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# Note from Chris Black



**FMG was established in 1905 to give rural New Zealand a better deal. At the time, farmers and growers struggled to access affordable insurance as the market was dominated by English tariff companies with little understanding of the rural community and the specific risks they faced. 113 years on, the core purpose of the Mutual has not changed.**

Today, our advice-led insurance approach is designed to help clients avoid losses and interruptions in the first place, or to minimise the impact if and when they do occur. This edition of FMG Post focuses on sharing what we have learned in respect of quad bike losses, as well as the need to be clear about the intangible risks associated with both cybercrime and being involved in running or governing a business, including a farming operation.

We understand that taking risk is an inherent part of striving to achieve worthwhile goals—and take our hat off to those clients who are looking to improve the lot of their communities, their families, their teams and themselves

through developing resilient and successful businesses. This approach aligns well with the Mutual's vision of 'helping to build strong and prosperous rural communities'.

We are mindful though, that things don't always pan out as expected. We continue to work hard to settle the remaining 100 claims we have in respect of the Canterbury and Kaikoura earthquakes. Helping clients make an informed decision about how best to move forward given their unique circumstances, is a key element of this work.

Part of any successful strategy involves having good people alongside your business and ensuring they stay safe and well. The mutual philosophy is based on good people and core values that are used in everyday decision making. For us, this means 'doing what's right', 'in it together', 'making things happen' and 'proud of who we are'.

Related to this, we are proud to be involved in Farmstrong, a programme designed to help farmers and growers stay in good shape to better handle the inevitable ups and down of farming. In this edition, Sam Whitelock offers some seasonal tips in this regard.

I'm conscious that 2018 has been a huge year for many of you, so I hope you too manage to get a well-earned break at some point over the summer period.

All the best for the festive season.

**Chris Black**  
Chief Executive, FMG



## Sourcing sustainable solutions



In an effort to utilise more sustainable products, FMG is reviewing the packaging we use to identify 'greener' solutions.

### Reducing plastic

We've made a start with FMG Post. If you've previously received our newsletter, you'll notice that this edition looks a bit different. It used to be sent in a plastic flow wrap to protect it from the elements—it also helped you see what we were sending you.

Although the plastic was 100% degradable, recyclable and New Zealand made, we know there are more sustainable options. Where possible, you'll now receive FMG Post in a paper envelope that's fully recyclable.

### Listening to your feedback

At the end of last year, we asked members of FMG's Client Research Panel to provide feedback on FMG Post. The vast majority still prefer to receive a hard copy in the post. We know that some of you may prefer it by email instead and we're hopeful that we can provide this option in the future.

In the meantime, all copies are published on our website and can be found at: About FMG > Corporate Information > Annual Report & Publications.

[www.fmg.co.nz](http://www.fmg.co.nz)

# Rollovers are the leading cause of quad claims

Over the past 5 years, FMG's settled more than \$12.5 million in quad claims—two-thirds were for accidents with 30% of these attributed to a rolled quad.

## Newer quads are more likely to roll

We've found that quads two years old or newer account for half of all rollover claims, despite accounting for only a quarter of the quads we insure. Subtle handling differences can exist between manufacturers and even different models of the same quad.

## Rollovers are more common in early summer

We've also observed a seasonal bias towards rollover incidents in early summer (November to January). This coincides with an increase in mustering and spraying on sheep and beef farms, at this time of year.

## It's more than just your quad that's at risk

In the last year alone, WorkSafe has reported 45 injuries and four fatalities from quad accidents on-farm.

Here's some advice to ensure you stay safe on your quad.

### Focus on reading the ground ahead

Multi-tasking is the nature of the job. However, one in five (21%) quad accidents on farms occur when the rider is performing another task. A small lapse in concentration could mean you don't notice an unexpected change in terrain or an obstacle in the way such as small logs, mounds or ruts.

