

# MID-MARKET AGRICULTURE & ESTATE MANAGEMENT

bibu



# BIBU MID-MARKET

BIBU writes a large amount of mid-market Agriculture and Estate Management business with specialist brokers in this sector. With over 22,000 farm and motor risks on our books, we cover a broad range of facilities from small farm holdings to large estates.

We want to grow our mid-market book of Agriculture and Estate Management business. With the BIBU specialist underwriters, coupled with AXA's Business Resilience Management experts and its award-winning claims service, we believe that we have a powerful proposition that will deliver for you and your clients.



## NOT INTENDED FOR DISTRIBUTION TO CUSTOMERS

BIBU and AXA Insurance are working in partnership to offer you a proposition that combines the market strategies of both companies. Policies are underwritten by AXA Insurance UK plc.

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[Our mid-market proposition](#) | [What's happening out there](#) | [Why choose us](#) | [What we offer](#)

[Risks we're keen to write](#) | [Claims](#) | [How Risk Management enhances the service you offer](#) | [Value Added Services](#) | [Talk to the team](#)



# CONTENTS

1. Our mid-market proposition
2. What's happening out there
3. Why choose us
4. What we offer
5. Risks we're keen to write
6. Claims – Case Study
7. How risk management enhances the service you offer
8. Value Added Services
9. Talk to the team



# OUR MID-MARKET PROPOSITION



## Introducing BIBU

We recognise and understand that when you place your client's mid-market business, you need more than just a good product at a competitive price.

That's why we've created our new and exciting proposition for mid-market Agriculture and Estate business between £10k and £100k.

Here are the key components of our proposition which we believe demonstrate our significant appetite and expertise in mid-market.

### Underwriting Expertise

- We have a team of specialist underwriters with a wealth of Agriculture and Estate expertise and high levels of authority.
- We have underwriters with long experience of Estates and Farming and can cater for wide diversification.
- We welcome the opportunity to meet with your key clients to create mutually beneficial tripartite relationships.
- We will commit to having a meaningful dialogue with you within 48 hours of receiving your mid-market enquiry.

### Risk Management

We help you manage your own risks by minimising your client's exposure to the risks they face working in their sector.

By using AXA's Business Resilience Managers rather than outsourcing, we are able to maintain a consistent approach on the delivery of risk management guidance.

### Value Added Services

We've introduced a fantastic range of value added services for you and your clients:

- Individual case level support will be provided to help you secure the right mid-market case.
- Rate stability agreement to enable clients with a superior loss ratio to accurately budget for their insurance premiums.
- Access to AXA's in-house Business Resilience Management team.



# OUR MID-MARKET PROPOSITION



## Trading Tools

Our underwriters are empowered to apply a number of trading tools including:

- Exclusives
- Net Rating
- Long Term Agreements
- Low Claims Rebates
- Tripartite Agreements
- Risk Management Fund
- Flexible Instalment Plans
- Rate Stability Agreements.

## Claims Excellence

We have a very experienced and dedicated team who provide an excellent service. Mid-market brokers and clients can expect first-class service from our team and from our trusted external partners. Our commitment to transparency ensures that clients have the best possible experience when dealing with our Claims Team.

## Get in touch

We have an extensive range of competitive products and solutions designed for your mid-market clients, from a tailor-made Farm and Estate policy with unique cover extensions to a multi-section Agricultural Motor policy that dovetails to your clients needs.

To discuss our mid-market offering in more detail please refer to the contacts section.

[Our mid-market proposition](#) | [What's happening out there](#) | [Why choose us](#) | [What we offer](#)

[Risks we're keen to write](#) | [Claims](#) | [How Risk Management enhances the service you offer](#) | [Value Added Services](#) | [Talk to the team](#)



# WHAT'S HAPPENING OUT THERE



[Our mid-market proposition](#) | [What's happening out there](#) | [Why choose us](#) | [What we offer](#)

[Risks we're keen to write](#) | [Claims](#) | [How Risk Management enhances the service you offer](#) | [Value Added Services](#) | [Talk to the team](#)



# WHAT'S HAPPENING OUT THERE



The agricultural industry contributed £9,926 million to GDP in 2014 (a 3.7% increase of £354 million) yet total income from farming is estimated to have fallen by 29% between 2014 and 2015 (£1,526 million in real terms). This was due to lower commodity prices and reduced direct payments due to the strength of Sterling against the Euro<sup>1</sup>.

