

There when you need us

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Note from Chris Black



Since my last update, there have been two more major storm events, one resulting in significant flooding and land damage in Marlborough and the West Coast and the other in and around Canterbury where wind gusts in excess of 200km wreaked havoc.

As an insurer, storms and flooding are things we expect from time to time and reinforce the importance of the Mutual's ongoing focus on ensuring New Zealand's farmers and growers, and those industries that support them directly and indirectly, have continued access to adequate insurance at an affordable price. This is top of our list in terms of sustainability as an organisation, as is the advice that accompanies this in the context of trying to prevent losses and avoid interruptions in the first place. That's good for everybody and helps keep premiums affordable.

Of course, some losses, despite good planning and prevention activities, are unavoidable. The impact and disruption caused by the Kaikoura earthquake in 2016 was one such example. Pleasingly though, five years on we have now settled all of those claims, enabling clients to get on

with their lives. As I mentioned previously, following the Kaikoura earthquake, EQC and private insurers agreed a new public/private partnership to handle all EQC-related dwelling and land claims. The strategic intent behind this was to make the response and recovery experience for clients easier and quicker. It's heartening to see this new model playing out well in practice following the recent storm events.

2021 has been a tough year for all New Zealanders due to the disruption caused by the arrival of the Covid Delta variant, and especially tough emotionally and financially for those with family, jobs and businesses who have been directly impacted. Despite the considerable challenges however, with the general positive outlook of the rural sector right now, I think there is cause to be optimistic as we head into next year.

On behalf of all of us alongside the Mutual, we hope you get the opportunity for a well-earned break at some point over the next few months with friends and/or family. I sense recharging the batteries after the last 12 months will be an important input into a positive and prosperous 2022.

Finally, I'd like to take this opportunity to welcome Adam Heath, our new incoming CEO, and Debbie Hewitt, our newly elected director, to the Mutual and wish all of our clients all the best for the festive season and beyond.

Kind regards

Chris Black
Chief Executive, FMG



**FMG's
new
CEO**

Adam Heath

FMG is looking forward to welcoming Adam Heath as our new Chief Executive Officer on 20 December 2021. Adam's previous role was Executive General Manager, Insurance Solutions with Suncorp New Zealand. Adam has a strong background in general and life insurance, banking and telecommunications and has a real empathy for the Mutual model and the rural sector.



**FMG's
new board
member**

Debbie Hewitt

Debbie was elected to the board at this year's Annual General Meeting. Debbie is the co-founder of her family business Hewitt Livestock Ltd., Deputy Chair on the Cranford Foundation Trust, and is currently a Rokit Global appointed Director for ROP2, licensed growers of Rokit apples. Debbie has extensive governance experience across multiple sectors, including agriculture, horticulture, and civil engineering, as well as in policy and regulatory settings.

CLIENT FOCUS

There when you need us

Extreme weather events mean complex issues and stressful times. It's at times like these FMG's response really matters.

It's been a brutal winter for some parts of the country. We had two major flood events with the May/June floods in Canterbury, along with flooding and land damage in Marlborough and the West Coast in July.



Bridge at Homebush Farm

Some of the flooding in parts of inland areas in Canterbury was so extreme it might only be expected once in 200 years—and flows on the Buller River were the largest of any New Zealand river in almost 100 years.

It's times like these when the value of having a good insurer on your side is important and our response to these storms has been as swift as those that have gone before them.

An urgent response was what Crispin Deans needed when his historic Homebush Farm was flooded in

Canterbury this year. He saw vast amounts of fencing destroyed and two important bridges washed out on his property.

“We saw years of work destroyed, which when added to the new work, meant our plans and strategies were now redundant,” says Crispin.

He was on the phone to FMG first thing. “From then until the claims were settled, we had a great all-around experience. When the assessor came down, he was efficient and thorough but most importantly he stood by what he said he'd do. The focus on outcomes was very clear.”

Crispin says insurance plays an important role in his business.

“We’re always challenged by circumstances outside of our control. Insurance gives us the ability to manage those challenges without impacting our long-term vision for the property too much.”

The challenging times have highlighted the resilience and heart of the people of rural Canterbury. “What has kept everyone going is the fantastic way the community supports one another,” says Crispin. “We’ve been deeply touched by all the offers of help we’ve had following the floods—and more recently the windstorms—and we know our friends and neighbours feel the same.”

