

Supporting people through tough times

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Note from Adam Heath



Kia ora koutou katoa,

We're not even a quarter of the way into the year and already a lot has happened.

We've been through what the Insurance Council of New Zealand (Te Kāhui Inihua o Aotearoa) called "Aotearoa/New Zealand's largest climate event," referring to the North Island storms coupled with Cyclones Hale and Gabrielle. These events made their presence felt across numerous parts of the country causing damage and disruption to thousands of New Zealanders.

The tragic loss of life and damage to homes, businesses, possessions, and vehicles from the combined effect of these events has been almost unfathomable and so traumatising for many.

Being there in challenging times is what FMG was created for close to 118 years ago and it continues to motivate our people as the Mutual assists our clients and Members in their moments of greatest need. I am extremely proud of the way our entire One Team across the Mutual has done so with FMG's values (Do what's right. Make it happen. Proud of who we are. We're in it together.) at the core of our response.

At FMG we understand that these are difficult and stressful times for many of our clients. They are critical moments and are what FMG is here for. It's all hands to the pump as our teams from across all parts of the Mutual do all they can to support one another so we can provide the best possible outcomes for all those impacted, and at the same time maintain our service to all other clients.

Board Chair Tony Cleland and I recently visited Hawke's Bay and our Hastings office to spend time with our team who have been doing the hard work/mahi over recent weeks. Words fail to do justice to the devastation we saw, but it was a real privilege to meet and spend time with some of those impacted by the cyclone who shared their stories of remarkable endurance with me. There will be similar stories all up the East Coast of the North Island from Wairarapa to Gisborne and up to Northland.

No doubt it will be a long recovery. I know there's been some concerns about how FMG and the wider insurance industry will cope with such a sequence of events, but rest assured the Mutual has a very good reinsurance programme in place and the funds to support our clients when they need us. We will still be here for the next 100 years supporting rural New Zealand.

I have spoken with Minister of Agriculture Damien O'Connor who is interested in FMG's perspective on recent events. FMG has also written to Commerce and Consumer Affairs Minister Duncan Webb seeking a meeting to provide both a Mutual and rural perspective on the impacts and implications for rural communities.

As Aotearoa's largest 100% New Zealand owned Mutual and rural insurer, it's important we give a voice to our Members, clients and people. We remain committed to our Vision of "helping to build strong

FMG's 118th AGM

In August, FMG will hold its 118th AGM. FMG's Constitution and Director Member Election & Special Director Appointment Policy (the Policy) require that a third of all Member Directors retire by rotation at each year's AGM. This year Tony Cleland and Murray Taggart are due to retire by rotation. While Murray will be seeking re-election, Tony will be stepping down from the Board after 16 years of service to the Mutual. Consequently, there are two Director positions, with one being contested by a current Director.

The Policy sets out the criteria for the evaluation of Member Director candidates, including current Directors. The Board has not set any Specific criteria per the Policy.

Any Member nominations must be made in accordance with the procedure set out in the FMG Constitution and are subject to the process outlined in the Policy, which are available on the FMG website (Governance and compliance (fmg.co.nz) or can be obtained by calling FMG's General Counsel Lisa Murray on 021 684 824 or emailing her at lisa.murray@fmg.co.nz. Nominations are open until 26 April 2023.

At the 2023 AGM, we'll provide an update on how the Mutual is tracking and will be tabling proposed changes to the FMG Constitution.

All Members are invited to attend and vote at the AGM on Friday, 25 August 2023. Members can attend either through a virtual platform or in person; this will be held at the Harvest Hotel, Cromwell, Central Otago (6 Barry Avenue, Cromwell). Alternatively, Members can vote through the proxy form that will be sent with the Notice of Meeting which includes an on-line voting option.

and prosperous rural communities". Working with our strategic partners and rural support networks, we are doing all we can to help rural New Zealand move forward despite the setbacks caused by these latest bouts of severe weather. We remain committed to why our Members established the Mutual almost 118 years ago — to provide a better deal for rural New Zealand.

Kind regards / Ngā mihi,

Adam Heath
Chief Executive, FMG

Responding to the adverse weather

A Q & A with Nicki Mackay FMG's Head of Claims



Nicki Mackay
Head of Claims

From 12 to 16 February Severe Tropical Cyclone Gabrielle devastated parts of the North Island of New Zealand and 11 people lost their lives.

Seven local states of emergency were declared (Northland, Auckland, Tairāwhiti, Bay of Plenty, Waikato, Hawke's Bay, Tararua District) and a national state of emergency was declared on 14 February. Only the third time such a declaration has been made, with the previous two being for the Canterbury earthquakes and the Covid-19 pandemic.

