

# Managing risk together

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# Note from Adam Heath



## Kia ora koutou katoa,

A new year is almost upon us, and while there is plenty to be positive about, the rural sector is also facing its share of challenges right now. We have heard the high level of concern from our Members regarding the Government's proposal arising out of the He Waka Eke Noa process, and the potential wide-ranging impacts on rural Aotearoa New Zealand. Given this and in the interests of our vision to help build strong and prosperous rural communities, in consultation with the Board, we felt it appropriate to share these concerns in a submission on the proposals. You can read the submission at [fmg.co.nz/hewakaekenoa](https://fmg.co.nz/hewakaekenoa)

In an increasingly complex world, it's important to ensure you're receiving good advice and strong support. FMG is here to help you manage the risks you and your business face so you can get on with life and have peace of mind that you're covered should anything go wrong. As Aotearoa New Zealand's oldest and largest rural insurer, we understand rural risks better than most with access to a unique set of data and insights. This provides us

with a wealth of knowledge that backs up our advice proposition to assist you with building a more resilient business.

Advice is an integral part of what we do as a mutual, focused on being here for the good of the country. Being New Zealand-owned and operated ensures that we make decisions based on what's good for rural New Zealand. Our goal is to reduce disruption for our clients and in doing so, assist you in achieving your goals and aspirations. I recently had the privilege of attending the ICMIF (International Cooperative and Mutual Insurance Federation) Centenary Conference where the theme was 'Leading with purpose and impact'. It was inspiring and humbling to learn from many like-minded, purpose-led insurers from around the globe, with most having a long and proud history of serving Members, clients and their local communities. FMG is held in high regard across ICMIF, and whilst we may not be the largest rural mutual insurer, we certainly contribute beyond our size thanks to the relationships we have built over the years.

Building relationships is a fundamental part of what we do at FMG, that's why we remain committed to on-farm conversations. They help us to understand your challenges and the risks you face so we can provide you with leading risk-advice tailored to your needs. We're always looking for ways to help you improve how you manage risk. It's at the core of who we are and what we do. As technology becomes an increasingly larger part of our lives, we are also committed to researching new technology and analytics tools to help ensure our advice remains current and consistent with best practice.

**"Given this and in the interests of our vision to help build strong and prosperous rural communities, we felt it appropriate to share these concerns in a submission on the proposals."**

We remain focused on finding ways to help make your life easier, such as innovations like FMG Connect, (now with 50,000 registered clients) and the work we do with our strategic partners. Through such innovation and collaboration we seek to understand and stay ahead of risks on the horizon so that we can help you manage them better. During our 117-year history, FMG has earned a reputation for building strong relationships and partnerships, enabling us to manage risk together with our Members and clients so that we can be there when you need us.

At FMG our purpose is to provide a better deal for rural New Zealand. We do so through the provision of intelligent and tailored risk management information and solutions, in a way that is unique to FMG. It's always important to remember that whatever happens - we're in it together.

Kind regards / Ngā mihi,

**Adam Heath**  
Chief Executive, FMG

# FMG's New Executive Leadership Team Members

## Kim Grooby

### Chief Claims Officer

Kim has spent most of his career working in the insurance sector, including in a range of senior leadership roles across Suncorp and IAG. These roles included Executive Manager Business Transformation, General Manager Claims, Executive Manager Earthquake Strategy, Head of Strategy & Portfolio (Technology), and Programme Director. He has strong experience in change management and process development and has an excellent understanding of technology in an insurance context.



## Alex Johnston

### Chief Insurance Officer

Alex brings more than 20 years' general insurance experience to the Mutual and having previously held the role of Manager Actuarial Funding and Advice at ACC. More recently she was the National Manager Personal Pricing and Analytics at IAG where she led the team through significant industry change following the Christchurch earthquakes. Alex has extensive experience in the insurance sector, previously working for several large UK insurers, including Direct Line, Norwich Union, and AXA Insurance, in pricing, procurement and HR roles. She holds a Master of Science degree in Statistics from Otago University.



## Darrin Bull

### Head of Strategy

After 12 years with the ASB Group in product management and development, Darrin shifted his focus to strategy and business transformation. Most recently, Darrin has provided independent strategy consulting for a wide range of organisations across New Zealand and Australia. A big believer in helping the community, Darrin is a Justice of the Peace and Chairperson of ADHD New Zealand, focusing on improving outcomes for the ADHD community.



