



COMMERCIAL COVER WITH FMG

PROTECTING FARMERS, GROWERS AND THE BUSINESSES THAT SUPPORT RURAL NEW ZEALAND

NZ YOUNG FARMER OF THE YEAR

Congratulations
Athol New

FINANCIALS

Reviewing the year

DOMESTIC COVER

Calculating your
contents insurance

SHEEP DOG TRIALS

FMG's decade of support



NOTE FROM CHRIS BLACK



Against a backdrop of not only a tough external environment for many of our clients but also the very competitive insurance market, I think the Mutual has performed well overall in the last 12 months.

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Client satisfaction reached a new high and on the back of this, client numbers grew over 5% as more people and businesses elected to switch to New Zealand's largest mutual insurer.
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Of particular note was the fact that claims costs last year were up \$26.2m from \$103.3m to \$129.5m due to more frost, flood, house fire and vehicle claims. On the face of it this significant one-off spike might look problematic, but is in fact something we anticipate from

time to time and are well placed to absorb. Being there when clients need us is at the heart of what the Mutual is all about. As a result of the higher claims however, net profit before tax was \$6.8m and while still positive, was down on the previous few years. Again we are comfortable with this given our strong capital base and long term approach to managing the Mutual.

The reception Farmstrong has received in its first year has exceeded expectations.

Farmstrong was established jointly by the Mental Health Foundation and FMG just a year ago to help farmers stay in good shape personally – and to better handle the ups and downs of farming. We've been delighted with the broad support for Farmstrong from right across the rural sector, and

a sincere thanks to all those people and organisations that have got in behind the initiative.

Within FMG there have also been a number of notable milestones this last year, including the completion of a six-year programme to replace our core computer system. At a cost of \$35m this has been implemented successfully on time and within budget. This significant infrastructure investment helps set the Mutual up for the next 15-20 years and supports our growth strategy and aspiration as an organisation. Not unrelated to this, it was a thrill for FMG to be judged the best large workplace in New Zealand last year. I think this is not only a positive endorsement of the healthy culture we try to foster but equally important means

we have a better chance of attracting and retaining high calibre people to provide you with the top flight advice, service and support you have come to expect from the Mutual.

Chris Black
Chief Executive, FMG



FMG RURAL WEATHER APP

On Sunday July 31 FMG's association with MetService's Rural Weather App will come to a close. While the App itself will still be available, changes around FMG branding and weather risk advice will end once users accept an update from MetService. FMG knows how important weather information is to farmers and growers and will continue to support the Rural Weather Outlook which airs on Saturday evenings at 7:20pm on TV One.

SCHOLARSHIPS

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Each year FMG offers two scholarships for school leavers who plan to study an agriculture related degree at either Massey, Waikato or Lincoln University. The scholarship is for tuition fees, and is for undergraduate study. Applications for 2017 open on Saturday 1 October 2016, so now's a good time to have a look at FMG's website for criteria.



CONGRATULATIONS ATHOL NEW 2016 FMG YOUNG FARMER OF THE YEAR

In October last year 480 farmers from across 22 districts began competing in FMG's Young Farmer of the Year contest.

In July this year that number was whittled down to seven of the best who competed in the Grand Final in Timaru. On Saturday 9 July Athol New from Mid Canterbury took out the top spot and became the 48th FMG Young Farmer of the Year.

Originating from Northland, Athol was encouraged by his old school teacher at Kamo High to pursue a career in farming and headed to Lincoln University to study agricultural commerce.

Today Athol works within the Senior Leadership Team at Purata Farms supplying independent milk company Synlait Milk and leads a team of over ten staff.

As well as holding down his busy job, Athol says he's also looking forward to his new role as an ambassador to help encourage others working, or thinking of working in agriculture.

"It's a great achievement for me, to get the recognition of winning after all the hard work put in to preparing for the final. It will give me a chance now with a bigger profile to continue to promote and encourage others to join the sector" – Athol New

FMG'S SUPPORT

FMG rekindled its relationship with Young Farmers last year to become the principal sponsor of the Young Farmer of the Year contest. The partnership is a great fit for FMG as it's in line with our purpose to support achievement.

For us the contest embraces so much of what's great about farming in this country. It promotes taking calculated risks, innovation, competition, collaboration, idea-sharing, leadership and achievement.