The windstorm in September was another example of FMG quickly responding to



Crispin Dean - Homebush Farm

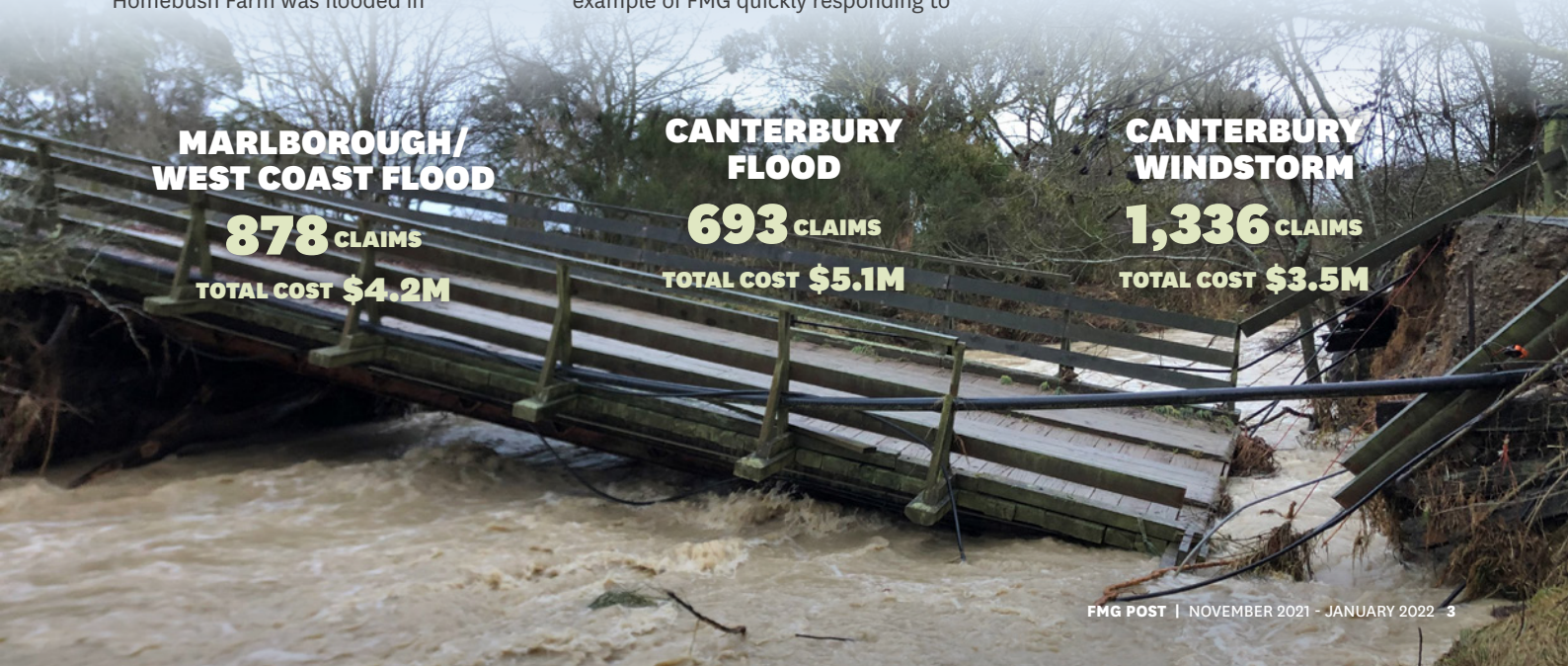
events as they unfolded. Canterbury was hit twice in three days by devastating gale force winds that caused widespread damage.

Power was cut to around 1,500 homes and roads were impassable with trees toppled, roofs and doors blown off and irrigators blown over, causing massive disruption to farmers and growers in the region.

Immediately after the winds had passed FMG boosted the number of assessors in the region and worked closely with Irrigation NZ to help ensure there were enough parts available to repair irrigators and get farmers and growers back on their feet.

While we can't control the weather, we can control our response to it and with our advice led approach help our clients prepare for it.

“The reality is we’re seeing more extreme weather events,” says Jonathan Cleland, Head of Underwriting at FMG. “The strength of FMG and the mutual model is that we support a community of farmers and growers, and we’re in it for the long haul. Our vision is one of sustainability, noting extreme weather will be just one of a number of risks our clients are managing.”



**MARLBOROUGH/
WEST COAST FLOOD**

878 CLAIMS
TOTAL COST \$4.2M

**CANTERBURY
FLOOD**

693 CLAIMS
TOTAL COST \$5.1M

**CANTERBURY
WINDSTORM**

1,336 CLAIMS
TOTAL COST \$3.5M

Five years on from the *Kaikoura* Earthquake.

