

December 2013

keeping you in the know

FMG POST

INSIDE:

SUMMER FIRE ADVICE

*Wild
weather
claims*

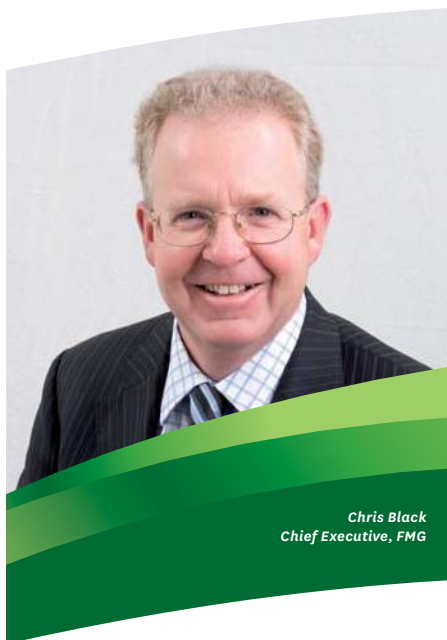
*Helping you
to measure
your home*

*New to the
Board*





Note from Chris



Chris Black
Chief Executive, FMG

“Our highly engaged and motivated team enables us to step up to the plate to support our clients”

I'm delighted that FMG was recently recognised as the second best large workplace in New Zealand. This is important in the context of our ability to attract, develop and retain top quality professionals to serve the Mutual.

Creating an environment where employees can express themselves, use initiative to improve the service we offer clients and take calculated risks to improve the business is part of a formula that is currently working well for us.

Equally, having a highly engaged and motivated team enables us to step up to the plate to support clients when a major weather event or catastrophe strikes.

Speaking of weather events we've certainly had our fair share of storm claims over the last several months and are working hard to help clients get back up running as soon as possible.

In terms of magnitude, September's storm was the worse this century with the financial impact being twice that of the 2004 Manawatu floods or the 2006 South Island snow storms.

There has been recent public commentary about the need to establish another government-owned insurer, KiwiAssure. In terms of competition and consumer choice, it's interesting to note New Zealand already has more than 100 licenced insurers serving a population of about four million people; including FMG, which is 100% New Zealand owned.

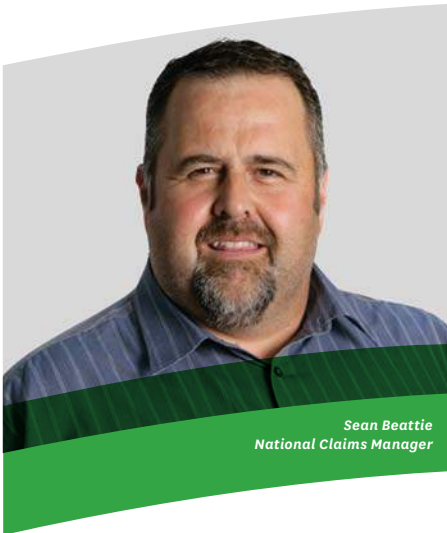
Affordability of insurance is becoming an issue for many New Zealanders as a result of the trebling of EQC levies, the New Zealand Fire Service being funded by only those who have insurance and higher reinsurance costs being passed through to policy holders.

As a mutual, we are committed to keeping premium increases to a minimum and working with you to help identify and understand the risks you face and which ones should be transferred to FMG by way of insurance. This philosophy and approach aligns with our core purpose of giving rural New Zealand a better deal.

On behalf of the team at FMG, all the best for the summer months.

Chris Black
Chief Executive, FMG

FMG's event claims response



For some parts of the country the year has been particularly tough with six significant storms and a number of strong earthquakes over the last several months.

These have affected a large number of clients with FMG so far receiving around 3700 event-related claims at an estimated cost of \$22m.

Our National Claims Manager Sean Beattie heads up the team responsible for responding to all claims. We take a look at how the year has impacted his team and what's involved in making sure we get to clients as quickly as possible when the unexpected happens.

Claims for 2013

We're only half way through the financial year and already FMG has received about the same number of event-related claims that have been received for the Canterbury earthquakes.

Getting to people

Once we receive claims from events, such as severe weather, the first priority is to get to clients as quickly as possible. To help achieve this we send our team of in-house assessors to where the need is greatest. The claims team based in our Service Centre in Palmerston North support work being done on the ground and play a key role in keeping clients informed as best we can as we work through their claim.

We know rural

At FMG we use every bit of our rural experience to help clients. With the wind storms in Canterbury for example, a high proportion of these claims were for damage to irrigators. Given this, we used one of our assessors with extensive irrigator experience to manage our response on the ground which has been invaluable in helping clients.

