

FMG Post

Keeping you in the know – May 2008



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Got your moving day checklist?

What a great time of year; it's raining, the grass is growing, you've finished milking, maintenance work is almost done, moving day is just around the corner, and you and the girls are getting ready for calving in the coming months.

It's a busy time, and the last thing you need to worry about right now is whether you're fully covered; this is where we can help.

Moving your Household Contents

Coming up to moving day, you'll need to make sure you have adequate cover for your household contents. Most people mentally add up their main items when deciding on

a sum insured. Don't forget items such as clothing, linen, kitchen items, children's toys, sports equipment, garage tools and other contents. With these items included, the true value of your household contents can add up to \$100,000 or more. Although nearly all total loss claims that FMG receives for household contents result in a payout of the full sum insured, most people are →

→ under-insured because they have not recently reviewed their cover.

You may not know that FMG's Household Contents policy automatically insures your contents for transit cover (if you're permanently moving) for fire, theft, or a collision involving the transporting vehicle. For added peace of mind, we can also arrange full accidental loss cover for your household contents in transit.

Moving Stock

You'll also need to know about liability issues surrounding stock on the road. Take, for example, a truck that is damaged while swerving to avoid your cows. You could face costs of hundreds of thousands of dollars, not to mention having the very unpleasant experience of disposing of your animals. Liability cover will insure you for the cost of accidental damage to the property of others as well as accidental bodily injury. You may also wish to take out Moral Obligation cover – unique to FMG – which can help offset damage to others' property where you are not legally at fault but feel morally obliged to pay.



In our experience, liability cover and cover for your main assets is extremely important in giving you the protection you really need. Your local FMG manager can help you fully assess your cover requirements; in the meantime you can also visit www.fmg.co.nz to download these handy tools:

- **Household Contents Valuation Guide**, which can help you calculate the approximate value of your contents
- **Farm Contents Valuation Guide**
- **Insurance Solutions for the Dairy Industry**, which outlines the key aspects of insurance cover applicable to your particular industry.



We're improving our service convenience to you

With the recent introduction of the Farmers' Mutual Act 2007, FMG reaffirmed its commitment to being a mutual – which means having our customers' interests at the heart of everything we do. We believe that a key aspect of mutuality is the quality of service you receive from us – so we've been working hard on making it even easier for you to deal with us.

Branches

One of the things that makes FMG unique is our on-the-road rural specialists who are salaried not commissioned, so you know they're working with your best interests in mind. However, being out on farm visits so much of the time affects the ability of many of our branches to be open all day, every day. Few customers call into our branches, and we've found it difficult to retain our Branch Support Officers in a number of locations.

For these reasons, we've reviewed how our branches operate.

There's no question in our minds that our on-the-road teams need to be based where you are – so all of our branches will remain in their local towns. However, from 1 July, our branches

will be open 'by appointment only'. If you find it more convenient to come into your local branch rather than have your local FMG manager come to you, simply give us a call a day or two in advance to make an appointment.

From 1 July, the role of Branch Support Officer will no longer exist. Where possible we have offered these staff members other roles at FMG; however, a number of them will leave FMG in the coming months. We know you will join us in thanking them heartily for all the support they have provided to our customers and our on-the-road teams over the years.



Service Centres

In the last edition of FMG Post, you'll have read about our award-winning 0800 Service Centre team in Palmerston North. We're proud to have a 'call centre' that's 100% local and has real empathy for rural New Zealanders. Over the years, nearly all of our customers will have called on the support of this team, who deal with a huge volume of calls, emails and faxes day in, day out.