It's great to be back involved. We look forward to building on the contest and further supporting more young people as they come up through the agricultural ranks.

NEW THIS YEAR

FMG has worked closely with NZYF over the last year to build on the contest's success. As part of that we introduced a number of new aspects, including:

People's Choice Award

A big thanks to everyone who voted for their favourite finalist. The award was introduced to give the finalists some experience around marketing themselves and to help get members of the public more involved with the contest.

Just under 3,000 votes were registered on FMG's website with Calvin Ball from Waikato/ Bay of Plenty collecting the most with 817 votes. Calvin won his and hers Citizen Watches and \$1,000 for his local Young Farmers club. The voter's prize was a Fitbit with Aaron Stafford's name being drawn.

Brand new trophy

Introduced this year the new trophy was built from raw materials from the land. In addition to what's in the image, the names of all previous winners were returned to the trophy with room for 19 more - ensuring it can be used for many years to come.



"It's so hard to win. It tests and showcases all aspects of farming and that you have to be capable of crunching numbers, dealing with people whilst still being able to do the practical tasks it takes to be a farmer" – Athol New on what it takes to win the FMG Young Farmer of the Year Contest.

Crown

The crown ring has inlaid pua sourced from Invercargill, reflecting both the maritime and geographical nature of New Zealand agriculture.

Frame

Seven strands of No. 8 wire represent each of the seven finalist regions.

Pounamu

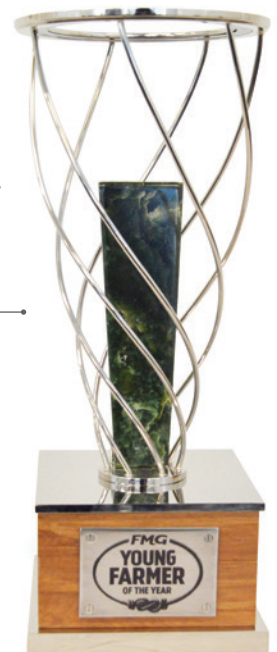
Pounamu has been included to reflect indigenous agriculture, sourced from Arahura Valley on the West Coast.

Plinth

Crafted from Heart Rimu – acknowledging our pioneering farmers.

Base

Built from steel, the base showcases our great engineering history.



MANAWATU – OVER TO YOU

Manawatu will host next year's Grand Final. The final will be held in July and will be shared across Palmerston North and Feilding. District finals begin in October this year.

FARMSTRONG TURNS ONE

There have been plenty of highlights for Farmstrong since launching in June 2015.

It's hard to believe we've only been going for a year. In that time we've travelled from Northland to Bluff with 31 free Healthy Thinking Workshops, a 1,400 km cycle tour, a 22-stop comedy roadshow and we've also attended several major events including Mystery Creek Fielddays.

In the first year we've met with, and supported thousands of farmers on living well and farming well. Many thousands more have visited Farmstrong's website.

A huge thanks to everyone who got involved in the last year. The great news is that we're just getting started and have plenty more initiatives to share in the coming months – so keep an eye out for our next announcement.

FARMSTRONG FIRST YEAR STATS

- 1,122 farmers and rural professionals who have attended a Healthy Thinking Workshop
- 51,451 unique website visits
- 22 Farmstrong sponsored rural comedy shows with 3,150 attendees
- 6,700 Facebook followers

CYCLE TOUR

In March Ian Handcock from Fit4Farming led a peloton of 20 riders, mostly from rural backgrounds on the Farmstrong Fit4Farming Cycle tour. Travelling from Ngatea to Bluff, the tour was a huge success in reaching out to rural communities and in promoting the need for farmers and growers to invest in their physical fitness.

CYCLE TOUR HIGHLIGHTS

- 20 peloton riders
- 1,400 kms travelled
- Five community event days
- 600 people attended the event days
- Two ex-All Blacks joined the tour – thanks Ian Kirkpatrick and Matt Cooper
- One rural broadcaster – thanks Jamie Mackay

THE FARMSTRONG CHALLENGE

The cycle tour was part of a wider initiative – the Farmstrong Challenge. The Challenge encouraged participants to pledge a distance via the Farmstrong website – and then commit to exercising that distance. Thanks to everyone who got involved and in particular those of you who used the Challenge to dust off your exercise gear for the first time in a long time. Well done.