### Watch out for hills and wet ground

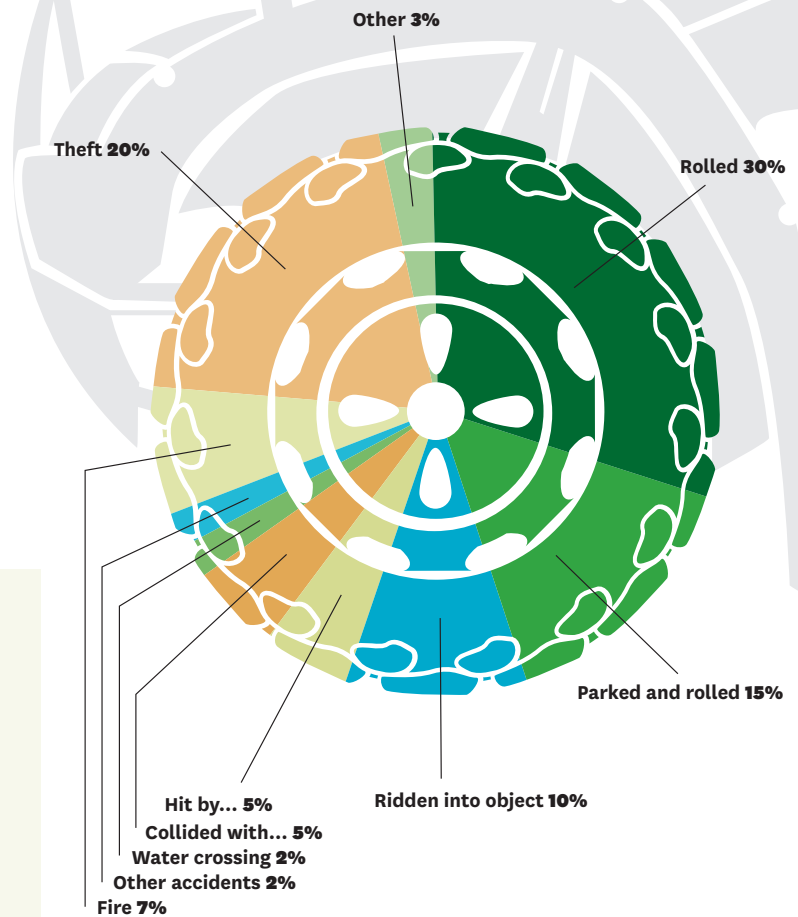
The majority (more than 60%) of rollovers occur on hilly slopes with 15% of quad accidents having wet or slippery ground as a contributing factor.

### Better to let the sheep get away than the quad

It's always best to stop the quad before issuing dog commands or using the quad to muster—you'll naturally be looking at the animal(s), not where you're going. Be willing to let the stock get away, rather than putting the quad in a compromised position.

# \$12.5M

of quad claims have been settled by FMG over the last 5 years.



### Park brake at the gate

Almost 20% of accidents have happened when the rider has hopped off and the quad has moved (in neutral with no park brake). Or it's driven away by itself and rolled after the accelerator has been unintentionally knocked. The most common scenario is getting off to open and shut gates.

## Grab your free copy of The FMG Lifestyle Block Owner's Manual

If you're on a lifestyle block and looking for a good read over the Christmas break, order a free copy of The FMG Lifestyle Block Owner's Manual if you don't already have one.

From water access to liability, it's full of handy tips on what you need to know if you're new to a lifestyle block. We've only got 100 up for grabs so be sure to get your order in. Contact us at [aroundtheblock@fmg.co.nz](mailto:aroundtheblock@fmg.co.nz) and we'll post you a copy.





# Protect yourself from a cyberattack

Over the last year, FMG has seen a number of clients fall victim to cyberattacks that have significantly impacted their business. To help keep you safe we've included the following steps to better protect you, your family and your business.



## Use a strong password

- Avoid using the same password on multiple sites as criminals regularly steal entire password lists from websites and try using them elsewhere—like your internet banking site.
- Consider using pass-phrases instead. Take a phrase and add numbers or special characters. For example, **G0nef15hing!**
- Never disclose your password to anyone else.



## Look out for 'phishing' emails

- Watch out for unsolicited emails encouraging you to take action such as clicking on a link, especially if it's from an unknown sender. They may be trying to get you to click a link or open an attachment—leading to a virus infection or a hacker potentially taking control. This is known as 'phishing'.
- Hover your mouse over the link and read the address that pops up. Take care to check that the link goes where you expect it to.
- If an offer sounds too good to be true—it probably is. It's common for criminals to use items such as laptops, phones and iPads as bait to get you to click by offering them as prizes.



## Keep your systems protected

Business systems are the lifeblood of your organisation, so keep them secure.

- Use the updating tool in your software's settings to ensure it is current. This should keep you protected against most of the known vulnerabilities in your software. This includes phones.
- Keep your antivirus software up-to-date.
- Secure your equipment by adding a password and locking it or shutting it down when not in use.



## Have contingencies in place for loss of systems

Following an attack, you need to know your business can function without a system as it may take some time to recover from an attack.

- Make sure your data is backed-up regularly.
- Perform test restores to ensure your back-ups actually work.
- Know who you need to engage to help restore your systems and data.

