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Managing Farm Risk Program

Information for farm businesses considering agricultural insurance



This fact sheet will assist farm business to understand the operation of the Managing Farm Risk Program. A separate fact sheet is available for providers of insurance advice and services to farmers.

The program provides rebates for advice and assessments to help farmers prepare and apply for a new insurance policy that assists with the management of drought and other production and market risks.

These one-off rebates will be for half of the costs incurred by eligible farm businesses, up to a maximum of \$2 500 (GST exclusive). The rebates are not for insurance policy premiums.

Insurance can significantly reduce the financial risks farmers face from production or revenue loss caused by factors beyond their control such as adverse weather, drought and fluctuating markets. But identifying and choosing suitable insurance can be challenging.

That's why the Australian Government is providing \$20.2 million over four years to help farmers with their decision making.

Eligibility criteria

You should consider whether you meet the eligibility criteria before you incur costs. The Managing Farm Risk Program guidelines set out the full requirements: agriculture.gov.au/mfrp.

One rebate application per eligible farm business can be made for costs incurred from 1 July 2015.

Applications must be submitted within 12 months of the first claimed costs being incurred.

Activities to help you prepare and apply for a new insurance policy

You can apply for a rebate for costs incurred engaging a suitably qualified service provider to carry out one or more of the following eligible activities:

- undertaking an assessment required by an insurance provider prior to, or within 12 months of, the provider offering an insurance product
- compiling historical farm financial performance and production data

Key points

- Rebates are available for advice and assessments to help farmers prepare and apply for a new insurance policy to assist with managing drought and other production and market risks.
- These one-off rebates will be for half of the costs incurred by eligible farm businesses, up to a maximum of \$2 500 (GST exclusive).
- Eligible activities include undertaking an assessment required by an insurance provider; compiling farm financial performance and production data; and analysing insurance options.
- Eligible activities must be carried out by a suitably qualified service provider.
- Farm businesses must have a written offer or refusal from an insurance provider for a new or additional policy covering a peril or climatic event that the farm business has not insured against within the last five years.



- preparing an analysis of insurance options in the context of a whole-of-farm risk assessment specific to the farm business applicant over successive seasons.

The rebates are not for insurance policy premiums.

Types of insurance

To be eligible for a rebate, you must obtain a written offer or refusal from an insurance provider for a new or additional policy covering a peril or climatic event that your farm business has not insured against within the last five years. This is limited to:

- multi-peril insurance products
- parametric products, such as those based on rainfall or other climate factors
- other single-peril products, such as fire, hail and frost insurance.

You should also seek advice before deciding on any financial product, including insurance.

Requirements of service providers

Eligible activities must be carried out by a suitably qualified service provider.

The types of service providers who could assist you with insurance advice and assessments include, but are not limited to, insurance providers, insurance brokers, farm advisors and accountants.

Suitably qualified service providers are those that:

- are independent from the farm business applicant
- hold a relevant licence or qualification and sufficient industry experience relating to the type of advice or service they are providing
- have an Australian Business Number (ABN)
- hold current professional indemnity insurance.

Invoice requirements

You need to provide a copy of the invoice and/or remittance advice from your service provider with your application. This must include your full details and those of the service provider, including its ABN, as well as details of the services and the date they were provided. These services must be clearly identifiable as eligible activities.

The department may request additional evidence from you to substantiate your eligibility. This may include a copy of the final written advice provided by your service provider for which the rebate was made.

The Managing Farm Risk Program is delivered by the Department of Agriculture and Water Resources as part of the Australian Government's Agricultural Competitiveness White Paper, the government's plan for stronger farmers and a stronger economy.