Hayden Dunne, Area Manager for Blenheim, reflects on the days that followed November 14, 2016, and how it really feels to be there when it counts.

At 12.02am, for two minutes a 7.8 magnitude earthquake ripped across several fault lines from Culverden to Seddon.

“In those first hours, and even days, there isn’t much insurers can do. The focus is on making things safe and getting a picture of what needs to be done so you can start putting together a plan. In those early days, it’s your local response crews; civil defence and Fire and Emergency NZ that are most relevant,” says Hayden.

“I remember arriving to see our first client that day and his immediate reaction was to ask what damage we needed to see first. I’ll never forget the look on his face when we told him we were here to see him—and see what he needed first. Of course, most clients, even those with half a roof will tell you the neighbour has it worse.”

Hayden says there’s nothing quite like the way local communities rally together to help each other in a crisis. “Getting in and out of Kaikoura was a challenge. It was near impossible to get hold of a vehicle or accommodation for our assessors. Clients loaned us their cars; I remember pulling up

to farm gates in a fantastic old V6 Holden Commodore—bright blue. I left a box of beers in the boot before returning it”.

The FMG team rented a home from a local client and set up a temporary office, flying on a small plane into Kaikoura airport. From there they set to work organising tarps, generators and other essential items farmers needed most at the time.

“Wi-Fi and phone coverage was virtually severed,” says Hayden. “I remember one of our clients, who’d almost lost his commercial business, had maggyvered a sat-phone, and helped cart supplies in-and-out by providing space for helicopters to land.”

The power and impact of the quake provided some eyebrow raising moments as the assessors went about their work. During a client visit, Hayden noticed four, odd looking ceiling dents, just above a huge pendant light fitting. “We then realised, they were caused when the light swung up and hit the ceiling. Now, this was a heavy pendant and meant some serious shaking.”

Many people will remember the story of the stranded cow and her calf that attracted huge media attention locally and around the world. “Our clients who owned the property were kept awake at night by hovering helicopters, taking photos. Unable to sleep, and for her wellbeing, our client started writing a story. ‘Moo and Moo and the Little Calf too’ which went on to be a New Zealand best seller.”

FMG facilitated some 30 information and community evenings in local halls. “We were prepared for a grilling, but we didn’t get one. Most people wanted to yarn or ask questions.”

Hayden says in times of stress and uncertainty following an event like the Kaikoura earthquake it’s the human connection that is so critical to helping people get through it.



Hayden Dunne

FROM THE KAIKOURA EARTHQUAKE, FMG RECEIVED

3,699 CLAIMS

TOTAL COST \$208M



“For example, we work with our customers to make sure everyone in our team can still get a day off every weekend. There are times of the year we can’t do that, but most of the year we can. I actually lost a customer this year because I refused to do all his work on Sundays.”

Simon’s got a couple of past times that regularly get him off the orchard and help him recharge. In winter, he plays senior club rugby and Golden Oldies rugby.

“Even at 45, I still love playing. I go to training a couple of nights a week over winter and play on Saturdays when I can. Why am I making time for this? At the end of the day, money’s not everything. I believe your own lifestyle is more important.”

There’s a back story here. Simon’s father-in-law owned a successful engineering business, got through to his mid 70s and retired. His dream was to sail round the world. He bought a yacht, but then got cancer and died before he could live his dream.

“That taught me a pretty good life lesson,” reflects Simon. “You only get one go at life and you’ve got to make time to enjoy what you’re doing.”

Live for the day

Simon Cook leads a busy life in the booming Kiwifruit industry. He owns a 5-hectare Kiwifruit orchard in the Bay of Plenty, runs a contracting business (Ranfurly Orchard Services) serving local orchards and holds a number of industry governance roles. He spoke to Farmstrong about what he does to achieve a decent work-life balance.

“You’ve simply got to make time for other things,” says Simon.

Sounds easy, but it’s a hard-won insight. Simon enjoyed a successful commercial career in Auckland before he took up orcharding in 2003. At first, he admits he was very ‘hands-on’.

His ‘lightbulb moment’ was a conversation with orchard adviser and Kiwifruit pioneer Mike Muller, a ‘legend’ in the Kiwifruit industry.

“My father and I were both flat out and stressed out, trying to keep up with everything. Mike was blunt and just told us that we needed to run the business, not be in the business. It was true. So I appointed a manager to take over the day-to-day running and that’s what freed me up to do the stuff I’m doing now.”

