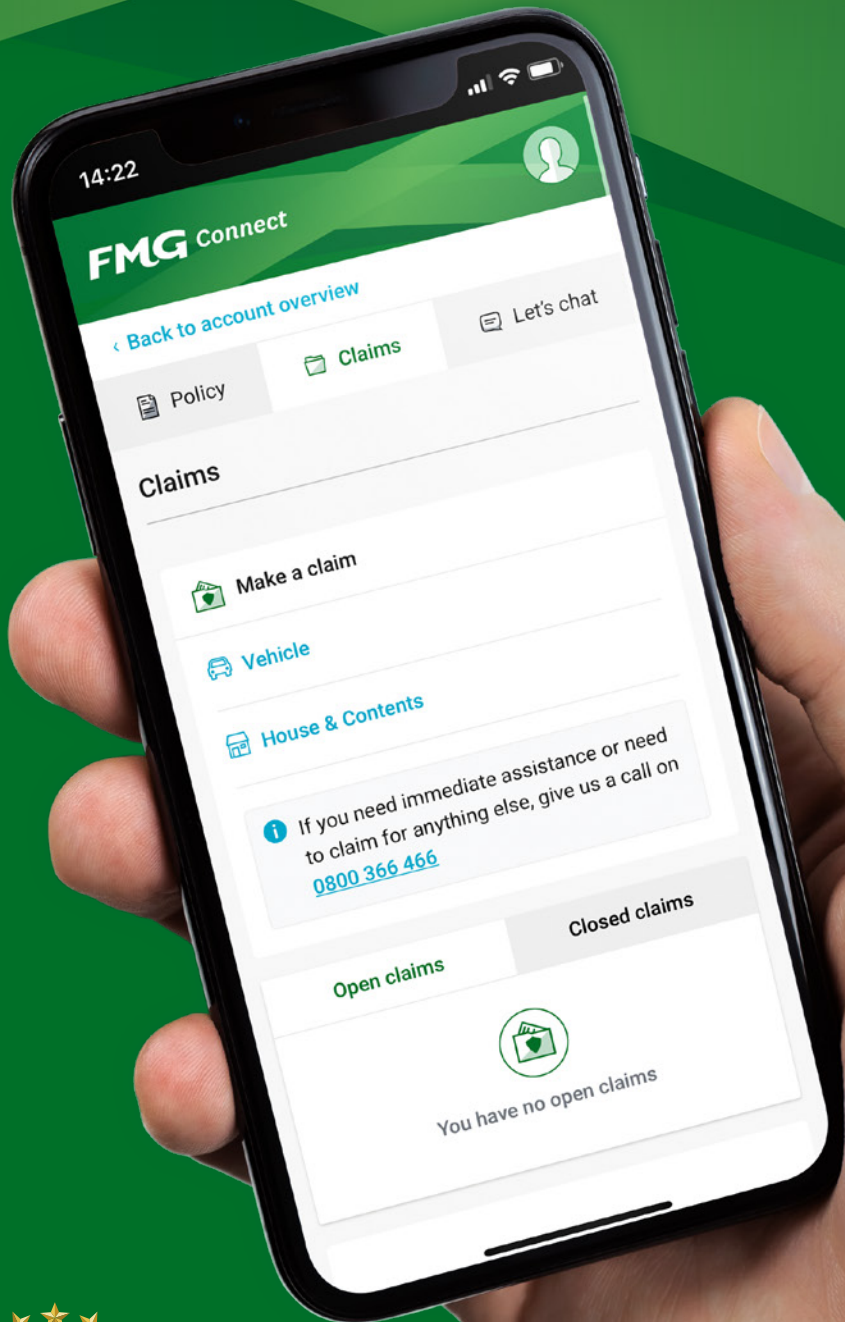


FMG Connect

Your online insurance service



Meet one of
FMG's 65
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FARM STRONG

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Note from Chris Black



2020 will go down as 'a year like no other'; politically, socially, environmentally and economically. As a mutual, FMG is underpinned by four core values; 'doing what's right', 'being in it together', 'making things happen' and 'proud of who we are'.

