

Risk Advice Guide

Apiary Risks



FMG
Advice & Insurance

Apiary Risk

FMG recognises that the New Zealand bee industry is vitally important, not just for the economy in the form of production and export of products, but also through the role bees play in pollinating plants and crops.

In FMG's experience, apiary industry claims are often big losses that have a significant impact on the business concerned. To assist our members and clients build and protect sustainable businesses, the bee industry as a whole and the value it provides New Zealand, we've produced this risk advice guide for best practice beekeeping. This guide draws on what we have learned from our claims experience and insight into operational risks faced by our members over many decades. The guide addresses the primary areas of risk associated with the main stages of production including the apiary site, through to transporting hives, extraction and storage facilities, along with reference to important regulatory and legal requirements. We have also included reference to common insurance covers available for key areas of risk.

Section 1: Beekeeping

Apiary Site

Positioning of apiaries

- Locate large apiaries away from houses.
- Place apiaries away from stock yards, public traffic areas and gates.
- Check the site position with the landowner/manager before unloading hives.
- Consider the ability to access the hives in wet weather and the risk of flood when selecting apiary sites near rivers and streams.

Access to water

- When selecting apiary sites ensure adequate water is available.
- If hives are placed close to a body of water such as a creek, dam or river, water should not have to be supplied. However, you should ensure this water supply is large enough to support your hives in hot summer months or when water levels fall.
- Failure to provide a sufficient level of water can result in colonies perishing or irritate stock feeding from water troughs or people around swimming pools.
- If no natural water source is within 500 meters of the hives, an artificial source should be placed within 200 metres of the hives.
- Cover the artificial water source with mesh to prevent access by wildlife and accidental drowning.

Security

- Avoid, where possible, positioning apiaries in locations visible to the public.
- Display warning signs stating the area or hives are being monitored.
- Consider installing security monitoring devices such as surveillance cameras, location and movement sensors or GPS trackers.
- Report any suspicious behaviour and thefts to your local police station to assist them in their investigations.
- Mark both the back and front of each of your hives with your registration code in a size that can be viewed when the hives are being transported on the back of a vehicle. We also recommend that you brand your beekeeping number on each individual frame.
- Note your name and registration number on the back of the vehicles you use to transport hives.
- In conjunction with the New Zealand Police and the support of Federated Farmers, we have developed a Rural Crime Prevention Advice Guide that outlines tips to help keep your family, property and assets safe. Please head to www.fmg.co.nz/rural-theft to download your copy or order one by calling 0800 366 466.

Signage

Apiaries can pose a potential health and safety risk to your employees, landowners, their employees and the public in general.

- Following site selection ensure you display suitable signage in the vicinity of the apiary to warn those in the area of their presence and any hazards that they pose.
- You should ensure that signage uses internationally recognised colours and symbols.
- The signage displayed should also include contact information for the owner if appropriate.

Movement of apiaries

- Landowners and managers should be contacted prior to delivering apiaries to the site. This provides landowners and managers the opportunity to consider the impact the presence of the bees and hives will have on their farm management plans. This may include the spraying of chemicals, track maintenance, burn-offs and movement of livestock.
- Ensure the landowner/manager has your full contact details including address, phone number and registration number.
- When installing apiaries on a new site, care should be taken to ensure that there is minimal disturbance to the surrounding environment.
- Rake or clear all rubbish and loose debris from the hive site.
- Work with the landowner to remove weeds as necessary.
- If required, use a weed eater to keep grass levels and weeds down.
- Care should be taken not to damage or destroy protected flora and fauna.
- Remove any debris, scrapings and product from the site that has come from the hives.
- Under no circumstances should household or industrial waste be left on apiary sites.
- Contact landowners prior to collecting your hives and ensure you are made aware of any new hazards that may have arisen since your previous visit.
- Ensure you have adequate cover in place should a loss occur when transporting your hives. If you contract a third party to transport your hives, processed goods or other property, they have liability under the Carriage of Goods Act 1979 as a 'limited carrier of risk' up to \$2,000 per unit of goods unless another arrangement is in place. However, it is important to note that in many cases this will be much less than the full value of the property. For example, a unit of goods could equate to wrapped pallet of full supers being transported for extraction. It is also important to note that transporting hives/supers by helicopter or other aerial means will require specialised insurance arrangements. Please contact us to discuss your transit insurance requirements.

