

Wednesday 17th October – 4.00pm

Welcome – Pam Holland – Landmark

INSURANCE – Why do we have it?

To protect our assets and farm business.

No one wants to pay insurance.

It will not happen to me – or I don't need to insure everything because it all won't all go at once.

BUT UNFORTUNATELY IT CAN!

I've heard many times – Farmers saying – "I have more than one property and they are a few kilometres away, so fire won't destroy it all.

BUT the reality is, **IT CAN**, as you have just seen on the Pinery Fires.

Fires are so unpredictable and depending on many conditions, it can easily change direction and speed in a matter of seconds, become a catastrophic event.

I have not as yet!!!! Found one person who enjoys paying insurance premiums, but have found unhappy clients who have not had adequate cover in the event of a claim.

Fire can completely wipe out your home and business, so I hope today you may understand the importance of insurance and in particular, having the right cover and sums insured. (Even if you don't enjoy paying the premiums)!!!

Prevention is always better than cure (they say), so here are some tips to help prepare for the oncoming bushfire season.

- Do you regularly clean leaves from gutters and fit metal leaf guards?
- Have you moved woodpiles and other flammable materials away from your property?
- Do you have a plan in action? STAY, DEFEND, OR GO?
- IF YOU DECIDE TO GO:
 - Turn off gas and power
 - Make sure doors and windows are closed
 - Notify a neighbour or local authority where you will be.
 - If you decide to stay:
 - Have a portable battery radio, torch & water containers.
 - Have a First Aid kit, masking tape for windows and fire blanket.
 - Have protective clothing such as enclosed shoes, wool or cotton clothing and hat and gloves.

AFTER THE FIRE:

- Check the safety of power supplies
- Check all embers around the property are extinguished.

From an Insurance Industry point of view, the bushfire season is a good time to check your sum insured to guard you against the worst case scenario.

WHAT CAN WE LEARN ABOUT INSURANCE AS A RESULT FROM THE SHERWOOD FIRES?

Visiting clients after the fires, it was clear many did not have adequate sums insured and were financially “out of pocket”.

So let me talk about various covers of insurance and where many farmers maybe under insured or simply do not realise what is available to protect your business.

FENCING:

This is one area you may not have enough sum insured in the event of a total loss.

After a fire you will need to replace your fencing as soon as possible, to keep stock in. Local contractors may be unavailable due to the volume of work they will be required to do, so Contractors, from outside the area, will be called in.

Pricing is known to increase in a fire catastrophe due to outside contractors charging travel and rates meeting supply and demand.

Also take into account, when calculating your sum insured, Fencing can include : gates, fences, fixed and portable electric fences, transformers and energisers.

You may say to yourself, “I won’t use a Contractor – I will do the work myself” - but, you may not have time to replace fencing yourself, as you will be busy dealing with the aftermath of the fire, so you will need to pay a fencing contractor.

Other areas that were under insured in the Sherwood Fires was:

- Farm property – Shedding mainly (replacement value)
- Hay & Grain
- Livestock

After a fire, it can be a costly exercise to get your Farm Business up and running.

You may, or may not, be aware there is cover available for Business Interruption including Farm Continuation Expenses.

This covers financial losses and additional costs that you occur as a result of your Farm Business being interrupted.

We strongly recommend having Farm Continuation expenses cover, which will provide additional expenses that occur for the purpose of maintaining your Business from a fire.

This can include buying feed and agisting livestock and other associated costs.

In conclusion, the main thing that was learnt from the Sherwood Fires, Farmers did not have enough value on their sums insured, so have a look at, if a fire went through your property, how much financial loss would you have!

A lot can change in 12 months so it's worth taking some time to evaluate whether your circumstances have changed.