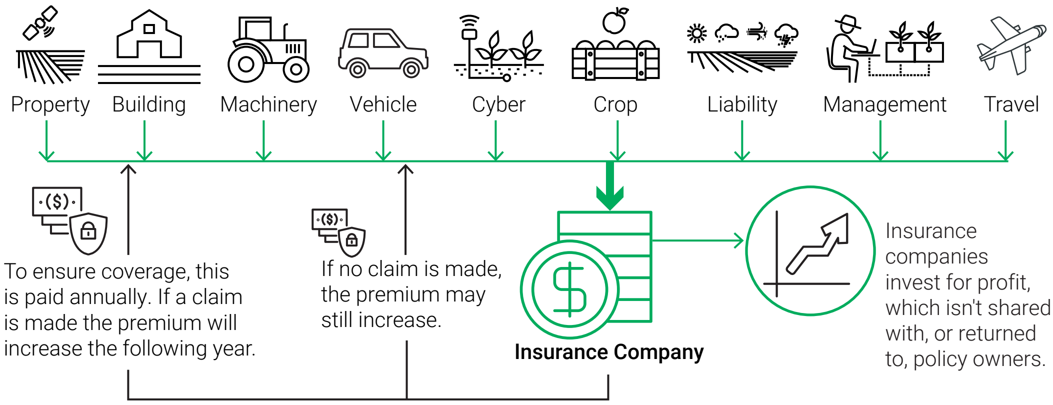
Traditional insurance vs. Discretionary Mutual Fund

An insurance policy promises an indemnity; in contrast a DMF risk product promises a claim for loss will be considered.

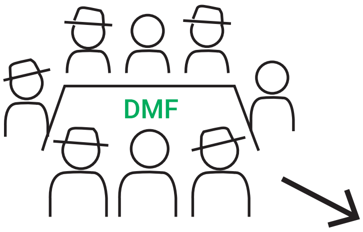
TRADITIONAL INSURANCE

Select your insurance:
The business' risk is transferred to the insurance company when the policy agreement is signed and paid.



DISCRETIONARY MUTUAL FUND (DMF)

A DMF is a company limited by guarantee with a board of directors who are majority members: owned and run by members, for members.



A DMF is set up to benefit all members. It is a self-insurance structure that provides an opportunity to control and manage an industry's collective risk, helping industry to directly profit from risk management improvements such as industry training and development, or even reduced premiums.

A DMF is not insurance, however, it offers 'discretionary cover' in the form of an insurance-like product.

Success of a DMF comes down to scale, the more members involved in sharing the risk, the more successful the outcomes will be. The geographical spread of the Australian apple and pear industry is favourable as it's unlikely a severe weather event, for example, will hit each region at the same time.