## Matt Harvey

### Chief Marketing Officer

Matt joined FMG in 2011 as an analyst in the Risk Services team before moving through a number of different roles including leading FMG's phone-based Sales & Service Channels. Matt's passion for fronting change for the betterment of an organisation and its employees was recognised in 2022 when he was a Gallup Manager of the Year Finalist at the Global Gallup Workplace Awards. Prior to arriving at FMG, Matt primarily worked in Public Sector Finance, including four years at the NZDF, culminating in a deployment to Afghanistan as the NZDF's Finance Officer. He holds an MBA from Victoria University.



## Listen to the Whole Story

Hosted by Otago farmer Becks Smith, in partnership with FMG, The Whole Story combines both inspirational and practical messages, to help deliver holistic sustainability across New Zealand agriculture.

Hear from iconic rural voices, including Lindy Nelson, Kayne Briscoe and Wayne Langford (YOLO Farmer).



Available on Spotify, Apple Podcasts, iHeartRadio or wherever you get your podcasts.





Left: Comedian Tarun Mohanbhai entertains the locals in Omihi.

Below: Taranaki dairy farmer and author Kane Brisco with Sam Whitelock.

## New Tools for the 'top paddock'

Farmstrong ambassador Sam Whitelock has been helping Farmstrong to produce new video clips to pass on thinking strategies that can help farmers and growers manage pressure. The clips focus on approaching the challenges of farming with a flexible and open mindset and learning to recognise and avoid common thinking traps, such as catastrophising a situation, over-generalising and being limited to 'black and white' thinking.

As an elite athlete, Sam is no stranger to pressure himself and shares the sorts of things he does to manage the ups and downs of a professional sporting career.

"I embrace pressure as part of my job, but when I get the opportunity, I also step away from it to make sure I recharge."



Sam was joined on set by Taranaki dairy farmer Kane Brisco, who published a best-selling book earlier this year on dealing with the pressures of farming called 'Tools for the Top Paddock'.

Says Kane: "So being Farmstrong for me is about having a really good balance in life. It's about having the full picture in your head, not just concentrating on being a great farmer, but being a great person off-farm as well. They both play off each other. Being a good, well-rounded person generally leads to being a great farmer on farm as well."

**Farmstrong is a nationwide, rural wellbeing programme that helps farmers and growers to cope with the ups and downs of farming. Last year more than 15,000 farmers attributed an improvement in their wellbeing to their involvement in the programme.**

# Reconnecting with rural communities

After years of Covid-related disruption, the rural events calendar is all go. Farmstrong has been busy taking its messages and resources out on the road again to rural communities.

## Farmstrong Comedy Shows

First up, were several Farmstrong comedy shows for rural communities in Omihi and Sheffield in Canterbury that had been rescheduled from earlier in the year. The shows featured an all-star line up of Aotearoa New Zealand's top comedians - Nick Rado, Courtney Dawson, Tarun Mohanbhai and Tevita Manukia.

Farmstrong ambassador, rugby great Sam Whitelock, says: "The last few years have tested everyone's resilience. Nights like this are a chance for people to celebrate getting through, reconnect and 'recharge their batteries'. Taking time off when you're

busy sounds counter-productive, but anything that boosts your mood actually helps you get through busier periods. Having a good laugh with mates for a few hours definitely fits the bill."

Hurunui mayor Marie Black echoed those sentiments. "I think Farmstrong's ability to bring an event like this to our rural community is great because the fellowship that we get from each other at these events is really important."

## Farmstrong at Field Days

Farmstrong caught up with West Coasters at Greymouth's AgFest event. A big turnout in the sunshine saw a constant stream of visitors head to the Farmstrong stand for a chat about how the year was going and the sorts of things they do to look after themselves and handle pressure.

The Farmstrong team shared resources created as part of Farmstrong's *You Matter, Let's Natter* campaign which encourages farmers to catch up regularly with mates and neighbours over a cuppa to see how they're going and show support.

Copies of the Farmstrong book, *Live Well, Farm Well* were also in high demand. There were even free massages on offer at the stand for those who wanted to take a bit of time out of their day to simply relax.

The Farmstrong team will be attending this year's rescheduled Field Days at Mystery Creek and Northland's Field Day next March.





# Changes to the EQC cap and levy

## Support for all New Zealanders in the event of a natural disaster

The Earthquake Commission – Toka Tū Ake (or EQC) is insurance set up by the Government to support New Zealanders in the event of certain natural disasters.

This insurance covers damage to residential homes and certain residential land arising from earthquakes, landslips, volcanic eruption, tsunami, and hydrothermal activity. The land cover applies to land within 8m of the home and is only extended to 60m for land under or supporting the main access way to the house (excluding driveway surfacing).

