



Farm Contractor's Package

Rural Affinity Professional Development Day

13 May 2019 | Dunkeld, Victoria

Agenda

- › Background
- › Risk Appetite
- › Farm Pack vs Contractors Pack
- › Product Overview
- › Rating Overview



> Background



> Behind the demand for a contracting solution

- Industry loss ratio prior to 2016 – 135%
- Record number of harvester fires in 2016 – industry loss ratio 350%
- Media noise
- Nervous market
- With research and analysis of our claims portfolio and industry loss data we determined that:
 - Chickpeas were the big problem, not just the contract harvesters
 - Prevention is key – hygiene and maintenance is a must!

> Risk Appetite



Target

- Contract Harvesting
- General Farm Contracting
- Owner Operator Sector
- Evidence of a sound Risk Management Practice
- Good loss history
- T/O <\$1 million



Non-Preferred

- Multiple machines & employees
- Chickpeas & Lentils >25%
- Contract cartage >\$100,000 or >25% of total contracting turnover, whichever the lesser
- Contract spraying >\$100,000 or >25% of total contracting turnover, whichever the lesser



Decline

- Liability only
- Non farming contracting activities

> Farm Pack vs. Farm Contractor's Package



Farm Pack

Contracting is incidental to
the farming turnover

PDS covers liability for farm
contracting up to \$100,000

We can consider contracting
up to \$250,000 or
<20% of total farming turnover

Spraying and Cartage
limited to \$100,000



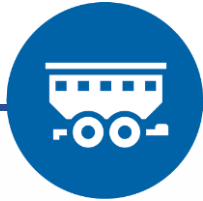
Farm Contractors Pack

Contracting is the
main source of income

Up to \$1 million turnover

Spraying and Cartage
limited to \$100,000

> Product Overview



General Property

Accidental Damage & Theft

Tools, equipment, supplies, consumables and materials for use in the farm contracting business

Optional Benefit Increased Costs of Working

Claim under General Property

Claim under Farm Motor for a tractor, harvester, baler, sprayer or seeder/planter



Liability

Contracting Liability

Not intended to replace Farm Liability.

Limits of \$5million, 10million & \$20million



Motor

Cover operates the same as under the Farm Pack

Private vehicles



➤ Rating Overview

- **Conservative approach to risk selection and rating**
- **Rating matrix modelled from results in our actual farm portfolio**
- **Liability rating is suited to contract harvesting operations**
- **Limited flexibility on current rating**
- **Minimum \$3,000 base premium for \$20M limit of liability**
- **Average rate 1.1%- 2% harvester/front rate**

Questions

- We welcome any questions you may have regarding Farm Contracting and the information presented today by Rural Affinity.

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