We share FMG's response so far to this disaster with Head of Claims, Nicki Mackay.

Firstly Nicki, what are your messages to clients affected by Cyclone Gabrielle?

"Our thoughts are with all our clients impacted by this devastating Cyclone. My priority has been to ensure our team is ready to support our clients. A number of our team have seen the impact first-hand, but I have seen the empathic and tearful reactions of my teams to the phone calls - it has been hard to watch. The initial focus was getting to our most impacted clients to help them take those first steps on what will be a long journey towards full recovery."

What are your thoughts on FMG's response so far?

"It's been a real team effort to ensure we've answered those phone calls as quickly as possible, and to contact our clients, especially those who weren't able to lodge claims in the immediate aftermath. I am really proud of the team and the way they've worked together to respond. It makes me emotional thinking about how we swung into action from the word "go" and have had our clients front of mind all the way.

In events such as this there are so many decisions to be made. The trick is to make them as quickly as possible as we scale up to manage the impacts. We don't have the luxury of time because the longer we take the greater the impact on our clients and our people."

Have you seen anything like this before?

"I moved to the Manawatu three years ago from Canterbury, so whilst it was from a different perspective, I feel I have some real understanding of what our clients are going through. I lived and worked with a young family amidst the Canterbury Earthquakes. This has helped me lead the initial response and now focus on the recovery for the Mutual. This event will be larger than anything we've dealt with before, but I'm confident we have the people, partners, technology, and know-how to get through it in the same empathic, structured way, caring for our clients from start to finish."

What are some of the distinctive factors of this event compared to others?

The complications caused by silt and the unknown nature of it. The long tail flood damage has and the pressure this will put on the insurance sector and all the supporting supply chains necessary to support this massive recovery effort. The sheer number of severely impacted clients. Two events (Hale and Gabrielle) so close together and the impact on our people. I would also like to thank all those clients out there who have had to wait for us to come back to you with business-as-usual claims as we prioritised those severely impacted by Cyclone Gabrielle. The impact of this event will be felt for years to come."

'Always a way through'

The disruption and distress caused by Cyclone Gabrielle and Hale have been a stark reminder of just how tough farming and growing can be and the importance of strong rural communities in any recovery.

The recent storms are just the latest in a sequence of challenging events over recent years that's included a global pandemic, cost of living increases and tough market conditions in a number of sectors. Our thoughts and best wishes go out to everyone impacted by these events.

As communities begin to get back on their feet, Farmstrong is working in partnership with a host of rural organisations and sectors to provide tools, advice and resources that can support and strengthen them during the recovery.

Farmstrong's partnership with the kiwifruit sector is an excellent example of what's possible in troubled times. This year looks like another challenging one for growers. On top of recent extreme weather, green kiwifruit growers have been hit by poor returns due to export volume and quality issues from last year's harvest.

The industry has teamed up with Farmstrong to create a new resource to help growers look after themselves so they can manage these challenges. *Live Well, Grow Well* tells the stories of experienced growers and industry figures who have



'Team effort' – the new wellbeing resource for Kiwifruit growers.



Farmstrong ambassador Sam Whitelock (r) and Taranaki dairy farmer and author of 'Tools for the Top Paddock' Kane Brisco have joined forces on a series of video clips that help people think more effectively under pressure.

navigated serious setbacks before and share what they now do to manage workload, stress and uncertainty. It also contains expert advice on topics such as nutrition, sleep, thinking strategies to manage pressure and the importance of rest and recovery time.

As Farmstrong ambassador Sam Whitelock says, "There are always the things in farming and growing that you can't control, such as prices or the weather, which make life stressful. But when you work on a farm or orchard, you still have to prioritise your wellbeing and make it happen yourself. There are steps you can take to relieve stress and pressure if you're feeling 'under the pump.'"

"I've seen first-hand the positive impact that being Farmstrong has on people. Last year, 15,000 farmers increased their ability to cope with the ups and downs of farming thanks to Farmstrong. If you're doing it tough, this is a very handy resource to add to your toolkit."

There's little doubt that the road to recovery will test the mental resilience of many communities in the year ahead. With this in mind, Farmstrong's ambassador Sam Whitelock has just completed a suite of short video clips with Taranaki dairy farmer and author Kane Brisco in which they share how they stay calm and maintain a positive headspace under pressure. You can find the videos on the Farmstrong website.