These have been at the forefront of our decision making this year as we have navigated increased uncertainty, as we appreciate you have as well.

Farmstrong, which is New Zealand's leading rural wellbeing programme, has proved its worth again this year, reminding us that investing in your own wellbeing ahead of time pays dividends. Sincere thanks to all those who continue to support Farmstrong in so many different ways.

This year we have had a keen focus on enhancing our service model. In this edition of FMG Post, we explain more about our new service FMG Connect, an online facility designed to give you more choice in terms of managing your insurance with FMG.

FMG Connect complements our core telephone and face to face channels, which we are looking to keep investing in as well. We have established a network of preferred panel beaters. Again, this is designed to make things easier and faster to get you back up and running after your vehicle has been damaged.

At a structural level, the insurance industry has agreed a new claims model with EQC which should make it easier to recover after a natural disaster, something we have been advocating for 10 years now on your behalf.

I think the events of 2020 remind us that while we can't control or influence a lot of things in life, what we can do is plan and prepare the best we can. That's why we continue to put a lot of store in taking the time to get the right advice where one needs it and then act on that, as appropriate. This edition has a number of articles in this regard.

I'm conscious 2020 has presented all of us with plenty of challenges. On behalf of our whole FMG team, I hope you manage to get a well-earned break at some point over the summer. And if you need help at any stage, please free to contact us.

All the best for the festive season.

Kind regards,

Chris Black
Chief Executive, FMG



January 23

FMG Young Farmer of the Year Regional Final Taranaki/Manawatu

February 13

FMG Young Farmer of the Year Regional Final East Coast

February 20

FMG Young Farmer of the Year Regional Final Northern

27 February

FMG Young Farmer of the Year Regional Final Waikato/Bay of Plenty

March 6

FMG Young Farmer of the Year Regional Final Otago/Southland

March 20

FMG Young Farmer of the Year Regional Final Aorangi

March 27

FMG Young Farmer of the Year Regional Final Tasman

To find out more please visit the contest website:

www.youngfarmers.co.nz
or go along and support your local young farmers.

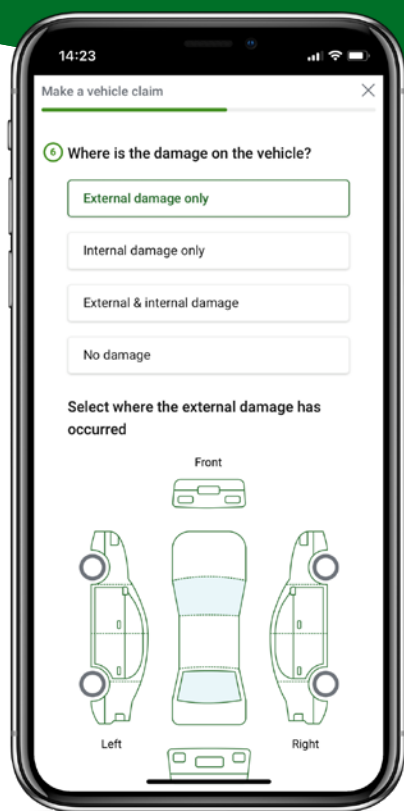
Here's what clients are already saying about FMG Connect

Manage your insurance online with **FMG Connect**

FMG Connect, your new online insurance service is now available—you can register online today.

FMG Connect allows you to easily view and manage your insurance online—any time, from any device. You can make general claims, view all your insurance with FMG and manage common policy covers.