To ensure you continue to receive the highest quality of service and advice whenever you call us, and to provide more support for our



on-the-road teams, we have also reviewed our 0800 services. After a successful pilot in the Canterbury region, we will be introducing a number of enhancements over the coming months:

- New South Island Service Centre – we're pleased to announce that this month sees the opening of our second Service Centre in Christchurch, and a move of location (including our local branch) to the corner of Dundas and Colombo Streets. You'll read more about the new team and location in the next edition of FMG Post.
- Single phone call – both our new and existing Service Centre teams will be able to deal with an even greater range of queries, including lodging a claim – all with the aim of a single phone call being all you'll need to complete most queries or business with us.
- Regional focus – when calling our Service Centres, we will be using new telephone technology to direct your call to your regional team. You'll deal with the same few people each time you call us, ensuring your needs are met as effectively as possible every time.

As always, we welcome your feedback about the service you receive from us. We look forward to showing you just how important it is to us through these service enhancements.

Whenever you have a query about our products, want to make a change to your policy, need more cover, or need to make a claim, you can contact us when and wherever suits you.

Here's how you can contact us:

Freephone	0800 366 466
Freefax	0800 366 455
Email	contact@fmg.co.nz
Postal address	PO Box 1943 Palmerston North Central Palmerston North 4440
Website	www.fmg.co.nz

And because we understand that there's no such thing as business hours for farming people, we have a Message Service available to take your call outside our normal hours shown here.

Service Centre

8.00am – 5.00pm Monday – Friday

Finance Company

8.30am – 5.00pm Monday – Friday

0800 Number

8.00am – 5.00pm Monday – Friday

9.00am – 4.00pm Saturday

Winner of \$10,000 investment

The last issue of FMG Post offered each reader the exciting opportunity to open an investment with FMG Finance and go into the draw to win a \$10,000 term deposit. On 30 April General Manager of FMG Finance drew Kim and Gertrud McGlashen of Motueka as the lucky winners – congratulations!

A big thank-you to all of those readers who took the opportunity to take out an investment with FMG Finance. If you missed this chance, there are still some superb interest rates available, including a top rate of 10.2% per annum for two years with interest paid or compounded quarterly. A range of other investment terms is available, ranging from a five-year term deposit to FMG Finance's popular Freedom Call Account which offers monthly interest payments, daily access to funds, and a competitive interest rate linked to the Reserve Bank of New Zealand Official Cash Rate.

Call the FMG Finance Investment Centre direct on 0800 366 444 or email investments@fmg.co.nz to request an Investment Statement and Prospectus, or to talk to a member of our experienced investment team.

Need commercial or personal finance?

Did you know FMG Finance has funds available to lend for a variety of purposes, including:

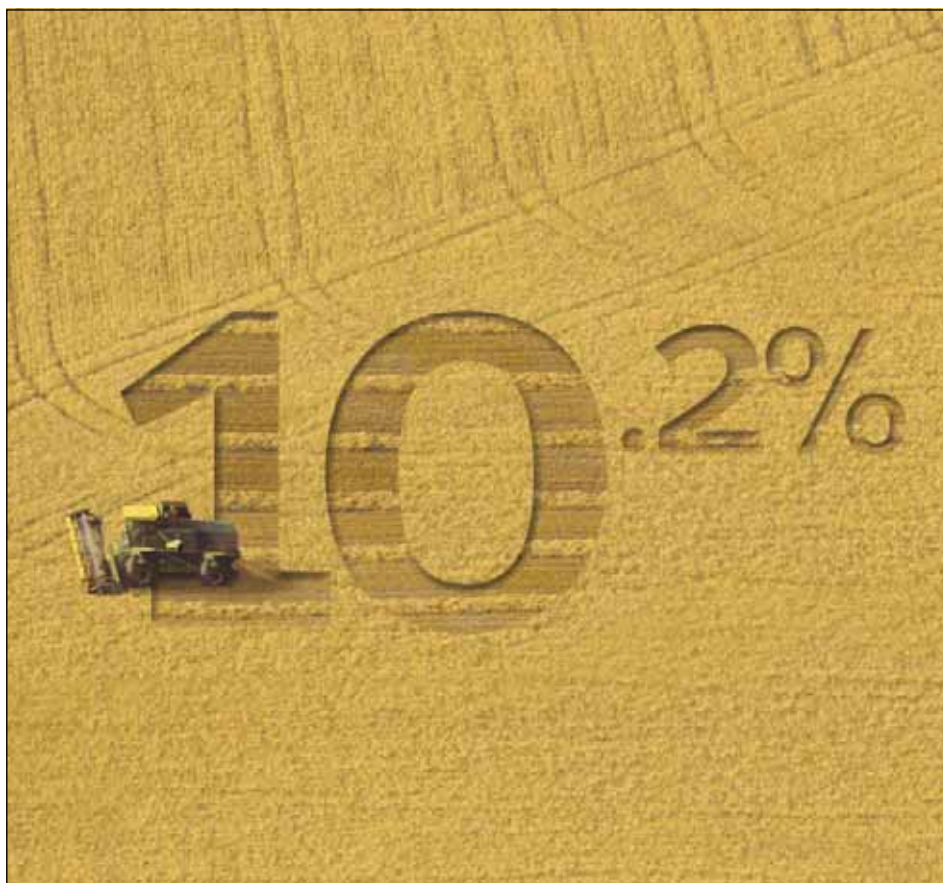
- Motor vehicles, farm bikes, 4WD vehicles and trucks;
- Tractors and earthmoving equipment; and
- Harvesters, haymaking, spreading, seeding and tilling equipment.