As Kane shared, "In farming the challenges are always going to find you in one form or another. One of the first things I do when I'm feeling overwhelmed is to get stuff out of my mind and onto



The Farmstrong tent at Field Days on the West Coast.

a bit of paper. It identifies your next job at hand. It makes it easier to clarify and prioritise what you actually need to do. I find that instantly takes that negativity out of my mind. It means you can embrace a challenge and see it as an opportunity to step up."

Anyone looking for further insights on how to get going again after a setback will find plenty of practical, down-to-earth resources on the Farmstrong website.

Let's end on a positive note. The fact that iconic rural events such as Golden Shears, NZ Shears and Field Days around the country are finally up and running again is a much needed tonic and something we can all celebrate. Even if you're busy, make sure you get along and support these events which are a great opportunity to catch up with friends and neighbours and remind ourselves that no matter what challenges lie ahead, we are all in this together. We'd love to see you, so make sure you drop into the Farmstrong stand.

To find out what works for you and 'lock it in', visit www.farmstrong.co.nz

Reinsurance

Following the devastating weather events so far in 2023 there has been some discussion around the strength of our insurance industry and the part played by reinsurance.

We talk with Head of Reinsurance Chris Bailey.



Chris Bailey
Head of Reinsurance - Finance & Risk

So, what is reinsurance?

It's insurance for insurance companies. FMG uses over 30 different reinsurers for our programmes. They take their share of the risk and diversify it with their risk around the globe.

They work to a plan that things won't go south in every geographic region at the same time, and that is how they manage to pool the risk of the many.

So they take a long term view like FMG does?

They do. Several of the reinsurers we use have been business partners of FMG for several decades. However, they are commercial entities with shareholders who require a return on investment. They must provide a suitable profit. If frequency or severity of losses are outside their pricing parameters, or risk appetite, they will reduce or withdraw their support.

Are they supportive of the work FMG does and our rural focus?

FMG's rural and regional spread is complementary to the business they do with other insurers – including the EQC. FMG is quite different in our direct sales and service model, and inhouse assessing and claims service. We have a good understanding of the risks we insure and the people we insure. An insurer that is close to its customer and has a clear and consistent business model gives reinsurers confidence to support what they do.

Are these weather events having an impact on the reinsurance market?

Losses always have an impact on reinsurance pricing, especially in the first year or two after the event. The recent storms are in the context of extreme weather events – especially flooding – around the globe in recent years.

Unexpected frequency and severity is making reinsurers review and reprice their risk appetite.

Can we have confidence that Reinsurers will continue to support FMG and the wider New Zealand insurance industry?

Reinsurers are looking for profitable business. Insurers who are able to demonstrate they understand the risks they have assumed, and the potential loss frequency and severity should always attract reinsurer support. Also important is assurance that natural hazards are well managed i.e. robust building codes and appropriate land zones. Within this context, FMG is very well placed within the New Zealand market.

FMG Connect

Using FMG Connect helps free up phone lines in times of crisis!

FMG Connect has been breaking all sorts of records over the last few months as our amazing clients have moved online to free up phone lines for those most in need. Our Claims team have certainly appreciated this as we've dealt with the recent major weather events. We are also continuing to add new features to make managing your insurance online easier.

What is new in FMG Connect?

- Download a certificate of cover for all Buildings, Vehicles, Boats and Liability items
- Name your policies to make differentiating between them simple
- Make a combined House & Contents claim
- Check the progress of your claim and upload any supporting photos or documents
- Updating 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 and click the REGISTER link at the top of the homepage.



2022 FMG Young Farmer of the Year Tim Dangen with FMG Board Chair Tony Cleland (L) and FMG CEO Adam Heath (R)

2023 FMG Young Farmer of the Year

Now into our eighth year as the principal sponsor of this iconic event, we're excited to see Season 55 FMG Young Farmer of the Year in full swing.

How it works

District Finals are held between October and December throughout the country. The top contestants from each District Contest progress through to their local Regional Final. The seven regional finalists will compete in the FMG Young Farmer of the Year Grand Final in July.

This year, Young Farmers is trialling a new Regional Final format in the Northland and Waikato/Bay of Plenty regions, seeing both the District and Regional Finals held over one weekend.

Grand Final 2023

Grand Final for Season 55 will be taking place in Timaru from the 6-8 July and will be hosted by the Aorangi Young Farmers Region.

Keep an eye on the Young Farmers website for more information closer to the time: Season 55 | Grand Final (youngfarmers.co.nz)

Regional Final Tickets

To secure your tickets for the remaining Regional Finals head to: Season 55 | Regional Finals | FMG Young Farmer of the Year (youngfarmers.co.nz)

New year, new look for FMG's People's Choice

After several years of running our People's Choice competition, where the public vote for their favourite Young Farmer, we are now evolving this to be more community centric. It will involve all levels of the Contest including Agri Kids, Junior Young Farmer, and Young Farmers.