CYCLE CHALLENGE HIGHLIGHTS

- 633,216kms collectively travelled
- 1,003 participants
- 107 teams
- 13 months - length of the challenge



FARMSTRONG IN BRIEF

ACC joins Farmstrong

In May ACC joined Farmstrong as a strategic partner. We think this is a great fit, as both organisations promote a preventative approach to physical safety and personal wellbeing.

Ian Handcock recognised

Congratulations to Farmstrong Fit4Farming Cycle tour organiser Ian Handcock who was recently awarded the Ministry of Health's Outstanding Achievement Community award. The accolade acknowledged the commitment Ian has given to rural New Zealand by running and managing a number of events to help support the physical wellbeing of all Kiwi farmers.

Farmstrong Newsletter

If you'd like to learn more about how you can live well and farm well then why not head to www.farmstrong.co.nz and sign up to our newsletter.

Left: Each Challenge participant who completed 1,500km or more went into the draw to win this one-of-a-kind Farmstrong mountain bike, built by FMG's Peter Crossan. The bike is heading to Ashburton after Sam Letham's name was drawn at random.



Riders on the Farmstrong Fit4Farming Cycle tour take a well earned break on the stunning Molesworth Station.



Now that winter has its grip on most parts of the country, we thought we'd share a few seasonal risk advice tips for around your home – and also let you know about our recently updated home contents calculator.

FIRE TIPS

Smoke alarms

The fire service notes that in 80% of all fatal fires it attends – no working smoke alarms could be found.

Smoke alarms are the best early fire warning device. If you have them installed in your home or workplace then today's a good day to check they're working. If you don't have any, then the fire service recommends long-life photoelectric smoke alarms as they provide a minimum of 10 years' smoke detection.

Fire places

Over the last couple of years FMG has received an increase in claims for damage caused by sparks from logs which roll off both open and closed fires. To help prevent this, a good screen guard will go a long way to protect your home and your family.

If you're cleaning out the fireplace, you should leave hot ashes in a steel fire bucket for at least five days to cool before disposing.

Access

For farmers, growers and lifestyle block owners, next time you're heading down your driveway, why not have a look to see if your rapid number is clearly visible, as this will help emergency services find your property. You may also want to check the physical access to your property to ensure it's clear.

CONTENTS CALCULATOR

At FMG we've recently updated our Contents Calculator – a handy online resource to use for the family home - and also if you're renting or living in shared accommodation.

Under 'Your Insurance' on our website, the calculator will take you through room by room to help calculate your belongings. It'll also helpfully provide prompts for you to consider as you enter items. Once you've finished, the calculator will provide you with an approximate of what your contents should be insured for.

If after running the numbers you feel you want to make changes to your contents cover, please feel free to use the form within the calculator or give us a call on 0800 366 466 – we'll be happy to help.

FROZEN PIPES

With the onset of winter the risk of pipes freezing and bursting around your property increases.

This risk goes up another level if a property is unoccupied and remains unheated. If you have an unoccupied property or farm building, the following tips may be of use to help avoid the hassle of having to repair or clean up from a burst pipe.

- Turn off the water supply at the mains tap and drain the water from the header tank, hot water cylinder and pipes.

- Bind and insulate around the outside of piping.
- If you can, check the property at least once a week. If you can't, see if someone else can look over it for you.

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Each winter FMG receives a significant number of claims for water damage resulting from frost. In fact, last winter we paid around \$2m worth of claims.

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THREE HOME HEATING TIPS

1. Check electric blankets for wear. Ensure the controls are positioned clear between the mattress and base, and that cords are free of twists.
2. Remember the heater metre rule. Keep children and their toys, furniture, curtains and clothing at least one metre away from heaters and fireplaces.
3. If your gas heater doesn't light straight away, turn it off and try again. Don't let the gas build up before trying to relight it.





COMMERCIAL COVER WITH FMG

A big thanks to FMG clients (left and middle) Horseland Kumeu Grain and Albany Diesel Service – and also to Hydraworks for fronting in our new Commercial Insurance advertising.

New Health and Safety laws mean there's now a greater responsibility on business owners and directors to ensure their workplace remains safe.