As a specialist rural finance company, FMG Finance provides a personalised service to make your application for finance as convenient and simple as possible. You'll benefit from:

- Competitive rates making it more affordable for you to purchase the best equipment for the job;
- Up to 100% finance providing the flexibility to retain capital for other purposes; and
- Flexible payment structures to match the seasonal trends of your business.

Finance can be arranged directly through our Lending Centre, right down to same-day approval and funds advance. Alternatively, our finance specialists are able to visit you at home or at your place of work at a time that suits you.

Call the FMG Finance Lending Centre direct on 0800 119 310 or email loans@fmg.co.nz to discuss your finance requirements and the wide range of options we have available.



An investment that REALLY grows on you

Interest rate of 10.2% per annum is for a 2-year term. Minimum investment of \$1,000. Interest paid or compounded quarterly.

For an investment statement and prospectus for Farmers' Mutual Finance Limited call our Investment Centre on

0800 366 444

The following rates and terms are also available:

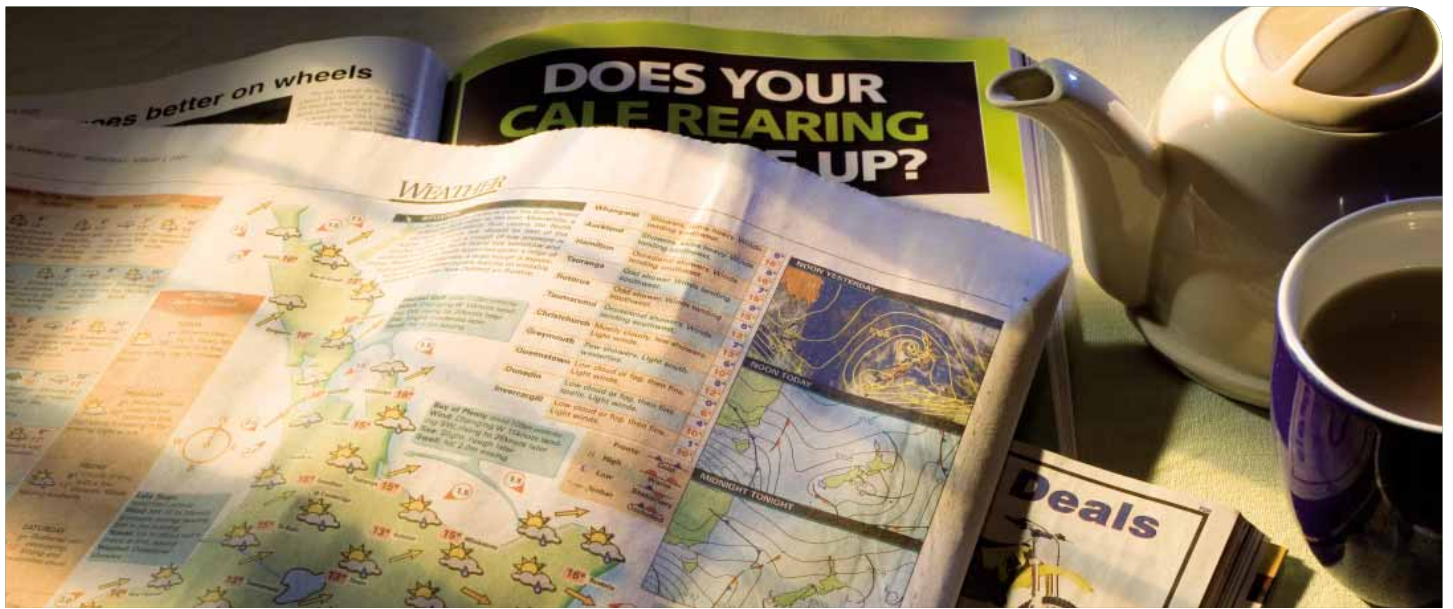
Term Deposit & Freedom Growth Account

Term	Min \$1,000 Interest Rate p.a.	Min \$50,000 Interest Rate p.a.
6 months	8.55%	8.65%
9 months	9.30%	9.40%
1 year	9.80%	9.90%
18 months	9.80%	9.90%
2 years	10.20%	10.30%
3 years	9.30%	9.40%
4 years	9.30%	9.40%
5 years	9.30%	9.40%

Freedom Call Account

Term	Interest Rate p.a.
On call	8.50%

Debenture stock is secured by a first ranking charge over the assets of Farmers' Mutual Finance Limited. No person, including Farmers' Mutual Group, provides any guarantee of amounts invested or any return on investments with Farmers' Mutual Finance Limited. All rates quoted are on a per annum basis and are subject to change without notice.



It's raining, it's pouring

