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Certified





Note from Adam Heath



Kia ora koutou katoa,

As the end of the year approaches, everyone across our One Team at FMG appreciates just how tough a year it has been for many across the Agricultural sector. Particularly for the country's sheep farmers.

All farmers would like to see costs behind the farmgate decrease. Fortunately, the forecast and now relatively quicker than anticipated drop in interest rates should help, as will the premium decreases we have implemented across several product lines in November.

However, despite the 'green shoots' emerging across some parts of the rural economy, it continues to be a tough time for the New Zealand Aotearoa Wool industry. That is why FMG is committed to continuing our support of this amazing and sustainable product. You can read more about it on page 6.

As the country's leading rural mutual and 100% locally owned insurer, FMG is increasing our advocacy for rural communities. We've actively engaged with several key Government Ministers over the course of this year, across several important topics of conversation. One of those being last year's severe weather events. We have endeavoured to share a uniquely rural perspective, combined with insights from those events and the wide-ranging impacts they've had on rural and provincial communities who suffered so badly in the aftermath. We've also discussed critical issues around productivity and wellbeing in the rural sector, with initiatives such as Farmstrong playing a leading role. Overall, FMG's engagements with Government have been constructive and we look forward to carrying on those discussions for the benefit of our Members and clients in the future.

Speaking of which, the future focus theme of this issue of FMG Post is reflective of the thinking FMG has been giving to the topic of the future of insurance as the landscape changes. As a mutual insurer that will be celebrating 120-years of service to Rural communities in 2025, FMG is committed to keeping the promise we've made to our Members and clients strong for at least another 120-years. You can read more about the Future of Insurance on page 3.

Looking ahead to 2025, FMG has several significant milestones we will be

celebrating with our employees, clients and Members. Firstly, on the 16th of March 2025, the Mutual celebrates 120 years of serving Rural and provincial communities. We'll also celebrate 10 years of being a founding member of Farmstrong and 10 years as the Principal Sponsor of the FMG Young Farmer of the Year Contest. As New Zealand Aotearoa's leading mutual insurer, we'll also be joining with our fellow mutuals and co-operative businesses across the country/ motu to celebrate the United Nations' International Year of Co-operatives.

With that I'm incredibly proud to announce that FMG has been named as Cooperative New Zealand Co-op/Mutual of the Year. A testament to the collective efforts of everyone across our One Team at FMG. You can read all about it on the back page.

Next year will also mark the conclusion of FMG's current five-year strategy: Te Ara Tika 'The Way Forward' to 2025. As a result, we will be turning our eyes towards the future as we look towards 2030 and a new iteration of Te Ara Tika. It's all about continuing to have a long-term approach to business.

Kind regards/ Ngā mihi,

Adam Heath
Chief Executive, FMG



Adapting to the future

Innovations and trends shaping the insurance sector



Lucie Douma,
Head of Client Strategy & Advice

In 2019, FMG conducted two significant pieces of research: *The Future of Insurance* and *The Future of Farming and Growing* to explore the evolving landscape of both the insurance and farming sectors in New Zealand Aotearoa. Many of the predictions made in this work are now coming to fruition.

The New Zealand Aotearoa insurance industry is currently navigating a landscape marked by significant challenges and changes. One of the most pressing issues is the increase in the frequency and severity of major weather events. Like other sectors, insurance companies are expected to concentrate on increasing financial resilience as they also deal with the increasing cost of reinsurance, and rising costs in building and construction.

One of the key trends in the insurance industry is the shift towards risk-based pricing - adjusting premiums based on individual risk factors, such as the likelihood of earthquakes or floods. FMG manages risk-based pricing by using its mutual model and geographic diversity to strike a balance between community-based approaches and more individual risk assessment whenever possible. Also, through an organisation-wide programme of work designed to improve efficiency, FMG is lowering its cost to serve Members and clients by promoting an owner's mindset across all employees.

Another emerging trend is the adoption of parametric insurance. Unlike traditional insurance, which pays out based on assessed losses, parametric insurance provides quick payouts based on predefined parameters, such as the amount of rainfall or wind. FMG is exploring the use of parametric insurance as one of many new options that could help farmers and growers better manage their risks.