In line with these law changes FMG encourages all business/farm owners to have a health and safety plan in place and ensure that all workers are familiar with it.

Should the unexpected happen however, FMG provides Statutory Liability and Management Liability covers as part of a wider suite of liability insurances to help protect you, your employees and your business.

As farms can often be set up as companies or trusts, the cover is also designed to support farmers and growers as well.

Below we outline what our Statutory Liability and Management Liability will cover you for, what else our commercial team can insure for you and the benefits you get with insuring your business or farming operation with FMG.

STATUTORY LIABILITY
WHAT IT COVERS:
✓ Fines and penalties (excluding health and safety fines)
✓ Health and safety reparation payments
✓ Legal defence costs when prosecuted - including by WorkSafe New Zealand
MANAGEMENT LIABILITY
WHAT IT COVERS:
✓ Personal liability - from allegations of mismanagement
✓ Legal defence costs
✓ Employment related claims
✓ Crime - including employee fraud
COVER CAN ALSO EXTEND TO:
✓ When you are a trustee and operate your business as a trust

OTHER COMMERCIAL COVERS
✓ Professional Indemnity
✓ Business Assets
✓ Business Interruption
✓ Contract Works
✓ Commercial Motor Vehicle
✓ Goods in Transit
✓ Machinery Breakdown
✓ Refrigerated Stock

SERVICE
✓ A specialist commercial insurance team
✓ 22 commercial managers – who live in your community
✓ Six phone based commercial consultants
✓ Specialist commercial underwriting team
✓ A focus on supporting the businesses which support rural and provincial New Zealand
✓ In-house claims and assessing team
✓ Free risk advice service
✓ You're covered by a New Zealand owned and operated insurer
✓ Profits remain in New Zealand and are reinvested back into the Mutual

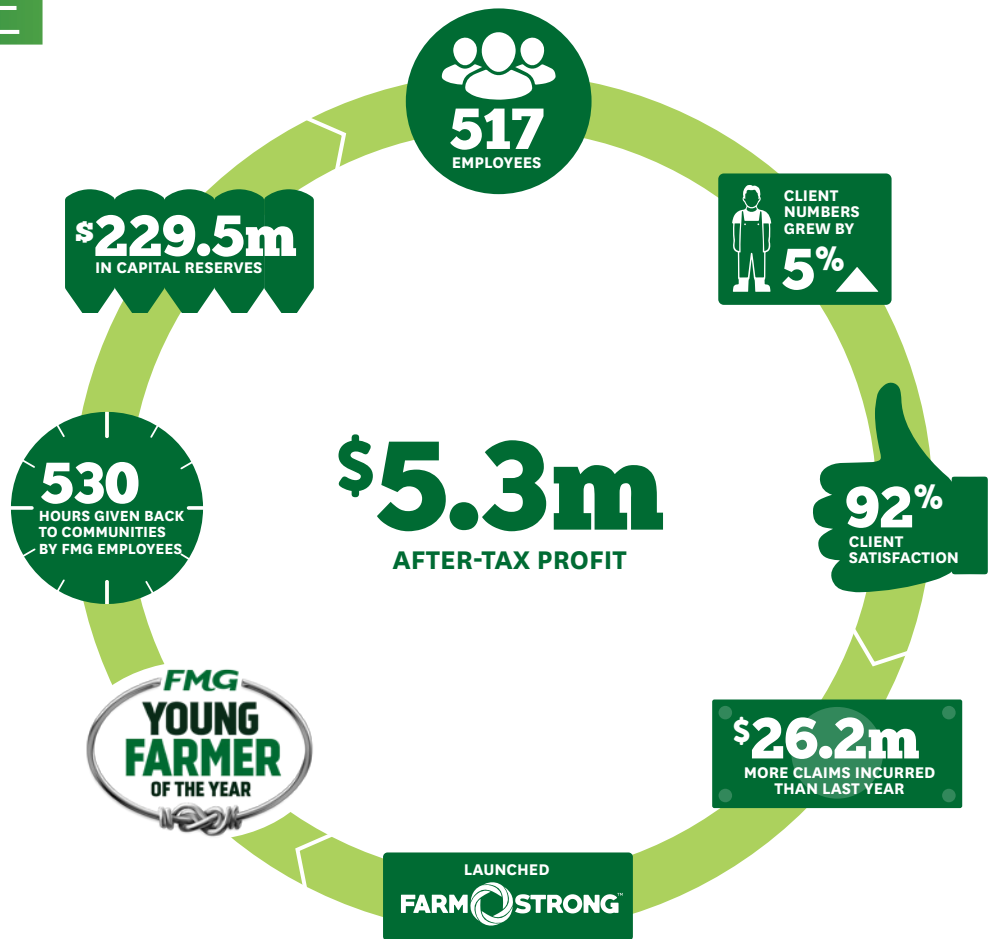
Please note that this is only a summary of our covers and are subject to our specific product documentation. For full details please download a copy of the relevant policy wordings from our website www.fmg.co.nz, speak with your commercial manager or give us a call on 0800 366 466.