Fire risk management

The risk of fire damage increases with the use of smokers. To reduce the risk of fire when using a smoker, it's important to:

- ensure the smoker is in good condition
- when lighting a smoker make sure this is done on bare ground or alternatively on the back of a suitable vehicle
- take extra care when working on hives with a smoker and in conditions that are particularly windy or dry
- keep the smoker full of fuel to avoid the smoker spitting or embers escaping and causing a fire
- not place smokers on dry grass or other combustible materials
- adhere to any fire bans or permit requirements
- not store smokers inside vehicles after use as they can reignite
- have a knapsack sprayer full of water on hand when attending to hives
- store smokers in a metal box with a lid after use
- carry a fire extinguisher in all vehicles—and ensure these are serviced annually.

The inherent nature of beekeeping increases the risk of damage to hives from wild fire. In the event of a wild fire, contact emergency services before attempting to move the affected hives.

Environmental protection

- Soil borne fungi, weeds and disease can be spread by vehicles. To help prevent the spread of weed seeds and disease, treat each farm as its own biosecurity establishment. Where possible:
 - avoid driving in areas where the soil is wet and sticky
 - stay on designated roads and tracks.
- As the movement of beehives requires the use of trucks you should ensure that your vehicle has the least possible impact on the environment, as such:
 - establish and follow a regular maintenance and service plan for vehicles
 - maintain tyre pressures to manufacturer's specifications.

Section 2: Extraction

Buildings, plant, processing and storage of extracted honey

Improving your existing facilities

Honey extraction and storage facilities represent a very high fire risk. This is due to the condition and construction of the facilities and various heating/processing operations and the very high fire load present with combustible materials including storage of honey boxes and the flammable nature of honey itself.

- Thermal imaging of all switchboards should be conducted on an annual basis as part of your wider monitoring regime. A significant portion of fires start in switchboards.
- Ensure you have a documented annual maintenance and servicing programme in place. This should include annual certification of all electrical plant and equipment (including heating and refrigeration units) by a qualified electrician to ensure that they are operating efficiently and safely.
- All temperature controlled environments should be fitted with a remotely monitored temperature sensor/ alarm system and access to an alternative power source or generator.
- All equipment that is not being used should be unplugged or turned off at the plug at night.
- Only ever use electrical equipment and plant, such as heating and moisture control systems, for the purpose that they are designed and rated for. Never use equipment only intended for use in a domestic setting.
- FMG recommends using a commercial grade heat pump to heat your facilities and create a warm environment. Separate dehumidifiers are not required as heat pumps also perform this function. If there is a concern that bees might clog the system up, the heat pump can be ducted through a screen to reduce the risk of this happening.
- If your current facility has fluorescent lighting:
 - ensure all tube lighting has bee proof light diffusers or covers installed
 - replace any flicking fire starters immediately as these heat up and can explode
 - consider upgrading your lighting system to LEDs as you upgrade your facilities.
- Turn off cool rooms and hot rooms when not in use. Alternatively, if cool rooms and hot rooms are unmanned, install a timer on the main switchboard.
- Ensure buildings are equipped with the appropriate fire prevention equipment (e.g. smoke alarms, fire extinguishers and sprinklers) to reduce the risk of fire and minimise loss should a fire occur.
- Where possible, do not store all your assets and stock in the same place. Instead, spread your risk among multiple buildings. This will help reduce the severity of a potential loss.
- Have a no smoking policy for all buildings and ensure designated smoking areas are at least 15 metres away from any building.
- Install a water supply with a water pipe coupling suitable for use by the fire brigade within 90 metres of any buildings. Make sure the entrance ways to buildings and your property are kept clear.
- Store combustible materials at a minimum of 15 metres away from the external perimeter of buildings or lock these items inside the building.
- If your building is constructed with EPS (Expanded Polystyrene Sandwich Panel) any damage (including holes or penetrations) should be repaired and sealed immediately.