However, compared to construction and manufacturing, the sector emerged from the recession in a strong position despite the ongoing challenge of maintaining profitability in the face of external pressures from weather, land prices, crime and animal disease.

## Sector challenges

Farmers face many challenges including weather, crime and disease. Their particular risks will affect the level of insurance protection that should be recommended.



### Weather

Flooding events in UK have had a massive impact on farmers. In December 2015 more than 2,000 farm animals are believed to have drowned in the floods which engulfed north west England<sup>2</sup>. Even carefully stored grain supplies may be damaged by flooding or by a roof collapsing due to heavy snowfall. If this is likely to be an issue for your farming clients, cover will need to be arranged to protect buildings.



### Injury, death and illness

The worker fatality rate in this sector is higher than in any other sector, with 29 fatal injuries to workers in 2015/16. Almost half of those killed were farmers, the rest were farm workers and casual or seasonal workers with nearly 45% being killed either by a farm vehicle or a fall from height<sup>3</sup>.

There is clearly a need for a greater emphasis on risk management in this sector. Most farmers may lack time or resources to carry out risk assessment, so you have a key role to play in ensuring that adequate assessments are carried out and that employers' liability cover is in place, even if staff are only ever employed on a casual basis over harvest time.

**Sources:** <sup>1</sup>Defra, Agriculture in the UK 2015, <sup>2</sup>Farmers Weekly, December 2015, <sup>3</sup>HSE Fatal injuries in agriculture, forestry and fishing in Great Britain 2015/16



# WHAT'S HAPPENING OUT THERE



## Livestock disease

From foot and mouth to TB, animal disease can result in severe financial loss for farmers. Sensible farmers will follow biosecurity procedures set out by Defra. They will also consider extending insurance cover to provide compensation for animals that have not been compulsorily slaughtered.



## Theft and crime

Farm machinery is becoming ever more sophisticated. In-cab technology such as navigation systems and telematics, along with precision seeding and fertilisation applications make farm equipment very attractive to thieves. There's also an increased reliance on gadgets such as tablets and smartphones, which should be insured for business purposes.

But it's not just these high-value items that are proving attractive. Metal and any farm equipment left lying around will make easy pickings. There has been a recent spate of sheep rustling but any livestock can prove vulnerable to theft. Anyone running a farm will need to take precautions to secure their premises and fields and consider installing alarm systems as well as making sure that their insurance cover offers adequate protection.



## Supply chain and transport

Most farmers are reliant on a supply chain, either as a buyer or a supplier. They rely on feed and animal bedding being available at the right price and on their own produce being taken away to be sold. So the supply chain needs to be reliable, constant and equitable.

Any business transporting goods, whether that's grain or livestock will need to make sure that their goods are insured while they are in transit.

As risks vary so widely from business to business, brokers need to walk business owners through the risks that they face in their circumstances and choose appropriate levels of protection.





# WHY CHOOSE US



[Our mid-market proposition](#) | [What's happening out there](#) | [Why choose us](#) | [What we offer](#)

[Risks we're keen to write](#) | [Claims](#) | [How Risk Management enhances the service you offer](#) | [Value Added Services](#) | [Talk to the team](#)



# WHY CHOOSE US



With almost 30 years' of experience in mid-market Agriculture and Estate Management, we have significant expertise in this sector.

Our aim is to provide you and your mid-market Agriculture and Estate Management clients with quality products and excellent service. Following your feedback, we've modernised and improved our Farm and Farm Motor products and policy wordings. Our specialist underwriters service more than 9,000 farm risks ranging from small farm holdings to large estates giving us a breadth of knowledge of this sector.

Effective risk management can play an important role in ensuring businesses within the Agriculture and Estate Management sector avoid any unexpected interruptions. Through access to AXA's Business Resilience Management team, we use Business Resilience Managers that can build strong relationships with you and ensure that we are consistent and focussed in our approach and delivery of risk management support.

Our empowered experts have significant Agriculture and Estate Management knowledge and are available to support you and your mid-market clients.