Digital transformation will also play a crucial role in the evolution of the insurance industry. Technologies like

artificial intelligence (AI) and data analytics will improve underwriting processes and operational efficiency. FMG has made significant investment in technology and cyber security. The growth and success of FMG Connect is a great example with 79,221 users of this service.

FMG's mutual model provides a unique advantage in this evolving landscape. As a mutual insurer, profits are reinvested into the business rather than paying dividends to shareholders, allowing us to focus more on building long term sustainability and on building strong relationships. The ongoing support of initiatives like the wellbeing programme Farmstrong and partnerships with Melanoma New Zealand highlights FMG's support for mental and physical health in building resilience in our rural communities.

FMG is also proud to be the first and only B Corp Certified general insurer in New Zealand Aotearoa adhering to some of the highest standards of verified social and environmental performance, transparency, and accountability in the world.

As the insurance landscape changes, FMG is committed to evolving with it, embracing technology, and exploring new insurance options like parametric insurance. Our goal is to remain at the forefront of insurance, offering the best protection and advice to our Members and clients. We are proud to be a 100% Kiwi-owned and operated mutual insurer, supporting strong and prosperous rural communities. You can read our 2019 Future of Insurance and Future of Farming and Growing research at fmg.co.nz/futureof

The power of a shared story

The results of Farmstrong's latest annual monitor survey are really encouraging. Last year, 15,500 farmers and growers increased their wellbeing thanks to the programme.

A driving force behind these stats are the many farmers who support Farmstrong by sharing what they do themselves to keep well mentally and physically. Taranaki dairy farmer Mike Burmeister is a good example of this. Mike and his wife Heather farm 710 ha just north of Pahiatua and milk 980 cows on 324 ha with a team of seven, many of whom have worked with them for years. After decades in the industry, Mike's clear on his priorities. "My first priority is my family's wellbeing, my second is my staff's wellbeing and my third is my stock's wellbeing."

Mike admits an episode of burn out early in his career helped shape his thinking. "I was in my early twenties, milking about 260 cows and all hours of the day and half the night. I turned up for milking one morning feeling so exhausted that I told

the guy working for me 'I'm going back to bed for a couple of hours.' I didn't wake up until the next day! That was my first real wake-up call."

Thirty years on, it's no surprise that working smarter rather than longer is a hallmark of Mike's operation. They milk three times in two days (3 in 2). The milking roster has not only proved kinder on staff (every second day's a 7.30 start), but it's also brought a host of other benefits too. Over the year his cows are collectively walking 420,000 fewer kilometres, ten million less litres of water are pumped through the cowshed, and he's freed up over 1,000 hours of labour for other tasks all while maintaining milk production and increasing profitability.

That's great for the stock and the team, but who looks after the coach? Mike rang the changes here too. "When the kids were young, we bought a caravan at the beach and my wife and I committed to spending one weekend a month and one week every school holiday down there, no matter how busy things were. I always come back

mentally refreshed." His go-to during the week is a quick game of social squash. "I'm not that good but it's great to go and do something physical."

Reflecting on how farming has changed over his life, Mike concludes, "There's more of everything, and people are time poor. You never get to switch off. That's why I think Farmstrong's a great initiative. I believe if you're not proactive about looking after yourself, you won't last as long in the industry."

Let's leave the final word to Farmstrong ambassador Sam Whitelock: "Farmstrong would like to thank all the farmers and growers who've taken the time to share their insights over the past year. Your contributions are really helping us to 'shift the dial' in this space."

If you've got a story to share about managing the ups and downs of farming that could help others, contact info@farmstrong.co.nz



“ ..people are time poor. You never get to switch off. That's why I think Farmstrong's a great initiative. I believe if you're not proactive about looking after yourself, you won't last as long in the industry. ”



FMG Connect

FMG Connect gives you the convenience to manage your insurance when it suits you. You can make and manage claims for windscreens, home, car and contents, electronic items, farm and commercial contents, milk stock and more.