If you are considering upgrading or building a new facility you should consider the following.

- FMG recommends that you use PIR (Polyisocyanurate) which is significantly less susceptible to the spread of fire than EPS.
- Install a main isolating switch, ideally near the exit, to allow for all important electrical equipment to be completely and easily switched off.
- Install LED lighting to reduce the risk of fire (this is particularly important for EPS constructed buildings).

Section 3: Legal requirements

Biosecurity

It is important that you are compliant with your biosecurity obligations. The Biosecurity (National American Foulbrood Pest Management Plan) Order 1998 is the set of rules governing the beekeeping industry under the Biosecurity Act 1993 related to the American Foulbrood (AFB). Penalties for failing to comply with these obligations include up to three months in prison and/or a \$50,000 fine). Corporations can be held liable for a fine of up to \$100,000.

To comply with this order it is important that you:

- only keep bees in moveable frame hives
- keep access to apiary sites clear from obstruction
- don't keep beehives more than 30 days in a place other than a registered apiary. If you want to move your beehives, they must be marked within seven days of the Management Agency being notified about that new location
- register all apiaries with the Management Agency (AssureQuality). If you do not have an identification code at the time of notification to the Management Agency, you must record this code on the outside of the beehive or on a sign within the apiary by 30 days of receipt of your registration code
- mark all apiaries with the beekeeper registration code
- remove all identification codes when transferring the ownership of the hives
- complete an Annual Disease Return by 1 June each year
- not feed drugs or substances that mask, obscure or conceal the symptoms of AFB. You must also not deal with or transfer ownership of material associated with a case of AFB
- ensure hives are inspected for AFB by an approved beekeeper with a DECA provided to the Management Agency by 30 November (unless there is a certificate of inspection exemption)
- sterilise beekeeping equipment only by approved methods.

Where a case of AFB is found, in accordance with this order, the owner of the hives must report to the Management Agency within seven days of becoming aware of the case. You must also destroy equipment and bees associated with a case of AFB within seven days.

Additionally, only the beekeeper who has the code assigned to them can change registration numbers, unless permission to do so is provided by the Management Agency.

The AFB Management Agency has developed an app to help with the identification of AFB. This is available to download for free from the Apple App Store or Google Play Store. Also see <http://www.afb.org.nz> for more information about your obligations regarding AFB.

It is also important to note that any infestation or penalty imposed is a material fact that needs to be disclosed to your insurer under the terms of your insurance contract.

Health and safety

Beekeeping is classified as a high-risk industry under new health and safety legislation. This means that you may be required by law to appoint staff health and safety representatives no matter the size of your operation/business.

As a business operator, our best-practice advice is to have an active involvement in the following documented initiatives.

- Include staff in developing your health and safety plan. You should ensure that training and conversations about this plan are part of your regular catch-ups and document these.
- Maintain an accident and incident register.
- Identify hazards and then eliminate, isolate or minimise them.
- Support all officers to get and stay up to date with health and safety issues and key risk factors.
- Engage workers in health and safety matters that affect them.

More information and great resources can be found at www.SaferFarms.co.nz or on the WorkSafe website www.business.govt.nz/worksafe

Section 4: Insurance covers available

The traditional insurance view is to just focus on the assets, interruptions, and liabilities of your operation. Instead our approach is to view the farmer, grower or business owner and their operation as a whole.



For the Apiary Industry there are three specific areas to think about to help you to better understand and manage both your insurable and uninsurable risks.

Physical: the risk of losing tangible assets such as your beehives/supers, extraction and storage facilities, processing plants, vehicles and honey stock.