Communication

Clients tell us that getting regular updates on their claim is important. We aim to keep clients informed with the progress of their claim; knowing that even sometimes a small update can mean a lot.

Outstanding claims

We're doing all we can to work through current claims quickly for clients. Understandably some claims are complex and take longer than others but my team is committed to working through them all so clients can move on with repairs or replacement.

3700
event-related
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million



Measuring Up

FMG's replacement house policy covers the reasonable cost to rebuild, replace or repair your house to the same condition it was in when new.

If your house policy is for 'full' replacement then it's important to make sure you've provided us with the accurate size of your property, as the cost of replacing your house is limited to the size (square metre) shown on your certificate.

There are two ways you can get this measurement. The first is to work with a qualified professional, such as a quantity surveyor. The other, is to do it yourself.

If you want to do the measurement yourself then check out our website www.fmg.co.nz for some helpful tips and advice, which will include; what needs to be measured, the best way to go about carrying-out the measurements and how best to calculate the final figures.

Recognition of your Mutual

FMG has been recognised at a number of award events this year - the most significant being the Kenexa Best Workplace awards where we were runner up in the large

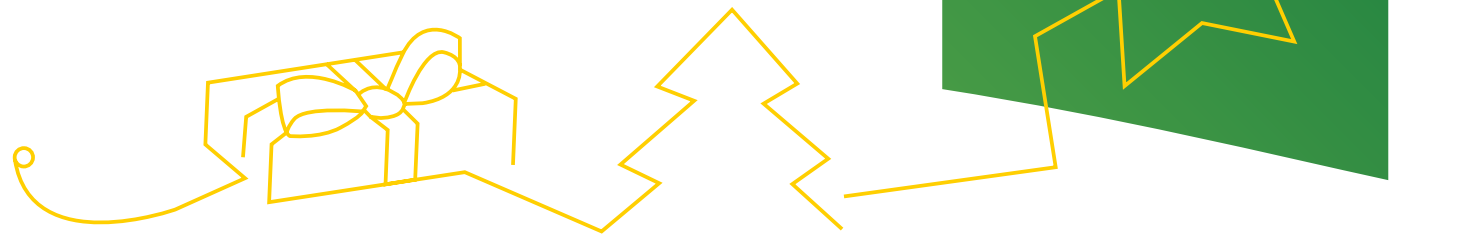
organisation category, improving on our place last year when we were in the top five best places to work in the medium to large category.

Awards FMG has been recognised for in 2013.	
Kenexa Best Workplaces Award	Runner-up in the large organisation category Winner - most improved large organisation
Contact Centre Institute of New Zealand	Winner - Team Leader
Manawatu Contact Centre Awards	Winner - Insurance Consultant Team Finalists - Three individuals Finalist - FMG Service Centre
NZ Insurance Industry Awards	Finalist - Direct Insurer of the Year
Deloitte/Management Magazine Top 200 Awards	Finalist - Most Improved Performance Award
Direct Marketing Award	Gold Award - Tractor Fires

Christmas Tips

From everyone at FMG we wish you and your family a relaxing break. To help ensure it's a memorable one, you'll want to keep these helpful tips in mind:

- *If no one's home - turn the Christmas lights off*
- *At night, close internal doors. This will help prevent the spread of fire if one breaks out*
- *Turn off the water supply to your house before leaving for your holidays*
- *Christmas is always a good time to check your smoke alarm.*



Wild Fire Advice

Speed is everything when fighting any fire, but getting to wildfires quickly can often have added difficulties due to their size and location.

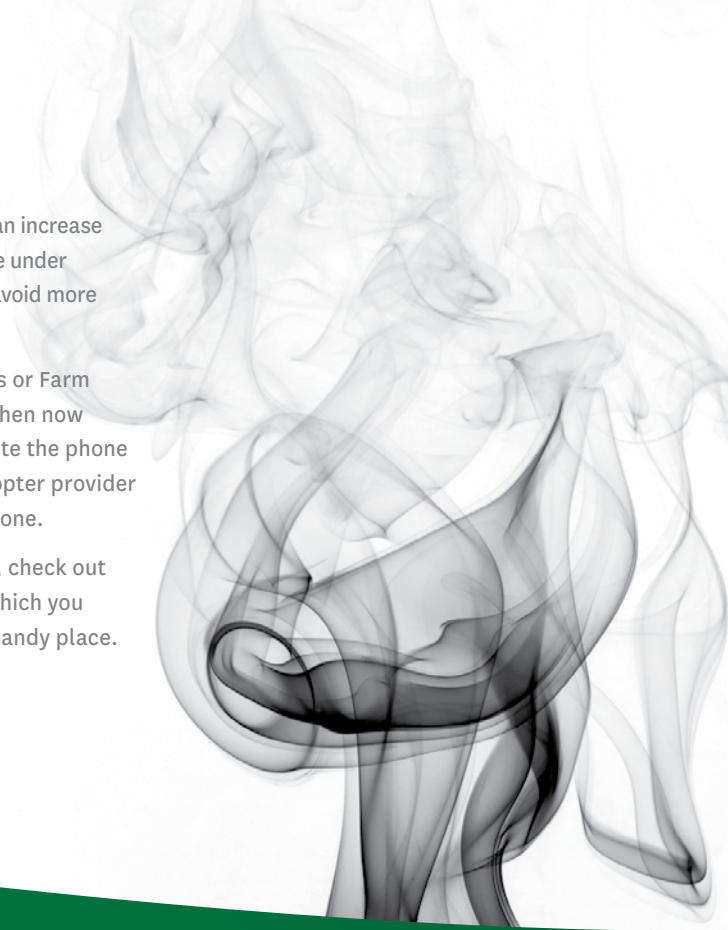
To help, FMG provides all clients who have a Farm Buildings or Farm Contents policy with FMG then now would be a good time to note the phone number of your local helicopter provider and put that in your cell phone.