Here's what you can currently do on FMG Connect:



IT'S EASY TO CLAIM

- Fast claim processes for:
 - Windscreens
 - Electronic items under \$5,000
 - Glasses
 - Hearing aids
 - House glass
- Lodge vehicle accident and damage claims
- Lodge claims for:
 - Domestic contents
 - Farm contents
 - Commercial contents
 - Baled hay
 - Portable plant and equipment
 - Stock
- View all open and closed claims and the current status of your claim

MANAGE YOUR INSURANCE POLICIES

- View all of your FMG policy details in one place
- Add, edit and remove private vehicles, and adjust sum insured value
- Edit and remove household contents
- Edit and remove house cover

MANAGE YOUR FMG ACCOUNT

- Update your contact details
- Choose to receive statements by email or post
- Review authorities on your account



I just added a vehicle to my policy, it was so easy to do online.

- Helen



I always found it hard engaging in my insurance and having visibility of our policies—because everything just got filed and wasn't easy to go through. This is so great!

- Rachel



It's very interactive, able to do what I needed to do (remove a car that was sold and update value of new car) quite easily.

- Rebecca



Very happy, glad to be able to review my policies easily and make adjustments that suit me and my business.

- Sam

IT'S SIMPLE TO REGISTER

To set up FMG Connect go to fmg.co.nz/connect. Have your account number on hand (found on the top of your statement) and an email or phone number linked to your account.

We're continually adding more features to FMG Connect so you can do even more online in the future.

We're still available in all of the usual ways but we hope that FMG Connect gives you more choice, convenience and control of your insurance.

For more information, and to login if you're already on FMG Connect, head to fmg.co.nz/connect



Scan here using your phone's camera to set up FMG Connect



CLIENT FOCUS

A Passion for Perendales

Jane Smith has a passion for Perendale sheep. Growing up on her parent's sheep farm in North Otago she now runs a 9,000-stock unit operation called Newhaven Perendales with her husband, Blair. The Smith's 3 children are also the 5th generation to live on the North Otago-based farm.



Blair and Jane Smith with George (9) and Henry (11) - with daughter Charlotte (13) at boarding school

Jane has a self-confessed 'obsession with agriculture' and her success both on and off the farm is evidence of this. Before returning to the farm she was awarded the New Zealand Young Rural Achiever Award and the Sir Ronald Trotter Gold Medal during her 10 years in agribusiness.

Back on the farm, continuing her family's legacy of raising exceptional dual-purpose Perendale sheep is her focus. "We put equal weighting on having a great fleece and lamb product—why not produce the best possible fleece that you can?" she says.

With a stud flock as well, genetics are also critical. "At Newhaven, every single animal needs to perform both in the paddock and on paper—not one or the other—genotype and phenotype are both important—but physical conformation and performance are always our number one priority," says Jane.

Jane is particularly proud of the Perendale fleece and is an advocate for the many benefits of New Zealand wool, including the fire safety attributes wool has over its synthetic counterparts.

As a former volunteer firefighter, Jane says she saw first-hand the differences in the damage a house with synthetic carpet sustained.

“Wool is naturally resistant to fire whereas synthetic carpets melt. The fumes from the synthetic carpet are actually very harmful hydrogen cyanide fumes; experts tell us that these fumes are even worse than the smoke itself,” says Jane.

Jane says the other benefits of wool for carpets inside the home are that it's hypo-allergenic, easy to clean, improves indoor air quality and is naturally crush resistant. The Perendale fleece performs particularly well in high traffic areas such as hotels, due to its 'bulk' attributes. The fleece also sits at the finer end of the crossbred scale and because it has a natural whiteness, it's easy to colour.

With these qualities it's easy to understand Jane's position on New Zealand wool. As a mother she points out that with a synthetic carpet, a crawling baby is spending a lot of time on a flooring that is the equivalent of tens-of-thousands of plastic bags.

Further, synthetic carpet has added stain and fire-resistant treatments applied to it, which is another layer of toxic chemicals.

“Synthetic carpets have been marketed well, considering they are a product made of oil and plastic. There is a perception around the cost of wool carpet, but I do think people need to consider all the other benefits of wool and the fact that the upper end of synthetic carpet sits in the same price range as a wool carpet.

“Wool is energy efficient as its produced from renewable and natural resources—sheep need to be shorn, and it's biodegradable. Also, wool is a 100% New Zealand made product. This is something that we value and need to make sure that today's savvy global consumer does as well,” says Jane.