FMG collects the levy on behalf of EQC through your premium and manages your claims following earthquakes or any other EQC covered natural disasters.

From 1 October 2022 the Government is doubling the maximum amount the EQC will pay out for claims (the EQCover) to \$300,000+GST, if your house is damaged in certain natural disasters.

That means EQC will pay up to the first \$300,000+GST of your building claim and FMG will cover the rest up to your sum insured. There is no cover for land under your FMG policy however, the EQC cap only

applies to buildings and not land (land is capped at the land value).

The EQC levy is also increasing from 1 October 2022 to fund the increase to the EQC cap from a maximum of \$300 (\$345 incl. GST) up to a maximum of \$480 (\$552 incl. GST).

All new insurance and renewals from 1 October 2022 will be impacted by these changes. All general insurers in New Zealand who offer house or rental and employee house policies will be implementing the Government's new mandatory EQC levy on new and renewing policies.

The change in the EQC levy is just one part of your overall premium. There are lots of things that can impact your premium, such as changes to your policy or updating your sum insureds. Also, higher claim costs due to inflation related price increases, like the cost of building materials and labour.

Having very high levels of insurance cover is essential for those affected by a major disaster, but also for the health of the whole economy. The Canterbury Earthquakes resulted in around \$40 billion in losses at an industry level, in an area not identified as being at high risk. Around 80% of those losses were insured.

Overseas, several countries with high natural hazard risk do not have an EQC type scheme and have relatively low levels of disaster insurance uptake. This places individuals, national and local governments and their economies at high risk from natural disasters.

FMG is required to have enough capital or reinsurance in place to meet a one in a thousand-year earthquake, so you can be confident we will be there to help in the event of a natural disaster.

Visit [www.eqc.govt.nz](http://www.eqc.govt.nz) for more information

**FMG** Connect

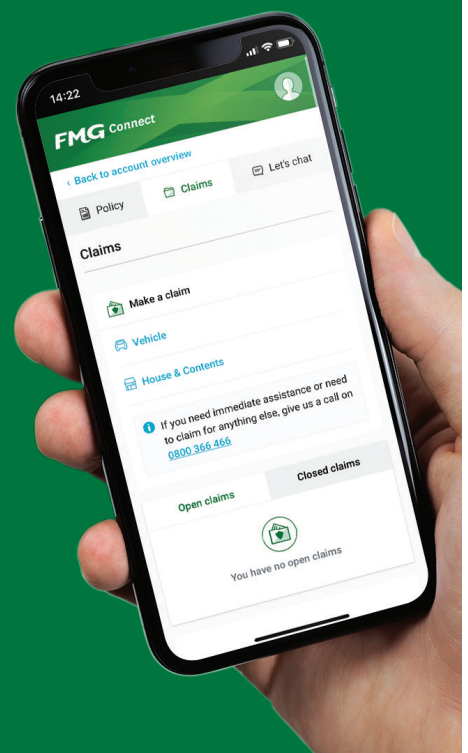
## You can now lodge milk claims in FMG Connect!

You can also upload any supporting claim documents, statements, or letters from your dairy company to help us process your claim as quickly as possible. It's even easier to log in and check the status of your claim.

What else can you do in FMG Connect?

- view and download statements
- make a combined House & Contents claim
- upload any supporting documents and photos to an open claim
- adjust sum insured on vehicles—ensuring you are paying the right premium as your vehicle depreciates.

To register simply scan this QR code or head to our website at [fmg.co.nz](http://fmg.co.nz) and click the REGISTER link at the top of the homepage.



\*All figures are GST exclusive





# Managing Risk Together - The Year in Claims



Jonathan Parsons  
Head of Mobile Assessing, Event  
Response & Claims Procurement

Managing risk together means building resilience in our rural communities by being there when the unexpected happens. We chat with Jonathan Parsons FMG's Head of Mobile Assessing, Event Response & Claims Procurement.

### What stands out when you look back at claims over 2022 so far?

Of most significance was the back-to-back nature of the six weather events in the early stages of the year, and how widespread the damage from these extended. It really was a relentless start to the year for our Members and clients, with some being impacted by multiple events. In total, we've lodged approximately 3,250 total claims from these events at a cost of more than \$8.4m.

### What unique challenges has this presented?

Having an in-house assessing team, along with regionally located Sales and Service

teams spread across the country means we can have boots on the ground in the highest impacted areas once it's safe to do so and receive real-time intel as to the extent of damage. With a number of this year's events being so widespread (concentrations of claims right across the country) mobilising our team to come in behind our local assessor has been more difficult though, and a number of our team have done significant amounts of travel and time away from home.