For more useful fire advice, check out our fire safety tips below which you can tear-off and keep in a handy place.

Fighting a fire from the air can increase your chances of getting a fire under control more quickly – and avoid more damage and costs.

If you have a Farm Buildings or Farm Contents policy with FMG then now would be a good time to note the phone number of your local helicopter provider and put that in your cell phone.

For more useful fire advice, check out our fire safety tips below which you can tear-off and keep in a handy place.



Wildfires

1. Call 111 immediately. On average it takes around 28 minutes for emergency services to reach rural addresses
2. Check weather forecasts and alert the fire service before conducting any burn offs
3. Make sure you have the right permits for burn offs and supervise all open fires until completely out
4. Fires can easily start from things like BBQ embers. Ensure all embers are left to cool in a metal bucket for 5 days before disposing
5. Never place hot machinery such as chainsaws on dry grass.

For more tips on how to avoid wildfires, search 'FMG Insurance wildfires' on YouTube.com.



House Fires

1. Make sure you have working smoke alarms
2. Remember to keep children away from BBQ's and hot stoves
3. Keep a fire extinguisher in your kitchen
4. Keep lighters and matches away from children
5. Make sure emergency services can easily get to your property by keeping your driveway access clear.

For more tips on avoiding household fires visit www.sparkworld.co.nz



Tractor Fires

1. Stop & Pop the bonnet every time you start the tractor and check for nests
2. Check for other debris which could also start a fire
3. Keep a fire extinguisher in the cab of your tractor
4. Use Stop & Pop stickers to remind your employees to check for debris / nests
5. Attach the Stop and Pop stickers to other vehicles.

To get your free Stop & Pop stickers, or to get further information on preventing a tractor fire visit www.sparkworld.co.nz



To check you're adequately covered for your fire risks, give us a call on 0800 366 466.

17 Dec

*Te Awamutu Bowls
Tournament
Te Awamutu*

9-12 Jan

*New Zealand National
Horse & Pony Show
Hawke's Bay*

29-31 Jan

*New Zealand
Dairy Event
Feilding*

30-31 Jan

*Grasslandz
Hamilton*

12-14 Feb

*Southern Field Days
Waimumu*

**27 Feb-
1 Mar**

*Northland Field Days
Dargaville*

New to FMG Board

Greg Gent, FMG Chairman, and the Board are pleased to announce the appointment of two Special Directors; Cindy Mitchener and Danny Chan.

FMG's growth aspirations are predicated on being able to operate effectively and compete in a more highly regulated environment where digital channels are playing an increasingly important role in the overall distribution mix.

To help with this, FMG has appointed Cindy and Danny who both have specialist skills and experience which will be of benefit to the Mutual.

Cindy has an extensive career in media, including senior roles with Radio NZ, Saatchi & Saatchi and TV3. This was followed by a three year stint as CEO of e-ventures.

Cindy is a lifestyle block owner and currently runs a number of her own digital, advertising and recruitment companies and will bring a new perspective to the Board around brand awareness, digital marketing and communication.

Early in his career Danny worked in financial services (including insurance and investment management) with MLC, Westpac and Fidelity Investments, a leading global asset management company.

He is now a large grower/exporter of flowers, has a Nelson based seafood export operation and founded a private educational institution which now operates in five countries.

Danny has extensive governance experience, including six years on the board of AgResearch.

These appointments will be presented to the membership for ratification at the next AGM on 8 August 2014.



Cindy Mitchener



Danny Chan

We're easy to contact

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Visit our website
www.fmg.co.nz

FMG
Advice & Insurance