AgriKids
nz

FMG
JUNIOR
YOUNG
FARMER
OF THE YEAR

Our 'new look' competition will be launched in the coming weeks.

FMG
YOUNG
FARMER
OF THE YEAR



Planning for the big move

FMG is here to support farmers, sharemilkers and contract milkers for Moving Day this year.

"We acknowledge that farmers will have a lot to think about around Moving Day, particularly with the impacts of the cyclones and flooding in the North Island. Keeping safe is foremost but we also want clients to know that we're here and ready to help with advice and any insurance-related questions they may have" says FMG's Advice Services Manager Angela Taylor.

"We're contacting our clients directly offering support and we also encourage them to give us a call or review their insurances online at FMG Connect."

Angela says that any farmer, contract or sharemilker who has needed to make changes to their Moving Day plans or have any concerns about re-locating should get in touch with FMG.

"June 1 is a common date for covers expiring and renewals coming up for many of FMG's clients. Now more than ever, we want to make sure you maintain continuity of cover. If you have any concerns around your annual insurance renewal, then please contact us," says Angela.

"It's also a time to be vigilant. In the lead up to, and including Moving Day, FMG sees an increase in theft claims for many regions. Higher value, easily re-sellable items are magnets for thieves and in our experience quad bikes, chainsaws, tools, and fuel are commonly stolen around this time," says Angela.

"Look out for each other and if you see something suspicious then report it to the police either on 111 if it's happening now or 105 if it's not an emergency. As you're packing up, take the time to record the name, make, model, and serial numbers of your assets – you can easily take a photo of the item and its information sticker or manual to save for future reference. You may also want to engrave your gear with your driver license number so that if it is stolen and recovered, the police can easily identify it."

"Don't leave keys in vehicles or bikes, and if you can, park them in a shed at night. Also, use high-spec padlocks on sheds and consider installing security lighting and security cameras around buildings –

"We're contacting our clients directly offering support and we also encourage them to give us a call or review their insurances online at FMG Connect."

advancements in technology mean these are much more affordable now," says Angela.

Now's the time to take some easy steps to make sure that your gear is covered on the way to a new property. "FMG has specialist Transit insurance policies, including livestock transit, and with the recent flooding, you may need to consider cover for transportation risks. It's really important that this is arranged with us before hitting the road."

"Despite the extra work, we hope you are excited and prepared for a successful start to the new season. The team at FMG wish all farmers a safe and successful Moving Day this year," says Angela.



Angela Taylor
Advice Services Manager

Helping to protect rural communities together

We're about to enter the third year of our partnership with Melanoma New Zealand, helping to share life-saving advice to prevent avoidable deaths and suffering from melanoma. As many of our clients are farmers and growers and spend much of their time outdoors, it's important to do what we can to help protect you.

What we've spotted so far

We've worked with Melanoma New Zealand at 13 different events across the country. We've introduced the team to rural communities they've not visited before such as Taumaranui, Normanby, and Feilding. Also their inaugural visit to the South Island visiting Canterbury and the West Coast.

We've checked over 2,040 spots, 263 of which were suspicious and referred for further follow-up. Of those suspicious spots, 45 are suspected to be melanomas.

That's a lot of members of our rural communities who now have the information, and referrals they need.

You'll see us out and about with Melanoma New Zealand again this year, if you see us at events come in for a free spot check and education.



Melanoma New Zealand's Nurse Gill Rolfe providing a free spot check for Te Radar at the FMG Young Farmer of the Year, Whangarei 2022.

2,040
SPOTS CHECKED

263
SUSPICIOUS SPOTS

identified and referred for follow-up

45
SUSPECTED
MELANOMAS

It's not just about spot checks

As a client of FMG, you can access Melanoma New Zealand's online education for free. It includes practical information, takes about 30 minutes and includes a few surprising facts – for instance did you know that UVA rays penetrate deeper into our skin, but UVB rays are more aggressive? That's why it's crucial to use sunscreen that protects from both UVA and UVB.

Visit fmg.co.nz/melanoma to get started.



Call us on **0800 366 466**

Visit our online service FMG Connect - www.fmg.co.nz/connect

Visit our website - www.fmg.co.nz

Write to us at - **PO Box 1943, Palmerston North 4440**

FarmersMutualGroup

We are delighted to provide the FMG Post to our clients three times a year.