The weather so far this year has had a huge effect on many farmers.

So what's the weather doing for the next three months?

The following seasonal climate outlook from NIWA covers the months from May – July 2008.

For the late autumn and early winter period (May–July), mild conditions are very likely in many areas, according to NIWA's National Climate Centre. Despite this overall temperature expectation, cold outbreaks typical of winter will nevertheless occur from time to time. There are signs that drier than normal conditions will likely continue in Westland, Fiordland, Alpine areas of the South Island and Southland.

NIWA's regional predictions for the next three months:

- **Northland, Auckland, Waikato, Bay of Plenty:** above-average temperatures are very likely with above-normal rainfall likely. Soil moisture and stream flows are likely to be above normal for the season as a whole.
- **Central North Island, Taranaki, Wanganui, Manawatu and Wellington:** above-average temperatures are very likely. Normal rainfall is likely, with normal or below-normal soil moisture and stream flows.

- **Gisborne, Hawke's Bay, Wairarapa:** above-average seasonal temperatures are likely. Above normal rainfall is likely, with soil moisture and stream flows likely to be normal.
- **Nelson, Marlborough, Buller:** above-average temperatures are very likely. Normal rainfall, soil moisture and river flows are likely.
- **West Coast, Alps and foothills, inland Otago, Southland:** above-average temperatures are very likely. Normal or below-normal rainfall, with below-normal soil moisture and stream flows likely.
- **Coastal Canterbury, East Otago:** above-average temperatures are likely. Near-normal rainfall, with normal or below-normal soil moisture and stream flows likely.

For more climate information visit www.niwa.co.nz

Understanding your liability cover: make sure you are properly covered

What do forest fires, contaminated milk and employee injury have in common?