**Call us on 0800 366 466 to discuss how we can help insure you against the risks of cyberattacks.**



## Receive your statements by email

You can now choose to receive your statements by email instead of in the post.

To do this, head to the **'Contact us'** section on our website at [www.fmg.co.nz](http://www.fmg.co.nz) and select the **'Receive statements by email'** option. In the message, please confirm your preferred email address.

### Stay cyber safe

These emails are always sent from [statements@fmg.co.nz](mailto:statements@fmg.co.nz) with your account name and number in the subject line.



## Check your junk mail

As email service providers tighten up their security measures, it could mean some statements go into your junk mail folder. We're working on resolving this issue, but in the meantime, just check your junk mail/spam folder if you don't see it in your inbox.

# Breeding for perfection

## Part 1

Southern Hawke’s Bay farmers and Primary Wool Co-operative directors, Bay and Hamish de Lautour, are passionate about the New Zealand sheep industry. In fact, passionate might be an understatement.

From building a legacy of prime genetics—to advocating for the resurgence of wool popularity both locally and internationally—in this two-part series we’ll look at what our clients have achieved over the last half-century and their plans to ensure its future.

### From the beginning – Te Whangai Station

The original farm of 2,000 acres freehold and 250 acres of lease in the Te Uri district, was bought by Bay in 1956. Mostly in scrub, it was carrying 1,640 ewes, 124 cows and over 700 young stock.

Being frustrated with the performance of his traditional Romney sheep, Bay started breeding his own rams and along with some of the country’s most progressive breeders, formed the Wairarapa Romney Improvement Group in 1970.

Breeding his own rams was essentially a means of improving the home flock, however, in the 1960s and 70s there was a growing awareness and ability to use performance figures to breed more profitable sheep. A national performance recording scheme was initiated and soon there was demand for surplus rams, which saw that side of the business start to grow.

### Breeding perfection

When Hamish and his wife Wynne assumed main responsibility in 1984, stock numbers were around 14,000 and Te Whangai had acquired 350 acres of additional flat land. What didn’t change was their passion for breeding resilient sheep.

For the de Lautours genetics are key and a big priority was around animals that would continue to grow without the need for drench. “We are much less concerned about how big the sheep look than how they will perform as parents,” said Hamish.

This was a trait (now called resilience) that was badly needed, because farmers were becoming more reliant on drench and its effectiveness was beginning to fail. Hamish recalls when the first signs of drench resistance started appearing, “I remember hearing of Ivomec resistance in goats”.

“If you’re going to reduce reliance on things like drench or other management inputs then a lot more of an animal’s performance will come down to its own genetic ability. In other words, genetics works.”

### Highlights

For Hamish, one of the highlights of the last 25 years is having a paper accepted by the NZ Society for Animal Production. He and Bay compared growth performance of ram hoggets between those highly ranked for resilience (growth rate under parasitic challenge), versus those highly ranked for having low faecal worm egg levels (low FEC).

While there was a widely publicised belief that animals bred for low FEC levels would improve the sheep industry, the paper showed that productivity was much higher in the resilience flock.



Bay de Lautour (left) and Hamish de Lautour (right)

### The next chapter

The de Lautours agree, sheep and beef farming is a great industry to be in and despite the ups and downs of the weather, Hawke’s Bay is a great place to farm. “Plenty of sunshine is good for the soul,” said Hamish.

With the next generation taking the reins, Hamish and Bay are focused on improving the status of wool.

“One of the great disappointments has been the demise of the value of wool. It’s a shame because it’s an absolutely unique and incredible fibre.”

In the next FMG Post, we’ll look at how the pair are challenging the overuse of synthetic fibres and helping rebuild what was once a truly iconic Kiwi brand.





## Check-in on your emergency preparedness

With the 2-year anniversary of the Kaikoura Earthquake passing on the 14 November, it's timely to check-in on your emergency preparedness. Here are some tips to help you.

- Make sure you and your business are prepared for a disaster and can recover from it. Check your insurance and ensure you have the right level of cover if the worst was to happen.
- Produce an emergency plan for your family, household or staff in the event of a major disaster. Decide where you'll meet and what you'll need to do for your livestock, pets or domestic animals. Keep it somewhere easy to find such as on the fridge, in the staff room or by the front door.
- Ensure that your animal ID is up-to-date and that your animals have an adequate food and water supply—they drink more when stressed.
- Stock up on emergency survival items such as food and water as well as a portable kit.
- Have a back-up generator in case of prolonged power outages or failure.
- Know the hazards around you so you can plan accordingly. Power lines coming down could pose an additional fire risk in the event of a disaster.
- Get to know your neighbours—you may need each other in an emergency if access is cut off.