- Agriculture and Estate Management specific underwriting expertise and knowledge.
- We have improved and modernised our Farm and Farm Motor policy wordings.
- We've been writing a broad range of Agriculture and Estate Management risks for almost 30 years.
- Committed to mid-market growth and profitable long term partnerships.
- Valuable broker support and tailored Agriculture and Estate Management training available.
- Backed 100% by AXA, the world's largest insurer by Gross Written Premium (according to global ratings agency AM Best).



# WHAT WE OFFER



[Our mid-market proposition](#) | [What's happening out there](#) | [Why choose us](#) | [What we offer](#)

[Risks we're keen to write](#) | [Claims](#) | [How Risk Management enhances the service you offer](#) | [Value Added Services](#) | [Talk to the team](#)



# WHAT WE OFFER



Our priority is to understand your needs and the needs of your clients. We recognise that each Agriculture and Estate Management client is different so we tailor our approach.

That's why we've shaped our mid-market Agriculture and Estate Management proposition to use our expertise to provide flexible solutions. This means that you'll get the right cover at a competitive price all serviced to a high standard.

## Claims

- An experienced in-house team of dedicated claims handlers specialised in handling Agriculture and Estate Management claims.
- AXA has an award-winning process for motor claims.
- Access to our experienced Agriculture and Estate Management claims experts and a dedicated Handler for each and every claim.
- A specialist recovery team with access to our trusted panel of solicitors and recovery agents.

## Underwriting Approach

- Customised offering to incorporate rate stability agreements, profit share and risk management funds.
- Significant capacity available to accommodate 100% placements (no need for coinsurance support but we can write on this basis if required).
- Clear and stable underwriting philosophy is aligned between Underwriters and Business Resilience Managers.

## Policy Wording

- New, modernised farm and motor policy wordings.
- Clear and jargon free wording, designed following feedback from you that suits

the needs of your clients.

- » You can choose perils specific to agricultural risks (including all risks) and have the ability to select the sections you require
- » Flexible excesses and deductible limits.
- Flexibility to adapt to changing market needs (e.g. legislation and emerging risks).
- Flexibility to accommodate diversified businesses and activities.

## Risk Management

- Pre-cover surveys available to help us to better understand your Agriculture and Estate Management businesses. We convert more than 60% of cases when we do a pre-cover survey.
- Business Resilience Managers who make pragmatic decisions on-site to improve risk.

## Service Standards

- Speak directly with a knowledgeable underwriter who's empowered to make decisions.
- Flexible service with quotes tailored to your client's needs.
- We only work with specialist Agricultural brokers which provides exclusivity and a competitive edge.

## Added Value Services

- Add-on options such as Legal Expenses and Engineering available.
- Additional services at specially agreed prices from third party companies such as valuation advice from Gleeds and electrical inspections from British Gas (BIBU/AXA does not derive income from these services).
- Instalment facility available.



# WHAT WE OFFER



Our farm and motor products are designed with your mid-market clients in mind.

This information provides a flavour of some of the covers, limits and options available as part of our Agriculture and Estate Management offering for mid-market clients.

For further information on our farm and motor products, please talk to our team.

## Farms

- Full range of farm perils to select from
- Fly tipping cover
- Inadvertent omission to insure up to £500k
- Farming property whilst at other premises
- Index linking

## Options

- Indemnity, reinstatement or Modern Materials basis

## Livestock

- Wide range of perils
- £10k single animal limit

## Options

- Fatal injury includes own premises as well as straying
- All Risks mortality on specified animals
- Disease cover
- Loss of use on specified animals

## Money & Personal Accident Assault

- All Risks cover on business money
- Death and capital benefits
- Weekly total disablement
- Medical benefit
- Cattle Passports up to £250k

## Public & Products Liability

- Up to £10m limit of indemnity (primary layer)

## Options

- Financial Loss Liability cover

## Home

- Buildings, contents and personal belongings
- Full range of perils including subsidence covered as standard
- Domestic liabilities cover
- Alternative accommodation/loss of rent cover

## Options

- Accidental damage cover
- Pairs and sets cover

## Business Interruption

- Full range of farm perils to select from
- A range of cover options including revenue, rentals, ICOW and AICOW
- Unspecified customers cover
- Unspecified suppliers cover
- £10k single animal limit
- Murder, suicide and disease cover