Avoid lameness and ulcers in your horse

Lameness, tendon and ligament injuries, ulcers and colic make up most of the claims from FMG equine policies, says FMG's Manager Advice Services, Stephen Cantwell.

Stephen spoke with equine and production animal veterinarian, Ellie Grieves from Totally Vets, Awapuni about the causes and what we can do to help protect horses from these sorts of injuries or ailments.

Read Ellie's advice by scanning the QR code or visiting www.fmg.co.nz/avoidlameness



Rural theft peaks in January

Our claims data has shown that January is when thieves set out to steal from rural properties. Stephen Cantwell, FMG's Manager Advice, says theft is the leading cause of farm contents' claims.

"January appears to be the month when thieves are most active. Not only are the number of claims higher in January but the average value of claims is 23% higher."

Whether you're on holiday or on the farm, there are actions you can take to help to deter thieves targeting your property.

"If you're going away, have a trusted neighbour, friend or family member regularly check in on your property. Get them to clear your mailbox and entrances of mail, packages and junk mail. If rubbish collections are operating in your area, ask them to put your rubbish out on your collection day. This approach is a good deterrent if thieves are scouting the area.

"You could install automatic timer or sensor lighting around your property including at both the front and rear of your house. Mount them high enough to prevent criminals from being able to remove the bulb or cover the sensor."

Other tips include engraving valuable equipment—this makes it less desirable to thieves and easier to identify. It's also a good idea to record details and serial numbers of high value assets on SNAP, a

free online asset register created by the NZ Police at www.snap.org.nz

"We also suggest using a wheel lock or clamp on your trailer when not using it, particularly if you're going away."

If you're staying on-farm be mindful that thieves also target quad bikes—and particularly older bikes—at this time of year.

"Our experience is that older bikes are easier to sell off, which is what makes them so attractive to steal."

Our claims' data shows that quads are often stolen when the keys are left inside. This goes for other vehicles too.

"This can happen even if you're on farm and particularly if you've parked up to do some work and leave your bike unattended. We recommend keeping your keys on hand or out of sight, particularly when working in paddocks near public roads."

OVER THE PAST 3 YEARS:

\$6 MILLION

paid out in domestic contents theft claims

\$3 MILLION

in farm contents theft claims

Claiming for lost or stolen contents

If you have lost an item, or had something stolen:

- let the police know straight away and take note of the file reference number
- check whether any house or vehicle keys have been stolen.

Get ready to claim

Once your claim is lodged we'll need a list of the items, their approximate age, and a quote to replace them. We can help arrange this for most electrical items including mobile phones and if an assessor is appointed, they can help with this as well.

We may also need proof of ownership such as receipts, photos or warranties.

You also claim through FMG's new online insurance service FMG Connect – www.fmgconnect.co.nz

For more advice head to www.fmg.co.nz/advice/rural-theft

Why the new Natural Disaster Response Model is great news

A new Natural Disaster Response Model (NDRM), announced in November is great news for you.

Nathan Barrett, FMG's Chief Product & Pricing, Underwriting and Claims Officer says the Mutual has been a strong advocate for the NDRM following the 2010 Canterbury earthquakes, instigating discussions for this change.

"With this new model if you're impacted by a natural disaster and need to make a claim then all you need to do is contact us. At an already stressful time we're now able to make the road to recovery much simpler," says Nathan.

FMG, along with other private insurers have worked with EQC on a partnership to deliver the NDRM.

This means if you have home insurance, and your home or land is damaged in a natural disaster, you'll only need to lodge one claim with us. Previously you would've had to make two claims—one to EQC up to a capped level of the damage and the other to FMG for top-up cover losses.

"We want to make sure our employees are supported and that we continue to offer the same level of service to our clients."

"After the 2016 Kaikoura earthquake we had a temporary agreement to manage claims on behalf of EQC and we know from many of our clients that this worked well for them."

FMG will act as an agent for EQC and we're adding to our claims and assessing teams.