### Additional resources

- [www.getthru.govt.nz](http://www.getthru.govt.nz)
- [www.civildefence.govt.nz](http://www.civildefence.govt.nz)
- 0800 RURAL Help (0800 787 254) or visit [www.rural-support.org.nz](http://www.rural-support.org.nz)
- MPI's website has resources available for different types of adverse events.

# Your business decisions could leave your personal assets exposed

As a director, officer or trustee of a small or closely held business, you have responsibilities that can't be ignored. Your personal assets could be left exposed if an allegation of mismanagement is made against you.

Irrespective of whether your entity is a Limited Liability Company, Limited Partnership or trading/business Trust, your personal assets could be at risk.

Below are four key risk areas to be aware of regarding your management liability.

### Regular meetings and record keeping

It's important that you comply with your obligations by holding regular meetings with recorded minutes. You should also ensure that there is a written record of important business decisions and agreements made with third parties.

### Active involvement

You must be actively engaged in the affairs of the business and ignorance is no excuse in this regard. Health and safety should be a particular area of focus as directors and officers have an obligation to ensure the business meets its health and safety obligations. This includes taking reasonable steps to:

- know about health and safety matters and keep that knowledge up-to-date
- understand the nature of the business operations and associated hazards and risks
- ensure the business has appropriate resources and processes to eliminate or minimise those risks
- ensure there are appropriate processes for receiving and considering information about incidents, hazards and risks, and for responding in a timely way.

### Conflicts of interest

Another major risk is the number of 'hats' you may wear. For example, if a person is both the trustee of a farm trust that owns the farm and the director and shareholder of a farm management company that runs it (a common arrangement), you may face an allegation that you're prioritising the interests of the company ahead of the interests of the beneficiaries of the trust.

### Family run businesses

It's a common misconception that you'll be less exposed if it's a family-run business—in fact, this could actually increase your exposure. For example, you may face an allegation from a family member who isn't involved in the day-to-day running of the business, so doesn't fully understand relevant market conditions or the business' affairs.

### FMG's Management Liability policy

This policy covers the directors, officers or trustees when they're accused of mismanaging things. It includes cover for defence costs and a number of complementary covers like health and safety defence costs, employment related claims and crime.

At FMG, we can help you identify where your risk exposures lie for your business and you individually.

So, if you'd like to find out more about our Management Liability policy, give us a call on **0800 366 466** or email **[contact@fmg.co.nz](mailto:contact@fmg.co.nz)**

**Disclaimer:** Please note this is only a summary of the product. For full details, please refer to the policy document available from your local FMG representative, by calling us on 0800 366 466 or by visiting our website [www.fmg.co.nz](http://www.fmg.co.nz)

# Live well to farm well

Farmstrong has had a lot going on over the last few months. Here's a snapshot of what's been happening.



Comedians from left to right, Darren Jardine, Paul Ego, Justine Smith and Tevita Manukia.

## Farmstrong comedy shows

Farmstrong hit the road in October and November and ran a series of comedy shows around New Zealand. It was an all-star lineup of top comedians including Paul Ego and Wilson Dixon. Thanks to everyone who came along and supported the shows.

## Lunch with Sam Whitelock

Over September and October, everyone who signed up to the Farmstrong e-newsletter went into the draw to win lunch with Farmstrong's Ambassador, Sam Whitelock. Congratulations to Kim Howells from Piarere (near Te Awamutu), who'll be taking her husband and two friends to meet up with Sam and enjoy lunch out.

Make sure you sign-up to the Farmstrong e-newsletter too, to receive regular updates and stories from other farmers. You can do this at the bottom of the homepage on the website.

## New-look website

The Farmstrong website has had a makeover. You'll find great videos of farmers sharing their stories as well as advice on how to live well to farm well.

Check out [www.farmstrong.co.nz](http://www.farmstrong.co.nz) and take the Farmstrong wellbeing checklist while you're there.

## Women on wellbeing research

This year, Farmstrong undertook some further research with farming women on their wellbeing. We had a huge response with over 800 farming women completing the survey.

The top three things women thought would help their wellbeing were getting more:

- time off the farm
- better quality sleep
- exercise.

Farmstrong plans to use these findings to develop stories and resources that address these issues. Head to [www.farmstrong.co.nz/research-insights](http://www.farmstrong.co.nz/research-insights) to view the full report. Also, keep a lookout for our soon-to-be released research around younger farmers.