## Options

- Hire extension following damage to agricultural vehicles at the premises

## Environmental Impairment Liability cover

- Cover is provided as standard
- £1m indemnity limit
- On site and off site clean-up costs included

## Employers' Liability

- Up to £25m limit of indemnity
- Wide definition of employed persons

[Our mid-market proposition](#) | [What's happening out there](#) | [Why choose us](#) | [What we offer](#)

[Risks we're keen to write](#) | [Claims](#) | [How Risk Management enhances the service you offer](#) | [Value Added Services](#) | [Talk to the team](#)



# WHAT WE OFFER



## Also available:

- Hail cover
- Contamination of own milk in tanks
- Selected All Risks cover on specified items
- Legal protection including contract disputes
- Individual personal accident and sickness with tailored capital and weekly benefit combinations

## Farm motor policy

Flexible cover options available for each of your vehicles:

- Comprehensive
- Third party fire and theft
- Third party only
- NCD or fleet rated
- Up to 9 years NCD

## Key product features

- Cover for unspecified trailers and trailer type agricultural implements up to £100k
- Cover available for private cars, commercial vehicles and agricultural vehicles
- Legal liability to others
- Loss of or damage to your vehicle including audio visual communication and guidance equipment up to £15k
- Windscreen and window replacement
- Indemnity to principals
- Unauthorised movement
- Contingent liability
- Cross liabilities
- Personal accident – up to £3.5k for any one incident or during any one period of insurance
- Medical expenses – up to £500 per person injured
- Personal effects – up to £500 for any one claim
- Service, repair or valet parking
- European travel
- New for old replacement vehicle for private and commercial vehicles written off within 12 months of registration.



# RISKS WE'RE KEEN TO WRITE



[Our mid-market proposition](#) | [What's happening out there](#) | [Why choose us](#) | [What we offer](#)

[Risks we're keen to write](#) | [Claims](#) | [How Risk Management enhances the service you offer](#) | [Value Added Services](#) | [Talk to the team](#)



# RISKS WE'RE KEEN TO WRITE



We expect a variety of different risk features on agricultural businesses however our appetite will be influenced by the following positive risk features:

- Good spread of risk
- Electrical inspection carried out in the last 3 years
- Farm buildings predominantly constructed of incombustible materials
- Absence of spray foam lining or non-LPC approved composite panels
- No portable heating appliances in farm buildings
- Provision made for freezing temperatures in winter e.g. pipe lagging, low level heating
- Evidence of contingency planning in place to mitigate the effects of a catastrophic incident
- Majority of buildings in use on a day to day basis
- Good level of physical security on all enclosed buildings
- A good standard of management and housekeeping and risk improvement ethos
- Prestige customers like large supermarkets who apply stringently high standards
- Health and safety policy in force/outside health and safety consultants used
- Accreditation from a farm assurance scheme, such as Red Tractor, Lion Eggs etc.
- Directors, partners and employees hold appropriate agricultural qualifications.





# RISKS WE'RE KEEN TO WRITE



We're very keen to write more of these risks	We're interested but need more underwriting information from you	We would decline these risks
Arable farms	Animal husbandry and support services	Mushroom growers
Dairy and cattle farms	Equine businesses, other than those within the Riding Establishments Acts	Farming of fur, skin, exotic animals, dangerous animals or insects
Sheep farms	Agricultural contractors	Petting farms, holiday, leisure and amusement parks and animal sanctuaries
Mixed arable and livestock farms		
Country estates		
Fruit growers, market garden produce		
Growing of plants, shrubs, flowers, turf, tubers, for subsequent planting or farming production		
Pigs – open field system		
Intensive pigs and poultry that meet our underwriting criteria		

## Approach to diversified activities

The Agriculture and Estate Management sector also includes a large number of diversified activities, such as farm shops, B&Bs, holiday lets and fishing lakes. The nature and extent of these activities will influence our appetite, though we will always accommodate diversifications wherever possible.

However, there are some diversifications we may not be able to cover. For example, large warehouses and hay and straw merchants are not within our target appetite. Our experienced Underwriters are available to discuss cases wherever there is any doubt.