They're distressing, costly events that can lead to legal action and demands for compensation. Whilst planning to avoid a risk is the best approach, ensuring you have enough liability insurance is equally important

Any organisation, small or large, is exposed to the legal consequences of causing damage to third party property or causing personal injury

to third parties. Liability insurance helps protect you if you have been negligent and are held responsible for another party's damages.

When choosing your liability insurance, there are two key factors to consider: do you need to extend your cover by purchasing optional benefits specific to your business (for example bailee liability, or dairy milk contamination liability), and what is the total value of cover you require? It is vital to ensure your overall policy limit is adequate to cover all the included benefits.

"Being sure you are adequately insured is vital," says FMG's Senior Product Analyst Charlie Taipana. "The best way to do this is to understand what your total liability cover requirements are and then ensure that your policy limit reflects this."

To discuss your liability insurance requirements, call your Local FMG Manager on 0800 366 466.

Key points:

- Your liability policy has a policy limit. This is the figure appearing under the 'Amount (excluding GST)' heading on your certificate and is the maximum amount you can receive in any one event.
- Your policy has additional automatic benefits, one of which covers costs incurred under the Forest and Rural Fires Act. This additional benefit has a standard limit of \$250,000 which can be increased.
- You can add on optional benefits to extend the range of situations covered.
- Additional and optional benefits increase the scope of the insurance, so you are covered for a wider variety of liability exposures. They do not increase the policy limit that can be paid out for any claim.

We're easy to contact
Call us on 0800 366 466

Write to us at PO Box 1943,
Palmerston North, New Zealand.

Email us contact@fmg.co.nz

Visit our website www.fmg.co.nz

Or contact your local FMG branch.

INSURANCE - INVESTMENT - FINANCE

FMG31636



Competition entrant wins free fire extinguishers and a lesson in fire safety

In late 2007, FMG manager Bill Simpson offered farmers on the East Coast the opportunity to win a free fire risk assessment of their property and \$500 worth of fire extinguishers. The lucky winner is Bernard (BJ) Holdsworth of Gisborne – congratulations BJ.

FMG gets risk wise at Fieldays

It's going to get hot down at the FMG building on Innovation Lane at Fieldays 2008.

FMG has partnered up with the New Zealand Fire Service to bring you exciting demonstrations and practical advice. Come and find out how you can reduce risks to you, your family and your farm.

Being able to identify and reduce risks can save you time, money and whole lot of grief. That's why putting FMG on your 'must see' list at this year's Fieldays is so important. Along with the impressive fire demonstration, you'll find lots of useful information about minimising the day-to-day risks around your property.

You'll also be able to grab a cup of tea or coffee (or hot soup if it's nippy) and discuss your insurance, investment and finance needs with one of our friendly local FMG managers.

And if you have any queries regarding our Investment and life insurance products, our experts in these areas will be giving short seminars throughout the day. Finally, don't forget to enter our onsite competitions with great prizes up for grabs.

FMG at Fieldays, it's definitely 'Must See'.



On 17 March, Bill visited BJ at his homestead accompanied by Derek Goodwin (New Zealand Fire Service Fire Safety Officer) and Don Scott (Gisborne District Council Rural Fire Officer). The fire risk assessment reviewed BJ's home, workshop and surrounding property for any areas that could be at risk of fire. The team identified three key areas in which to install fire extinguishers in the home and workshop, recommended pruning trees to prevent their growing through power lines, and provided BJ with the following helpful information that we all need to know.

Handy fire safety tips:

- Install fire extinguishers in locations that protect your escape route, and are not too close to a potential fire hazard.
- When buying a fire extinguisher, ask your supplier what type (foam, CO₂, wet chemical, water or dry powder), size and quantity they would recommend for your property.
- Smoke alarms should be fitted in each bedroom – when you're asleep you have no ability to smell smoke, but chances are you'll be woken by the smoke alarm.
- Plan your escape routes, especially in any upstairs areas.
- It's important to install your fire extinguishers to New Zealand standards and have them checked annually. Gauges can be faulty and nozzles can get blocked by a number of things, including mason bees.