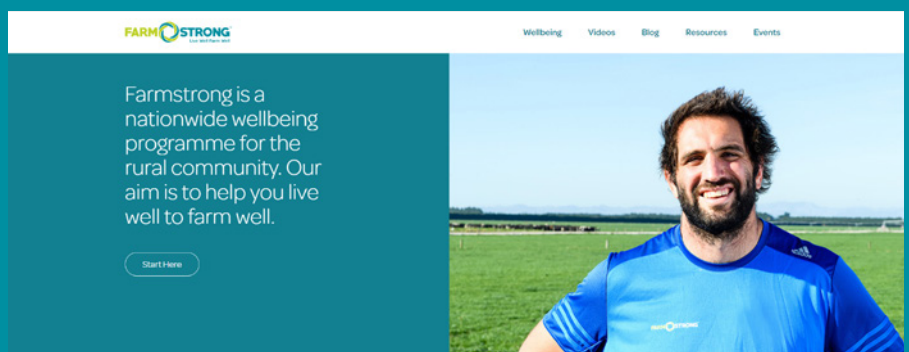
## Sam Whitelock, Farmstrong Ambassador

We all have our 'busy season', whether it's lambing, calving, harvesting or something else on-farm.

For me, I've just finished my busy season with the end of year tour and while I love what I do, knowing there's a break at the end helps me to get through the tough days.

Over the summer months I make a plan to stop and recharge the batteries. My family and I are heading to our new farm in the Hawke's Bay. We're really looking forward to meeting people in our new community. There's no stronger community than a rural community I reckon, and summer is a great time to connect with friends, family, neighbours or people you haven't seen for a while.

If the summer months aren't your downtime, perhaps see if you can lock in some time during your 'busy season' to plan what you'll do when the heat comes off.



# Working together to give rural New Zealanders a better deal



As a mutual that's backed rural New Zealand for over a century, it makes sense to partner with those who also want the best for farmers and growers. We work with leading rural organisations to bring you the best rural products, services and advice on offer. One of those partnerships is with Federated Farmers.

## Federated Farmers

Like FMG, Federated Farmers exists to give rural New Zealanders a better deal and has been doing so for over a century.



Terry Copeland, Chief Executive, Federated Farmers

Federated Farmers is New Zealand's most influential rural lobby group. At a national level, they represent their farming members by lobbying for positive outcomes in the agriculture industry. At a local level, they provide their members with useful tools, resources and services that help farmers better their businesses.

## Our relationship

The relationship between FMG and Federated Farmers was established over 100 years ago and we are still strongly committed to helping the Federation grow and achieve their goals. We not only sponsor Federated Farmers at a national level, but also directly invest in communities to help bring regional services and community events to their members.

In July 2018, Terry Copeland joined Federated Farmers as their new chief executive, having previously been chief executive of NZ Young Farmers.

“Our partnership with FMG is important because there are very few organisations in New Zealand who set the needs of farmers and the rural community as their main priority. This is key to the success of FMG and Feds—we do our jobs well and we do them even better when we work together,” said Terry.

“I'm also a strong advocate for farmers taking steps to look after themselves, so I really value the work FMG and The Mental Health Foundation are doing with their rural wellbeing programme, Farmstrong. I'm committed to ensuring we help share Farmstrong's messages amongst our members and their communities.”

For more information on Federated Farmers head to [www.fedfarm.org.nz](http://www.fedfarm.org.nz)

## Calendar

<p>11 December</p> <p><b>NZ National Velvet and Trophy Antler Competition</b></p> <p>Southland</p>	<p>13–16 December</p> <p><b>Fiber Fresh Christmas Classic Jumping Championships</b></p> <p>Taupo</p>	<p>16 February</p> <p><b>FMG Young Farmer of the Year Otago Southland Regional Final</b></p> <p>Milton</p>	<p>23 February</p> <p><b>FMG Young Farmer of the Year Aorangi Regional Final</b></p> <p>Oamaru</p>
<p>28 February–2 March</p> <p><b>Golden Shears</b></p> <p>Masterton</p>	<p>28 February–2 March</p> <p><b>Northland Field Days</b></p> <p>Dargaville</p>	<p>2 March</p> <p><b>FMG Young Farmer of the Year Tasman Regional Final</b></p> <p>Culverden</p>	<p>8–9 March</p> <p><b>Wanaka Show</b></p> <p>Wanaka</p>



Call us on  
0800 366 466

Write to us at  
PO Box 1943  
Palmerston North  
4440

Email us at  
[contact@fmg.co.nz](mailto:contact@fmg.co.nz)

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