# CLAIMS

Case Study



[Our mid-market proposition](#) | [What's happening out there](#) | [Why choose us](#) | [What we offer](#)

[Risks we're keen to write](#) | [Claims](#) | [How Risk Management enhances the service you offer](#) | [Value Added Services](#) | [Talk to the team](#)



# CASE STUDY



A fire broke out in a grain dryer at one of our policyholder's farms. We quickly appointed the specialist Loss Adjuster, Agrical, on the same day and the broker and policyholder were immediately contacted. Agrical visited the farm the following day and completed a preliminary report. The reserve was set at £200,000 and Agrical immediately involved their specialist 'Large Loss Team'. Similarly, our senior management team were notified and the Insurers were advised. The grain dryer manufacturers also attended the scene the following day. At this point it was believed that repairs could be completed within 14 days and that this would be restricted to an Increased Cost of Working claim.

On further inspection the grain dryer manufacturers discovered that all of the drying chambers had either been directly damaged by the fire, or distorted by radiating heat, to the extent that without replacement there would be a substantially increased fire risk. The full repair was going to take much longer than 14 days and would involve a complete re-commissioning after all of the work had been completed. Spare parts were not available and a full repair could not be undertaken until completion of the drying season. Even though the policyholder had some reciprocal drying arrangements in place, the Insurers were still faced with a much larger loss and more importantly the policyholder was concerned about fulfilling all of their obligations to their customers during their busiest time of year. They had their own crops; crops grown under contract farming agreements and also a contractual grain drying agreement with a grain merchant.

After considering various solutions, Agrical and our team decided that the best way forward was to agree temporary repairs so that the grain dryer could be returned to operation as quickly as possible. Instructions were given immediately and the temporary repair was completed at a cost of £16,000. At the end of the season the dryer was dismantled, new parts were installed and the dryer was reassembled at a cost of £43,000.

The Increased Cost of Working Claim amounted to £155,000 and in addition to the temporary repair included the following:

- Lost Barley (fire damaged and tainted)
- Additional haulage, grain drying and handling costs
- Lost income from not drying Third Party crop
- Additional haulage costs for diverting Third Party crop to other facilities and loss of income on weighbridge charges
- Crop store loss and own additional handling charges.

The policyholder and farm staff kept detailed records during the period of the claim which were vital in substantiating and speeding the final settlement.

The policyholder and the brokers were extremely pleased with the speed of response and the expertise demonstrated by both our claims team and Agrical. The temporary repair came with risk and the policyholder was very happy that decisions were made quickly. This enabled them to be able to advise their customers of their plans and to ensure that these customers' expectations were met. Rapid decisions by our team and Agrical enabled the policyholder to keep their customers satisfied, and also reduced the Insurers' potential loss.

This is an example of how we deliver an excellent claims service through our staff, specialist suppliers and Insurers.



# HOW RISK MANAGEMENT ENHANCES THE SERVICE YOU OFFER



[Our mid-market proposition](#) | [What's happening out there](#) | [Why choose us](#) | [What we offer](#)

[Risks we're keen to write](#) | [Claims](#) | [How Risk Management enhances the service you offer](#) | [Value Added Services](#) | [Talk to the team](#)



# HOW RISK MANAGEMENT ENHANCES THE SERVICE YOU OFFER



Our Business Resilience Management team is highly experienced in all aspects of Agriculture and Estate Management risk management.

We know that your clients take risk management seriously and that it plays a key role in the service you offer your clients. We have access to a team of experienced Business Resilience Managers who specialise in Agriculture and Estate Management and strive to understand your client's business in a practical way to support the systems they have in place. We also know that they all want to avoid anything unexpected, so where required, a Business Resilience Manager will inspect your client's premises at quotation stage after indicative terms have been provided.

We believe this risk management service sets us apart in the market:

- Only AXA in-house Business Resilience Managers are used.
- We have access to approximately 50 loss prevention experts located throughout the UK and carry out all site inspections ourselves.
- AXA has one of the most qualified loss prevention teams of any UK insurer with 810 combined years of experience.
- We provide expertise to offer advice on areas such as fire, business interruption, weather, security and liability risks.
- Access to specialist fire protection engineers backed up by 15 loss prevention experts who can evaluate and test sprinkler systems.