We've recently added some new features:

- Get your statement or certificate of cover online. At the click of a button you can download a PDF version, making it easy to save, print or send to someone else.
- Access the last three years of your statements online. Our clients download around 2,300 statements each month via FMG Connect.
- Create a certificate of cover (sometimes called a certificate of insurance) for vehicles, boats, buildings or liability items. About 1,500 certificates are created and downloaded each month.

FMG Connect makes managing your insurance with us simple.

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.



We listen to you



Our phone surveys are confidential and anonymous

We know there have been some concerns about privacy regarding calls from our researchers, but we want to reassure you that these are confidential and answers are 100% anonymous.

Since 2010 we've been asking you, our Members and clients, for your feedback. We use the feedback to help shape the future of FMG.

Each month 250 clients are randomly selected for a quick and confidential phone survey by our independent research partners NielsenIQ and Infield International.

These calls help us to better understand your needs and how we can improve our standard of service.

For those who have participated in the past we thank you for your feedback.

We prioritise investing in research to find out what is working and what we can improve on for the communities that support us. This research has led to changes in our service, processes and how we communicate and interact with you.

Share your opinion with us and win

Got a view on how we can improve how we work with you?

Just register online and complete a survey. For each survey completed, you'll go into a prize draw for a \$250 Prezzy Card.

All feedback is carried out by NielsenIQ in strict confidence and used for FMG research purposes.

For more information and to register head to fmg.co.nz/client-panel

Where there's wool, there's a way

FMG is backing wool. We want to help see this market turn around because we know what a great product it is. It aligns closely with our commitment to sustainability and being a B Corp organisation.

FMG clients George and Luce Williams run a 2200-hectare sheep and beef farm on Wairarapa's east coast where they've developed their successful ram breeding enterprise Grassendale Genetics. George says they continue to back wool even though it's a struggle.

"It's terrible because it's a bloody great product. We still clip 50,000 kilos a year and it's sustainable, but we just can't seem to get rewarded financially for it".

"We want wool to work. I'm still really positive about it. I feel it's going to turn 100%" says Luce.

We're hopeful too and are proud to have recently fitted out our new Ashburton office with wool carpet, the first of our offices to have this feature. We partnered with Carpet Court and Godfrey Hirst to ensure the office flooring was 100% New Zealand wool, could withstand the office environment, and at a price point that makes sense.

FMG's Client Proposition's Manager Karen Williams hopes it sparks a new movement. "As an advocate for New Zealand food and fibre, I'd challenge the rest of 'Team Ag' to also look at ways they can begin to, or continue to transition to New Zealand wool carpet – let's create a revolution".

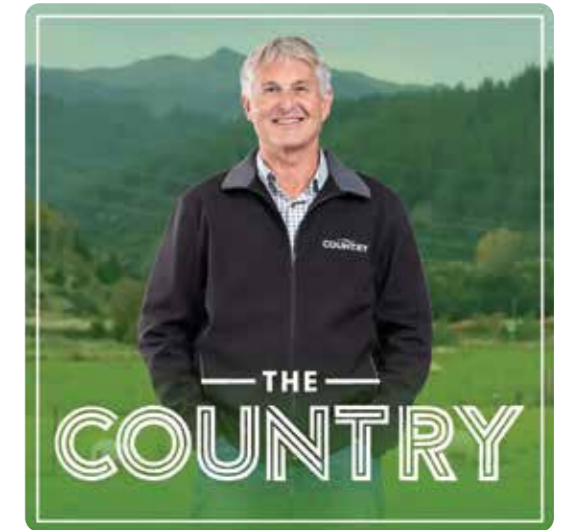
This year FMG proudly sponsored Wool Week on The Country radio show, as part of our ongoing support of the New Zealand wool industry.

During Wool Week FMG celebrated our longstanding partnerships with Golden Shears and New Zealand Shearing Championships and discussed the challenges and opportunities within the wool sector that many clients are facing.

Emma Rowe, FMG's Sustainability Specialist says the wool industry is grappling with significant challenges. "It's incredibly frustrating that the cost of shearing largely surpasses the income from wool sales especially considering

wool's sustainability and numerous positive attributes."

"We understand our role in continuously backing and advocating for many aspects of the rural sector – including the wool industry through sharing client stories and sponsoring initiatives like Wool Week. While we acknowledge there's always room for improvement, we're proud of our progress and remain committed to finding impactful ways to support the industry," says Emma.



