

Risk Advice Guide

Key Person Risks

Viticulture and Winery



FMG
Advice & Insurance

Key Person Risks

Given the challenging conditions farmers/growers work in, the risk of injury, disablement and death is very real. Statistics from ACC and WorkSafe New Zealand can attest to this, as for five of the last seven years, agriculture has accounted for almost thirty per cent of all workplace fatalities.

Physical injury and death are risks that can have a devastating impact on production, financial stability and families. The full implications are not always considered and adequate personal risk protection is very easily underestimated before an adverse event.

Comprehensive risk management considers all risks, including a personal risk protection plan. Depending on your situation, life insurance or key person cover might be suitable, with income protection and/or trauma health event cover for disablement or serious illness, and medical insurance to get timely treatment.

Additionally, your risk management contingency plan should be able to answer scenario based questions such as, *"If I am in a position in which I am unable to work for a prolonged period of time due to a serious health event or injury"*:

- Will I be able to meet my financial commitments to the bank, suppliers and employees?
- Can my operation financially afford for me not to be there?
- Will I need to employ extra labour?
- Can my replacement labour achieve the same production?
- Who will look after me?
- Will the business survive to the next generation?

Most growers find it prudent to review their personal protection plan they have in place. For more information talk to an FMG representative or a Personal Risk Advisor who can talk to you about the impacts of severe illness or injury on the financial stability of your business and family lifestyle.

Possible Solutions:

- Life insurance for debt reduction and/or cash flow purposes, and to protect the equity of shareholding interests (both the surviving business partners, and the deceased's family).
- Permanent Disablement Cover – similar to life cover, except it's triggered by a health condition which means being unable to work in your own job again.
- Trauma Cover (cash lump sum) for short term cash challenges (due to facing a severe but recoverable health issue) – funds can be used for interest-only payments or for personal rehabilitation and to fund non-Pharmac drugs.
- Rural Key Person (business owner) or income protection to provide funds to either replace the Key Person (either operationally or at a management level) or to provide a personal income. Some of these benefits complement ACC.
- Private health insurance to enable business owners to choose when they have treatment. It's not just access to treatment that can be an issue; it can be the timeliness of operations etc. that's important.

Who is FMG?

FMG is New Zealand's number one rural risk advice and insurance specialist. We have been involved with rural New Zealand for over 100 years and we remain 100% committed to our clients – all those who live on the land, work on the land or support those who do.

How you can contact us

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