Operational: the risks associated with non-compliance or liability when operating as a business. While some of these exposures are insurable others aren't and need to be managed. For example, while insurance can help you with the legal costs incurred defending a health and safety prosecution and any reparations awarded against you, you can't insure against health and safety fines. Accordingly, active involvement in health and safety and having a health and safety plan is required.

Key person: this is the risk of losing someone that would affect the ability for the business to run effectively. This is an area that is often underinsured or neglected in New Zealand. An important questions here is, how critical are you to the sustainability of your operation? In the beekeeping industry, your role is very important.

While not an exhaustive list, here are some common insurance solutions we recommend for our beekeeping members and clients.

- Cover for beehives, including their contents (honey, and bees), anywhere in New Zealand including whilst in storage, in transit, or in the open.
- Accidental loss cover for all buildings, contents and plant associated with the extraction, processing and storage of honey.

- Cover for your stock of honey, once extracted from hives and in storage along with cover while in transit to an intended buyer or alternative storage facility.
- Consideration should be given to cover for the risk of contamination, spoilage or deterioration of your honey stock due to a failure of any plant used to regulate temperature, which would be otherwise excluded under a standard accidental loss policy.
- Business Interruption insurance for the potential loss of profits or additional costs incurred, should a loss to your physical assets arise at a critical stage of the season. This cover can help minimise the hit to your balance sheet. This contrasts with the insurance response for your honey which is on a present-day value at the time of the loss. This could differ significantly from the eventual market value budgeted for that season.

Liability covers available

FMG's Liability policy insures you for your legal liability for accidental loss to the property of others or accidental injury to any other person in connection with your business. It also provides cover for your legal defence costs.

Although FMG is legally unable to provide cover for fines under health and safety legislation, the **Statutory Liability** optional benefit under FMG's Liability policy provides cover for legal costs and any reparations that may result should a health and safety prosecution occur. Statutory Liability also covers you for liability to pay penalties and associated legal defence costs following prosecutions for unintentional negligent conduct under various statutes including the Resource Management Act and the Biosecurity Act 1993.

Our **Bailee's Liability** optional benefit provides cover when you are legally liable as a bailee for accidental loss to the honey stock or other property of third parties in your control. If you are extracting and storing honey for others we recommend you consider this cover.

We can also offer you an **Employer's Liability** optional benefit. This covers you for your liability for compensatory damages as a result of an employee injuring themselves in connection with your business, provided this isn't covered by the Accident Compensation Corporation.

Those involved in extraction and processing honey for third parties should also consider the **Honey Processing Liability** optional benefit—this is if you accidentally cause loss to honey products owned by someone else through your production process. This is important as many may not be aware that losses from the production process are commonly excluded from most general insurance policies.

On the flipside, we recommend to all our beekeeper members and clients who have their honey extracted and processed by another party to ensure they hold adequate insurance cover for unexpected processing losses.

Management Liability, can sometimes be overlooked but is vitally important for those involved in the management of the business. Directors have explicit responsibilities and in light of certain legislation (for example, the Health and Safety at Work Act 2015), ignorance is no defence and there is no such thing as a silent director. As a director you need to be actively engaged in the management of the business and its operations and your personal assets are increasingly being seen as targets by the courts. Under this policy there is also cover for Employment Related Claims, Legal Defence Costs, Tax Investigation Costs and Crime (including employee fraud).

It is also important to point out that the contractual liabilities between producers, processors, buyers, sellers etc can often be wider than the legal liability you can be covered for under your insurance. We always recommend our members and clients consider relevant indemnity and insurance clauses and implications under their contracts and seek professional advice where necessary.

Please note this is only a summary of FMG's products and is subject to our specific product documentation. For full details, you should refer to the policy document. You can get these documents and any other information you need, from your local FMG representative, by calling us on 0800 366 466 or by visiting our website www.fmg.co.nz

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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We also provide specialised cover

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