Listen to Emma's interview on The Country here



The new digs are at 62 Cass St, Ashburton

George and Luce Williams
Grassendale Genetics



'Under pressure' quad safety campaign

The versatility of quad bikes makes them a popular choice on farm, but sometimes that means they are pushed beyond their limits, and sometimes the drivers are too.

Fatigue played a major role in the quad bike accident that nearly cost Te Korpuru Farmer Chris Biddles his life. He's warning other farmers of the dangers of overwork.

"I was really tired, and I knew I was tired, and because of that, I made a dumb decision. I was riding the quad along a ridge to the safe place I usually go down, but I went past it and tried another place. As soon as I put the nose of the quad over the hill, I knew I was stuffed."

"I whacked it into 4-wheel drive quickly, but it just flipped. Luckily it catapulted me off and I landed quite a bit in front. But the quad was coming down behind me, so I was scrambling. Then it landed on my ankle. There was virtually nothing left of it...I broke my shoulder in half as well."

Read Chris' story at farmstrong.co.nz/dangerously-tired

On average, FMG receives a claim for a quad rollover or accident every day.

Over the past 5 years FMG has received 2,000 claims for quad rollovers and accidents, worth over \$8.1 million.

Claims peak in early summer so we are keen to share some tips and insights from our claims data to help ensure you and your quad bike stay safe this summer.

- **Newer Quads and Rollover Risk:** Quads two years old or newer account for half of rollover claims, even though they represent only a quarter of insured vehicles.
- When purchasing a new machine, ask the retailer about handling differences compared to your old model.
- **Focus while mustering:** Over 20% of quad accidents occur during mustering or when riders are distracted. Always stop if you need to look elsewhere (including at the dog) and assess the terrain to avoid risks.



- **Use the Park Brake:** Our data shows that 1 in 5 accidents happen when riders get off the bike without engaging the park brake. Always apply it to prevent runaway quads.
- **Conduct Pre-Ride Checks:** Before each ride, inspect your quad for any issues, including tire pressure, to ensure stability and reduce rollover risks.

Safety is paramount; a moment's caution can prevent accidents. For more information and to learn more about our 'under pressure' quad campaign, visit fmg.co.nz/quad

FMG wins Mutual of the Year!

We're very proud to announce that FMG is the 2024 Cooperative New Zealand Co-op/Mutual of the Year.

In awarding the prize the judges commended FMG's B Corp certification and the fact we are the first general insurer in New Zealand Aotearoa to achieve this accolade.

Coincidentally, winning Mutual of the year has come as we celebrate one year of being a B Corp business.

The 'B' stands for 'Benefit' and is driven by the desire for business to be a force for good. B Corps meet some of the highest standards of verified social and environmental performance, transparency, and accountability in the world.

FMG is now a part of the B Corp community which operates in a very collaborative way, sharing insights and working through challenges together.

It also gives FMG's employees a stronger sense of purpose and belonging - proud to be part of a business that genuinely cares about making a positive impact and help build strong and prosperous rural communities.

The judges also noted our proactive response to Cyclone Gabrielle, as well as our ongoing support for our rural communities. They also highlighted our strong financial performance in FY24 and our ongoing commitment to ensure we're a sustainable mutual for years to come.

"This award represents wonderful recognition for the collective work across our entire One Team at FMG in what has been another big year for the Mutual," says FMG's Chief Executive Adam Heath.

Our submission showcased FMG's dedication to aligning our actions with our promises, reassuring our clients and Members that at FMG, we don't just promise—we deliver.

The last time FMG won this award was in 2016, and we've been finalists every year since.

Top row l to r: Jim Lee (Board member), Jackie Dalziel (Associate Director), Matt Cody (South Island Manager), Nicki Mackay (Chief People Officer)
Bottom row l to r: Steve Beale (Head of Claims - Managed), Pete Frizzell (Chief Marketing Officer), Jacqui McIntosh (Head of Claims Strategic Operations), Murray Taggart (Board member)



FMG
Advice & Insurance

Call us on **0800 366 466**

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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.