Simon still faces the same pressures anyone in the industry faces, but work-life balance is part and parcel of the way he runs his operations.

“There’s always a big to-do list on an orchard and I live on site as well. We’re a seven-day-a-week business and we’re also working in a weather-dependent industry, so we have to work when it’s fine.”



“The two main crunch times for us are spring when we’re doing things like spraying and harvest. I spend most of harvest sitting in a truck carting a lot of fruit round the district. It’s busy but I love that change of pace.”

Though he enjoys the busy times, he still makes time for the things he enjoys.

“I can always tell when I’m feeling a bit under the pump,” he says.

“If I’m losing sleep then that’s a sign. Mainly that’s just down to the hours you have to put in sometimes. It’s a matter of recognising that and making time to get off orchard when you can. If you don’t, everything suffers.”



Family time’s an important priority. Simon’s got three kids aged 11 to 14 and loves to take them wake boarding and water skiing in Lake Rotoiti. He sold up some shares in Zespri to buy the boat. “That’s costing me dividends, but I’d rather have the memories than the money.”

Simon’s a fan of Farmstrong, which has started working with the horticulture sector.

“I think Farmstrong’s fantastic. I like the way it encourages people to get off farm or orchard and get involved in their community. It’s so easy to get isolated and trapped in your own space and your own head sometimes. That’s why you’ve got to make time to do other things.”

FMG and Melanoma New Zealand

Together bringing you the latest in melanoma education.

If you attended Fieldays at Mystery Creek this year, you may have seen that FMG launched a new partnership with Melanoma New Zealand, whose goal is to prevent avoidable deaths and suffering caused by melanoma.

New Zealand has the highest rate of melanoma in the world and those who work outside are exposed to 10 times the UV light as those who work indoors. Our role in this partnership is to help share Melanoma New Zealand's important messages.

“Our farmers and growers are among the most at risk of melanoma in the world due to New Zealand’s UV radiation intensity. Supporting them to remain well so that they can continue to grow and prosper is very important us.”

FMG Chief Client Officer, Andrea Brunner.

Be summer-ready on FMG

As the rural partner of Melanoma New Zealand we're excited to bring you an online education programme, which Melanoma New Zealand developed last year during lockdown when they couldn't get out and about to provide face-to-face courses. They were able to quickly adapt to ensure New Zealanders still had access to the right information on being sun smart and to keep themselves and their families safe from melanoma.

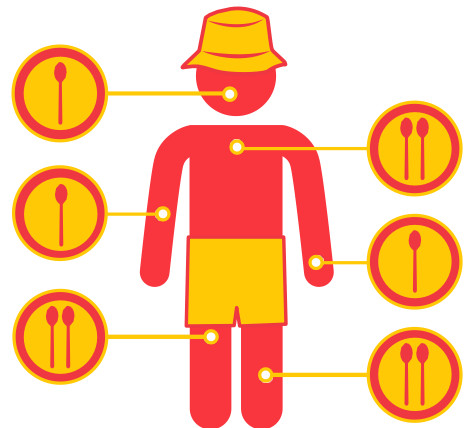
As an FMG client you can access this education for free. Simply visit www.fmg.co.nz/melanoma to register.



As a rule of thumb apply one teaspoon of sunscreen to each exposed body part.

You'll receive an email with a link taking you directly to the Melanoma New Zealand education programme. Simply create a log-in and you're away.

If you'd like to keep up to date with tips and information from Melanoma New Zealand you can follow them on Facebook @MelanomaFoundationNZ



The Backbone podcast featuring FMG

FMG General Manager of People and Culture and Communication Pete Frizzell talks to Andy Whitson of Farmers Weekly for its podcast series Backbone—the businesses that built rural New Zealand.

Pete tells the fascinating history of FMG from its humble beginnings when a group of farmers broke away from their UK insurers 116 years ago, through to today with FMG New Zealand's leading rural insurer.

Hover your phone's camera over the QR code to have a listen or head to fmg.co.nz/backbone



Backbone: The businesses that built rural New Zealand



"They either had to accept they were going to be uninsured, or they had to do something about it."



Beware of fiery February

As the days get longer and hotter it's time to start thinking about what you would do if there was an out-of-control fire near your property.

We have paid almost \$6 million in claims for rural fires over the past five years, a quarter of these being in February. We have had claims where controlled fires have reignited six weeks later, so to help you and your business remain fire safe this summer, we've provided a few insights.