Additionally, this year has seen a real theme of water related events and associated damage from flooding. These types of events can be more complex given flood waters need to recede before the full extent is understood. They can also bring access issues (as seen through the Marlborough region) and can have longer repair/reinstatement timeframes (particularly when coupled with the well reported supply chain shortages).

### Yes, the wettest winter in recorded history, has there been any other factors at play?

We've also had a disproportionate number of large total losses this year – mainly linked to house fires. We've had a look deeper into these to see if there's any causal factors at play here and so far, it hasn't found anything so it's a bit of an anomaly. These pop up from time to time.

### Those supply chain constraints you mention, and rising costs, must be having an impact on the cost of claims?

Yes, it's having a significant impact. The cost of building, particularly relating to materials, has gone up considerably as well as transport and shipping costs. As always it's important that clients check their sum insureds to ensure their level of cover is adequate.

### How well placed is FMG to handle a response to these types of events and others?

It is having an impact industry wide, and the Insurance Council of New Zealand has noted this year we're heading for a third year of a record number for weather related claims events so it's something the whole industry is grappling with.

However, this is the nature of the insurance business. Much like farming and growing we have our ups and downs and just like them we are here for the long term. There will always be periods of volatility, but FMG is well capitalised to meet these challenges, and has strong support from a global network of reinsurers.





# Managing risk this

# Summer

## Top tips from FMG's Advice team to keep safe this summer

### Take care with outdoor fires

The warmer weather means we may have replaced our indoor fires for outdoor BBQs but the risk of a house fire is still very real. We've found at least once a year FMG gets a house fire claim from a BBQ gone wrong, damaging the cladding on the house as well as decking. Before using your BBQ check for gas leaks and ensure any fat or oil residue is cleaned off and ensure the gas bottles are stored upright.

Go to [www.fireandemergency.co.nz](http://www.fireandemergency.co.nz) for more information.



### GOING AWAY?

— Ask a neighbour to —



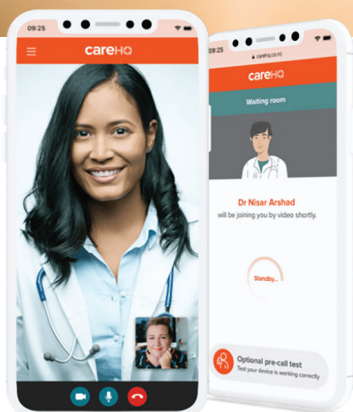
### Keep burglars at bay

Keep your travel plans off social media to help avoid becoming a target. We recommend keeping a trusted neighbour in the know to clear the mailbox and maybe even mow the lawn, so it looks like someone is still living at home while you're away. Avoid leaving valuables in your car while you travel. If items like smartphones, wallets, handbags, and tools are left in your vehicle in plain view, they are likely to be targeted by thieves.

### Enjoying the sun safely

New Zealand has the highest rate of melanoma in the world. FMG has partnered with Melanoma New Zealand to help share their key prevention advice and early detection messages so we can continue to enjoy the sun for years to come. Taking steps to protect your skin is key. Slip into protective clothing, slap on a hat, slop on sunscreen (SPF30 minimum is recommended and check the expiry date), seek shade and slide on some sunnies before heading out this summer.

You can access melanoma education for free at [www.fmg.co.nz/mnz](http://www.fmg.co.nz/mnz)