FMG'S YEAR IN REVIEW

IN IT FOR THE LONG HAUL

As a specialist rural insurer, FMG's been around for 111 years and is committed to supporting you, your family and farming business for the long haul.

On the back drop of a difficult year for some in the sector FMG returned a modest profit for 2015/2016. We've also maintained our commitment to back the communities that support us, with the launch and delivery of Farmstrong and as the principal sponsor of the New Zealand Young Farmer of the Year contest.



AVOIDING IRRIGATOR DAMAGE



The irrigator season is around the corner. In preparation FMG has a number of tips you may want to consider to help ensure your season gets off to the best possible start:

- Walk the track your irrigator will travel to check for any foreign objects or changes to the track which could topple your machine.
 - While you're at it, why not check wider surroundings for any overhanging trees, new growth to shelter belts or new power poles that may have been installed since last season.
 - Keep your workers safe. Make sure all staff know how to use the irrigator properly.
 - FMG receives a considerable number of claims related to irrigators hitting machinery as it travels through the paddock. Given this, why not implement a No-Vehicles-Left-Behind policy. Keep other farm machinery such as quad bikes and motorbikes away from the irrigator.
 - If you're towing the irrigator to a new paddock, plan the route beforehand and check for obstacles like trees or power poles which could cause problems.
 - To help protect against wind damage, consider the handy steps of Point, Park and Anchor.
- To learn more about Point, Park and Anchor either call us to receive a free Irrigator Advice Guide, or check it out on our website www.fmg.co.nz/advice.*

CALENDAR

5 AUGUST

**FARMSTRONG MINI
HEALTHY THINKING
WORKSHOP**

Gore

10 AUGUST

**SOUTHERN INDOOR
CHARITY DOG TRIALS**

Gore

11 AUGUST

**POVERTY BAY
CHARITY DOG TRIALS**

Gisborne

24-26 AUGUST

**ROMEO BRAGATO
CONFERENCE**

Blenheim

30 SEPTEMBER

**NZPCA SPRINGSTON
TROPHY 2016**

Nelson

5 NOVEMBER

**HORORATA
GAMES**

Hororata

9-11 NOVEMBER

**CANTERBURY
A&P SHOW**

Christchurch

19-20 NOVEMBER

**EGMONT
A&P SHOW**

Hawera

FMG is out and about supporting School Calf Club/Ag Days around the country. To add your school please contact us at sponsorship@fmg.co.nz

SPONSORSHIP SPOTLIGHT

A great working dog – or three – on farm is worth its weight in gold.

As a specialist rural insurer we get this – which is why we're right behind the New Zealand Sheep Dog Trial Association (NZSDTA). We support the work they do to help foster dog trialists and provide the wider community with a full understanding of the skills needed to handle working dogs.

As part of FMG's official sponsorship of the NZSDTA we're involved with the island and national champs and fund the travel and accommodation of the judges. As well as this, FMG attends many of the local club trials across the country. We've supported the NZSDTA at a local and national level for more than 10 years.

Supporting events such as these are important to us, because they're important to you.

Each year FMG sponsors, attends or hosts some 600 rurally focused events across the country. These range from the large, such as the FMG Young Farmer of the Year Contest and the National Agricultural Fieldays at Mystery Creek, to the smaller ones on your door step like your local school calf club day.

So if you see us at the next event in your region feel free to pop over, have a chat, and if need be – talk with us about your insurances.


WE'RE EASY TO CONTACT

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Advice & Insurance