You'll need a permit

Burn-offs are a legitimate land management tool but it's important to plan them in advance. Take into account upcoming weather conditions, fuel conditions and any regulatory requirements you need to meet ahead of time.

Head to checkitsalright.nz to request a fire permit. It's also good to let your neighbours know so they can move livestock away from smoke drift and be aware of any risks to their property.

Work smart on high-risk days

An extra level of care needs to be taken when using machinery like welders or chainsaws in hot, dry conditions, particularly over the summer period. Where possible, avoid placing equipment or parking vehicles on dry grass and install fire extinguishers on all machinery. You should also make sure machinery is serviced annually.

Create a fire escape plan

Even if you are cautious, it doesn't completely remove the risk of fire. We recommend having an escape plan and practising it regularly with your family and staff.

Make sure your RAPID number is displayed at the end of your drive and is easy to see from the road. You should also make sure you have enough water supplies available with clear signage.

Rural homeowners are at a greater risk of wildfires than residential homeowners, and emergency services will take longer to reach you if a fire starts near or at your property. Extra safety measures should be taken to safeguard what is important to you, remembering the most important assets are yourself and your loved ones.

**OVER THE PAST
5 YEARS**
— we've paid over —
\$160K
**IN FIRE CLAIMS
STARTED FROM
BARBECUES.**



Don't let burglars ruin the holiday season

The holiday season is an exciting but busy time of the year and where we see our highest number of claims for domestic burglary and theft.

We've paid roughly \$10.5 million in household contents and private vehicle claims due to burglaries and thefts in the last three years, so we've included some simple advice to help keep you safe.

Don't be a target

Investing in security such as high-quality locks, alarm systems, and security cameras help to deter thieves. Supporting this is having clear signs around your property advertising the fact that you have security measures in place.

Heading away?

If you are heading away over the summer months, it's a good idea to organise a trusted neighbour, friend or family

member to check on the property, clear the mailbox, bring in the rubbish bins, and even occasionally park a vehicle in your drive.

Car burglary and theft

FMG has settled \$3.7 million in vehicle burglary and theft claims over the past three years. To help prevent would-be thieves give some consideration to buying a steering wheel lock which provides an instant visual deterrent.

Car alarms and immobilisers are also effective in either scaring crooks off, or stopping them from driving off with what's yours.



**IN THE LAST
3 YEARS**
— we've paid over —
\$10.5M
**IN BURGLARIES/
THEFT CLAIMS.**



Staying alert when using diesel exhaust fluids

A top tip to keep you on track.

With contracting season in full swing and people working long hours, it's timely to highlight a frustrating and sometimes expensive issue around 'Diesel Exhaust Fluids'.

Diesel Exhaust Fluids or (DEFs) such as AdBlue and GoClear are used for lowering emissions from diesel fuels when put in the DEF tank.

DEFs are not fuel additives and if put in the diesel tank can cause serious damage to your vehicle. FMG's commercial vehicle policies do not cover damage to fuel and engine systems caused by DEFs.

The nature of ag contracting is that there are a lot of jobs to do in a limited time. The cost of putting a DEF in the diesel tank goes beyond damage to your vehicle, to the loss of time, energy and productivity, especially if it happens in the middle of the season.

Brian Lett of TransAg in Palmerston North is a long-term client of FMG and has seen this issue time and time again. His experience of working with people who have made this mistake has led him to create a very simple tip which anyone can adopt.

"DEFs are stored in a small tank and, just like diesel fuel, the driver must ensure it's kept topped up. To try and avoid the issue

we've been painting our tractor fuel caps bright yellow—the universally recognised colour for diesel—to trigger a reminder and try and eliminate any confusion," says Brian.

"It's a simple yet effective action that TransAg have taken but we wanted to share it so others could benefit from adopting it and help prevent making this avoidable mistake," says Rosie Blackwood, FMG's Commercial Segment Manager.

"As an advice-led insurer we have more information on our website on how you can reduce risk to your business, including around cyber security, hot works and wellbeing and safety," says Rosie.

To learn more head to www.fmg.co.nz and click on advice.

DIESEL EXHAUST FLUIDS DON'T GO in the DIESEL TANK



Calendar

26–28 January

New Zealand Dairy Event

Feilding

3–5 March

Northland Field Days

Awakino Point, Dargaville

8–13 March

Land Rover Horse of the Year

Hastings

Note: Government guidelines will be followed in relation to any event changes.

FMG
Advice & Insurance

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