It's anticipated that this change will come into effect in the second quarter of 2021.

Until such time, please lodge any claims directly with EQC, unless we advise otherwise.

Meet one of FMG's 65 pre-approved repairers

On a particularly warm Whangarei morning, collision technician Carl Henty sets to work on a 2015 Ford Ranger that suffered some costly damage. It turns out the client's 830kg Angus bull didn't appreciate the ute blocking his view from the cows.

Thankfully, because Louie Berkers Collision Repair is part of FMG's pre-approved repairer family, Carl can get on with the job without the need for an insurance assessor.

Starting as an apprentice collision technician in 1997, Carl progressively worked through the ranks and bought the business in 2007. Growing up on the family beef farm near Hukerenui, Carl was always tinkering with motors, bikes and farm equipment.

"At the end of Year 12, I was offered this apprenticeship and never looked back."

Louie Berkers Collision Repair is one of 65 pre-approved repairers that have partnered with FMG across the country. This means they can go ahead with certain repairs as soon as the claim is lodged.

This reduces wait time and also helps ensure that repairers have the backing to do a quality job, while supporting local, family run businesses to keep their doors open across provincial New Zealand.

“Over the past year, around two dozen local paint and panel shops have closed their doors, according to the Collision Repair Association.”

"This industry has seen a large shift to vertical integration (where insurance companies own part or all of a paint and panel chain and consolidation, and big body shops buy up smaller ones). We are now looking at the new norm where repairers are expected to sacrifice quality for quantity. Quality is remembered long after price is forgotten, that's what makes FMG different." says Carl.

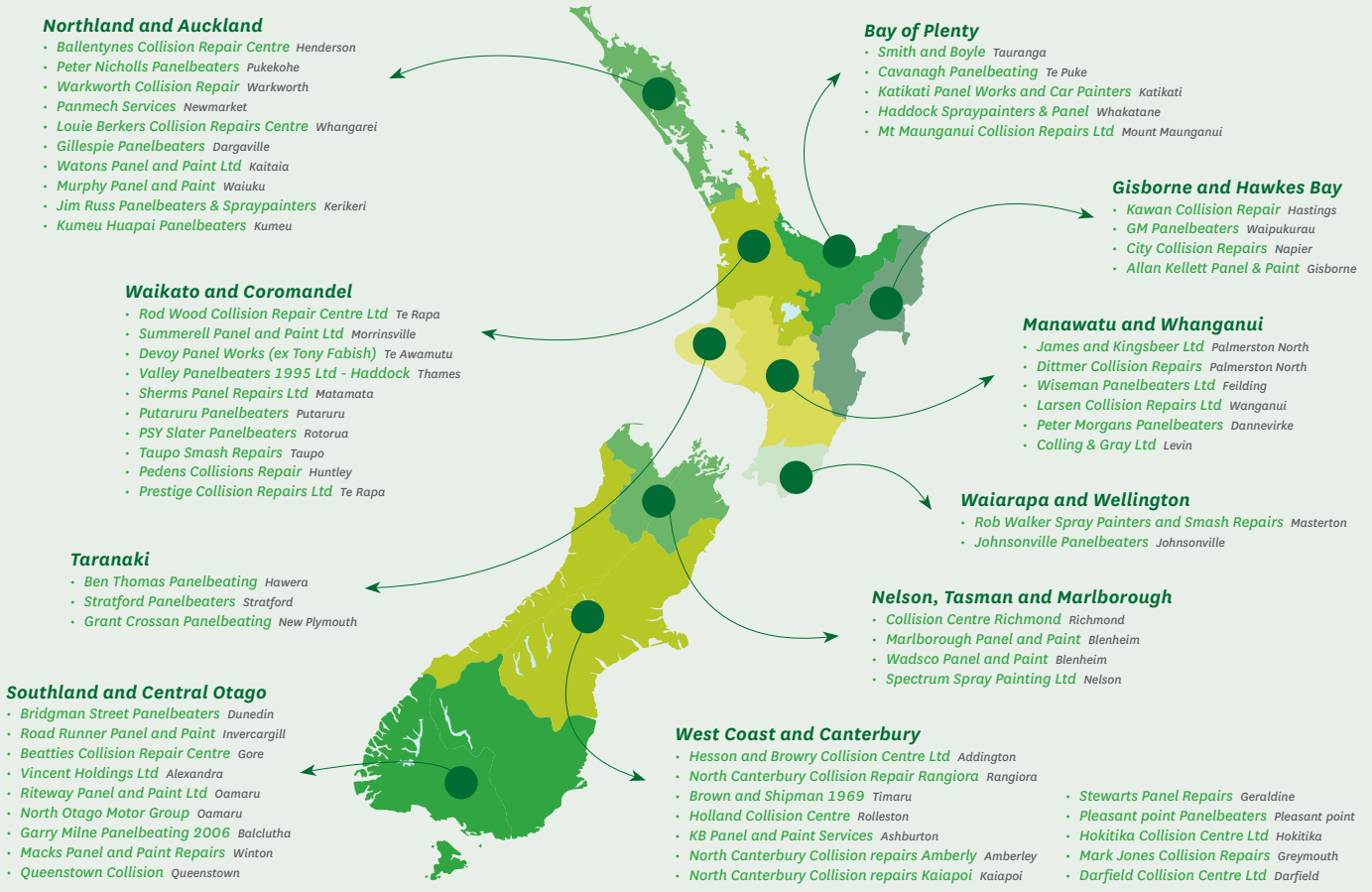
"As an FMG client myself, it makes sense to see their relationship model extend to their repairer and supplier network too. They are always looking for ways to improve their communication and claims' process—which has real advantages for their clients too. We must pass a meticulous audit to become an FMG approved repairer.