## Health and Safety

According to the Health & Safety Executive (HSE), Agriculture is a high risk sector in terms of fatal injuries. On average over the past 10 years, one person is killed every nine days as a direct result of an agricultural work activity.

## What we can do for you

- We offer support to single or multi-site location programmes.
- AXA qualified engineers can review business continuity plans including assessment of supply chain management and offer additional supporting tools where appropriate.
- You will benefit from having the same loss prevention expert for the duration of your policy which means that we can respond quickly to any process modifications or location changes your business may encounter.
- Bespoke specialist services to provide high quality risk solutions, such as electrical inspection, reinstatement valuations and protection of vacant buildings.
- Fire protection systems, such as sprinklers will be evaluated to give you confidence that they are appropriate for the risk and exposure they protect.
- Analysis of multiple locations for perils including crime and flood risk.



# VALUE ADDED SERVICES



[Our mid-market proposition](#) | [What's happening out there](#) | [Why choose us](#) | [What we offer](#)

[Risks we're keen to write](#) | [Claims](#) | [How Risk Management enhances the service you offer](#) | [Value Added Services](#) | [Talk to the team](#)



# VALUE ADDED SERVICES



We've introduced a host of additional services for brokers who are actively committed to working with us to grow our mid-market Agriculture and Estate Management book of business. It's not just you who will benefit; clients will also have access to a range of valuable services.

## **Client value added services – support for the right risk**

- Risk management contribution – to support agreed risk control improvements.
- Rate stability agreement – to enable clients with a superior loss ratio to accurately budget for their insurance premiums.
- Preferential instalment plans – to support cash flow planning.
- Building Valuation Service from Gleeds – removes average and the risk of underinsurance.
- Unoccupied buildings security service from VPS – specialist protection services which can widen cover available and reduce ongoing third party security costs (average security guard costs £1,500 per week).  
The minimum contract period is 1 week whereas standard practice is a minimum of 8 weeks.
- Leaksafe Solutions – keeps premiums down by reducing escape of water claims frequency and severity.
- British Gas Electrical Inspections – for both legal compliance and protecting employee and property.
- Riskhelp – designed to assist UK businesses gain a better understanding of their legal responsibilities, common business hazards as well standard market business insurance policy wordings.
- Business continuity planning – for business owners who want to be prepared for, and minimise the impact of events that could threaten their business.

- Low claims refund – rewarding clients who have superior claims experience (as an alternative to a rate stability agreement).

## **Broker value added services – support for the right risk**

Extensive support is available to you to secure the right Agriculture and Estate Management mid-market case:

Risk control/broker pre-quote on-site client review:

- Prior to the provision of underwriting and trading terms this enables your customer to meet with a risk management surveyor to better understand our pragmatic approach to risk management. Involving the customer from inception has proven to increase conversion through better pricing and more certainty regarding the suitability of their current risk management programme.

Supporting mid-market brokers will have access to a range of additional benefits designed to develop your people:

- Mid-market Agriculture and Estate Management specific technical, risk management and claims training plus regular market briefings.
- Local team skills training on topics such as price negotiation, customer segmentation and contact planning.



# TALK TO THE TEAM

Our new mid-market Agriculture and Estate Management proposition is designed to provide you with flexible service and tailored cover for your clients.

We will recognise your commitment to working with us to grow our mid-market Agriculture and Estate Management business and have a range of exclusive value added benefits that will benefit your business and your clients that we're excited to talk to you about.

Our underwriters want to talk to you about our new mid market proposition. To discuss specific mid-market Agriculture and Estate Management opportunities, please contact one of our underwriting specialists.

**bibu**

Angie MacPherson  
01325 385330  
angie.macpherson@bibinsurance.co.uk

Johnny Cimmerman  
01325 385327  
jonathan.cimmerman@bibinsurance.co.uk

Kathryn Hooper  
01325 385332  
kathryn.hooper@bibinsurance.co.uk



[Our mid-market proposition](#) | [What's happening out there](#) | [Why choose us](#) | [What we offer](#)

[Risks we're keen to write](#) | [Claims](#) | [How Risk Management enhances the service you offer](#) | [Value Added Services](#) | [Talk to the team](#)

