be authorized by Approved Insurance Providers (AIPs) on a case-by-case basis.

If a lab test result will not be provided until after the normal harvest period has passed, what are the requirements?

It is the insured’s decision on whether to harvest, regardless of the timing of lab test results. AIPs must perform appraisals if insureds do not intend to harvest.

Can a lab test be taken from a sample during the fermentation process if the sample is not from commingled grapes?

Yes. RMA has always allowed AIPs to use lab tests they believed are appropriate to document the presence of chemical markers, including fresh fruit tests and micro-fermentation tests; however, the sample of the grapes must have been maintained and not commingled. The loss adjuster must determine the grapes were affected by smoke prior to harvest; a fermentation test may be used to identify the presence of chemical markers that caused smoke taint.

Will RMA establish baseline concentrations of the various chemical markers?

No, there are no industry standards and the markers could differ by region or market. Furthermore, the establishment of baselines could affect markets and inadvertently involve RMA in claim disputes.