## Access to a doctor when you need it

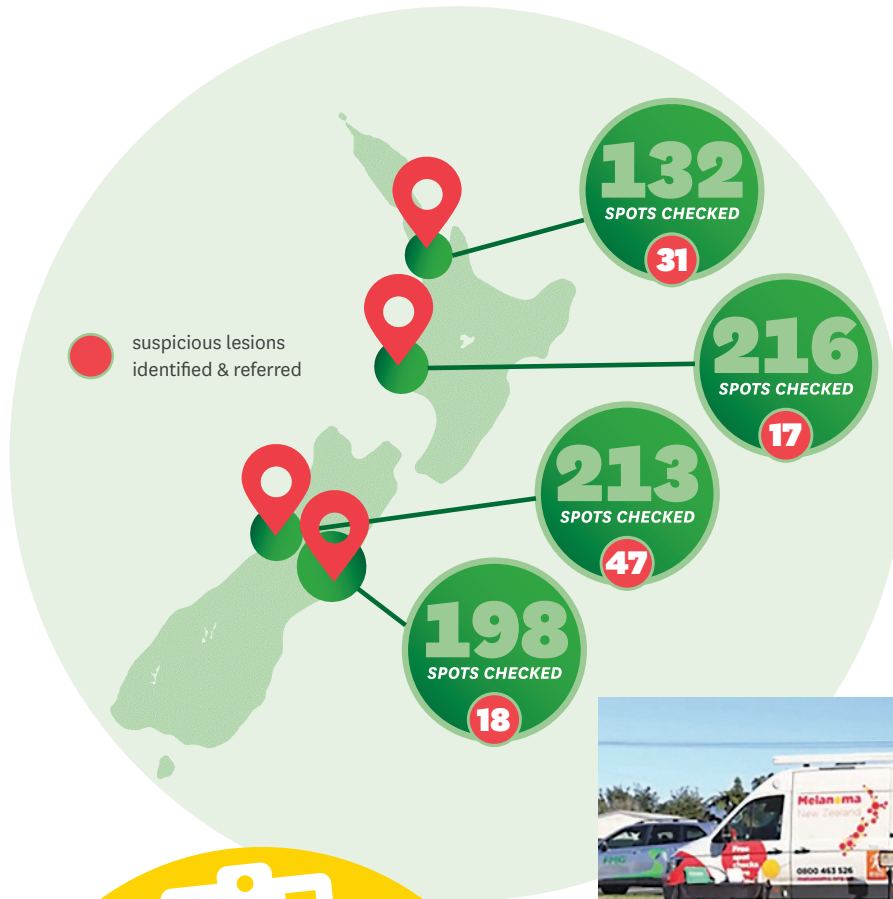
In the lead up to Christmas, we understand you're busy and getting into town to see your GP can be tricky. Did you know you can access a virtual doctor's appointment from your own home, on any device, 7am-7pm, 7 days a week? This online service from CareHQ (by Southern Cross Health Insurance and ProCare) is a good option if you can't see your registered GP.

And through FMG, you get a 10% discount. Simply use the FMG Coupon Code **FMG-283E7B**. [fmg.co.nz/carehq](http://fmg.co.nz/carehq) If you're a member of Southern Cross, please book your CareHQ appointment through your Southern Cross App.



# Putting the spotlight on spots

FMG is Melanoma New Zealand's rural partner, helping share life-saving advice to prevent avoidable deaths and suffering from melanoma. Earlier this year we kicked off the FMG Spot Check Roadie, visiting towns and events to help more rural people get spot checks.



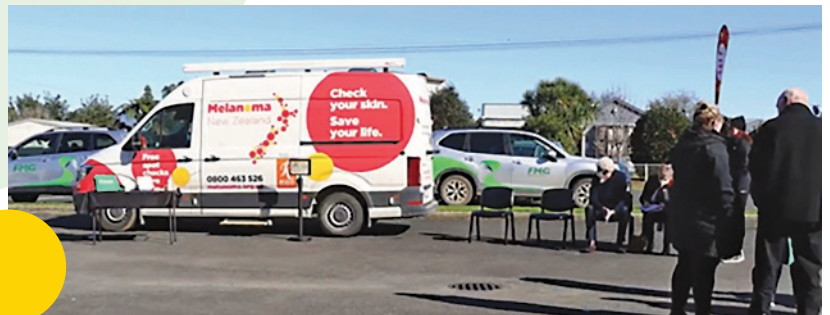
The FMG Spot Check Roadie has visited Taranaki, Pukekohe and Hauraki, West Coast, and Canterbury and will continue in 2023 – keep an eye out for when the FMG Spot Check Roadie is coming to a town near you. In addition to the Roadie, we've also been attending other events around New Zealand.

**And the results in total so far?**

**1092 SPOTS CHECKED**

**144 SUSPICIOUS SPOTS**  
*identified and referred for follow-up*

**17 SUSPECTED MELANOMAS**



## We want to understand more

To help us better understand the skin cancer risks rural New Zealanders face, we've got a quick survey for you to complete. Every completed survey will go in the draw to **win a \$500 Prezzy Card!** Visit [fmg.co.nz/sun-survey](http://fmg.co.nz/sun-survey)

There are many families who are now getting the information and support they didn't know they needed. A huge thank you to Melanoma New Zealand for all your hard work in supporting our clients, and the wider rural community.

- Find out more about our partnership with Melanoma New Zealand at [fmg.co.nz/mnz](http://fmg.co.nz/mnz)
- Access Melanoma New Zealand's resources, information and read patient stories at [melanoma.org.nz](http://melanoma.org.nz)
- To book a virtual spot check with Melanoma New Zealand's nurse educator visit [melanoma.org.nz/book-a-consultation](http://melanoma.org.nz/book-a-consultation)

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Advice & Insurance

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