As a self-described 'petrol head' Carl has rebuilt a 1969 Morris Minor Ute and a 1938 Chev Coupe.

"Provincial New Zealand is full of small, local and family run businesses who often give back to their local communities too. We're a proud Platinum sponsor of Northern Rugby club at Hukerenui, Pines and Northland Golf Club, and Kaurihohore school.

"Sustainable business is becoming increasingly important and where possible we look to improve our environmental impact. We have a water-based basecoat paint product, a dedicated wash bay facility and recycle bins for steel, plastic and cardboard."



Link between diminished wellbeing and on-farm injuries

Research undertaken by rural wellbeing programme Farmstrong has established the link between diminished wellbeing and on-farm injuries.

The study of 500 farmers receiving ACC support quantified the extent to which diminished wellbeing had contributed to their accident.

What did we find out?

- **58%** reported that at least one of the 15 listed aspects of diminished wellbeing was a contributor to their injury.
- **24%** reported diminished wellbeing as a 'major' contributor to their injury.
- **16%** reported diminished wellbeing was a 'major' contributor to a more serious injury.
- **30%** of the ACC farmer claim costs had a 'major' diminished wellbeing link.

On the positive side, the study also found that farmers who had engaged with Farmstrong were less likely than others to report diminished wellbeing as a 'major' contributor to a more serious injury.

“I learned the hard way about how hazardous fatigue can be. Ten years ago, I was very tired after calving and we were having issues with an old fan-belt driven water pump. I went to check it and realised there was a burr in the belt, but because I was exhausted, rather than turn the machine off, without thinking I put my hand in the middle and it went through the pulley. It caught me and I lost a finger. It was a hell of a lesson—you're not much use on a farm when you're tired. When you're tired, the simplest of decisions and tasks can become very difficult.”

Paul Walker run a 300-cow, 90-hectare dairy farm in Pongakawa

Farmstrong helps farmers cope with the ups and downs of farming by sharing things farmers can do to look after themselves and manage stress and pressure.



Most mentioned

The aspects of diminished wellbeing most mentioned as 'major' contributors to injury were:

- 11%** Having too much to do and not enough time
- 8%** Feeling fatigued or exhausted
- 6%** Lack of sleep or poor quality sleep
- 5%** Challenges coping with the ups and downs of farming
- 5%** Feeling in need of a break away from the farm

New Zealand Workplace Health and Safety award win

Farmstrong received the Supreme Award for best overall contribution to improving workplace health and safety. It was also awarded best leadership of an industry sector or region.



Find out what works for you: check out www.farmstrong.co.nz

Summer holiday travel cover

With summer holidays approaching and a break away on the agenda for many of us, taking out domestic travel cover is well worth considering.

Jason Rolfe, Head of Client Strategy & Advice Services at FMG, says the Mutual's travel insurance provider Cover-More, found that one in three of us who take a trip locally experience something unexpected that may require support from an insurer.

“Cover-More knows that your luggage can be stolen as easily in Christchurch as it can in Calgary. If your child becomes unwell and you need to cancel your trip, it doesn't matter if you were travelling to Auckland or Amsterdam,” says Jason.

With the borders closed, we've seen more New Zealanders look to a hire a campervan. When hiring a vehicle if you choose to reduce

the insurance excess in case of an accident, the daily hire rate increases.

“It's worth considering domestic travel cover which would cover all of your trip, including the insurance excess on a vehicle hire, often for less than you would pay the hire company.”

Domestic travel cover also protects you from travel delays, trip cancellations or amendments, loss or damage to luggage, loss of income, and personal liability.

“Anecdotally, we've heard a lot of New Zealander's are feeling in a need of break at the moment—make sure you have that extra peace of mind by taking out domestic travel cover before you head away,” says Jason.



Please note in respect of Covid-19: Cover-More have highlighted that if travellers had to, or choose to, cancel their trip due to a Covid-19 outbreak under the current domestic travel policy, there are no provisions for this.

House cover: Have you got enough?

Now's a great time to check that FMG has the correct information about your house.



It may cost less than you think to increase your house's sum insured

Kate's house in Lake Wanaka

Kate has a superior house in Lake Wanaka and upon reviewing her policy documents realised that her square metre area didn't include her deck. She called and added the 50 square metre deck with a sum insured of \$25,000. This increased her annual premium by \$32.

Kirsten and Anton's Farmhouse

Kirsten and Anton live in a 150sqm brick farmhouse on the outskirts of Hamilton. They recently built a new 50 square metre garage. Anton called FMG to add this to his policy and as a result increased their sum insured by \$75,000. Adding the garage increased Kirsten and Anton's annual premium by \$102.

When calculating your house's sum insured amount, FMG has sought expert advice on the rebuild costs for different house construction types. We've made every attempt to calculate an accurate rebuild cost, but this amount is only an indication of what you may need to rebuild your house if something happens.

Advice to help you determine the correct sum insured for your house is available on our website, which includes a comprehensive guide. There is also information on the different basis of house claim settlements.

You can scan the QR code on this page or visit www.fmg.co.nz/insuringyourhome. Of course, we're always available to talk through your situation, so don't hesitate to contact us.

If you've any doubts, or your house has special or unique features, our advice is to get an independent valuation to establish a suitable sum insured. This can be done by using a:

- registered valuer: www.nziv.org.nz
- quantity surveyor: www.nziqs.co.nz
- licensed builder: www.lbp.govt.nz

What is a sum insured?

Your sum insured is shown on the policy certificate. This is the maximum payable for any claim so should reflect the cost to rebuild your home, including demolition and removal of debris costs, and professional fees. It should not include the land value and should not be based on the market value or rateable value.

Calendar

11-13 December

The National Young Horse Show

Hastings

13-16 December

Taupo Christmas Classic

Taupo

16 January

Winton A&P Show

Winton

4-6 March

Northland Field Days

Dargaville

4-6 March

Golden Shears

Masterton

12-13 March

Wanaka A&P Show

Wanaka

18-20 March

Central Districts Field Days

Feilding

24-26 March

South Island Agricultural Field Days

Kirwee

FMG
Advice & Insurance

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