



Innovations and Emerging Trends in Agricultural Insurance

How can we transfer natural risks out of rural livelihoods
to empower and protect people?

As a federally owned enterprise, GIZ supports the German Government in achieving its objectives in the field of international cooperation for sustainable development.

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Appendix 1:

Table – Innovative Agricultural Insurance Programs

PROGRAMS
THAT INSURE PUBLIC
RELIEF EFFORTS

TOTAL
32 COUNTRIES

PROGRAMS THAT INSURE FARMERS

TOTAL
AFRICA
652,975

TOTAL
ASIA
194,185,463

TOTAL
LATIN AMERICA
3,315,626

COUNTRY & PROGRAM NAME	SCALE (IN OR ABOUT 2014)	MAIN FEATURES	START
Programs that insure public relief efforts			
ARC, Africa	9 countries	Insures countries (Kenya, Mauritania, Niger, Senegal, the Gambia, Mali, Burkina Faso, Malawi, Zimbabwe) against cost of relief programs for droughts	2014
CCRIF, Caribbean	16 countries	Pools and insures risks of natural disasters for governments	2007
CADENA, Mexico		State managed relief program fully funded by national and state governments and insured by global reinsurers	2003
Pacific Climate Risk Insurance Pilot, Pacific Island Countries	5 countries	Catastrophe risk insurance against earthquakes, tsunamis and tropical cyclones for PICs (Cook Islands, Marshall Islands, Samoa, Tonga, Vanuatu); subsidized by Government of Japan and the World Bank	2013
Philippines Risk and Insurance Scheme for Municipalities (PRISM)		Parametric catastrophe insurance for municipalities; high-yield cat bond that the municipalities sell to private investors; claims are based on a pre-agreed threshold	2014
TOTAL	32 COUNTRIES		

NB: This list is the result of an informal survey and therefore not necessarily comprehensive. Authors estimate however, that more than 95% of all insured

COUNTRY & PROGRAM NAME	SCALE (IN OR ABOUT 2014)	MAIN FEATURES	START
Programs that insure farmers			
AFRICA			
ACRE, East Africa (Syngenta Foundation)	394,426 ^{a/}	Several types of insurance offered for farmers; each has its own index and data source	2009
PlaNET Guarantee, West Africa	32,000	Credit insurance for purchased inputs against drought and excess rains	2011
R4, Ethiopia, Senegal, Malawi & Zambia	32,288 ^{b/}	Drought insurance piggy-backed onto safety net programs	2009
Ghana Agricultural Insurance Pool (GAIP), Ghana	2,115	Drought insurance based on rainfall index for small-holder maize farmers and indemnity insurance products for commercial farmers	2011
Fresh Co, Kenya	12,000	Insures purchased seed cost against risks of drought/excess rain (satellite-based)	2013
IBLI, Kenya & Ethiopia	1,000 ^{c/}	Drought insurance for pastoralists; satellite vegetation index	2010
Opportunity International Bank Malawi (OIBM), Malawi	6,000	Satellite-based insurance linked to loans by OIBM against drought/excess rain for farmers belonging to outgrower schemes of tobacco companies	2013
NASFAM, Malawi	1,000	Insures bank loans for groundnut inputs; satellite-based group insurance organized by farmers' association	2013
Guy Carpenter, Mozambique	43,000	IBI for cotton farmers against drought, low temp and excess rain	2012
NAIC, Nigeria	5,000	Compulsory insurance for farmers who benefit from loans	2016
Kenya Commercial Bank (KCB), Rwanda	6,400	Satellite-based group insurance for farmer cooperatives; compulsory for farmers with agricultural loan from KCB	2012
Ground Nut Farmer Pilot, Senegal	8,500	Pilot drought insurance program for groundnuts using weather stations	2011
Afrisian, Tanzania	300	Insures cotton farmers against drought/excess rain losses; marketing through cotton gins; satellite-based	2014
Quality Food Products (QFP), Tanzania	500	Insurance integrated in agriculture finance program for small-scale to emergent farmers through QFP (agri-business)	2013
Farmer Input Supplier Programme (FISP), Zambia	1,546	Insurance linked to the Zambian Government's FISP e-voucher pilot programme	2015
NWK Agri-Services, Zambia	52,000	Insures against losses due to drought/excess rain; marketed through an agrodealer; satellite-rain index based	2013
ZNFU, Zambia	2,500	ZNFU buys insurance for farmer groups who use it as collateral to obtain loans from banks; satellite-based	2014
Pioneer Seeds, Zambia	400	Covers purchased seed costs; satellite-based	2014
TOTAL AFRICA	652,975		

COUNTRY & PROGRAM NAME	SCALE (IN OR ABOUT 2014)	MAIN FEATURES	START
Programs that insure farmers			
Asia			
Oxfam, Bangladesh	1,660	Flood index insurance; payout is triggered on the basis of water depth and duration of flooding; policy holder is a local NGO	2012
Forte Insurance/Weather Risk Limited, Cambodia	63	Weather index insurance for small rice farmers against floods and droughts	2015
PICC and others, China	160,000,000	Over 100m ha of crops insured against multiple risks accounting for 62% of the nation's total; Over 100m ha of crops insured against multiple risks accounting for 62% of the nation's total; heavily subsidized by government	2004
Weather-Based Crop Insurance Scheme (WBCIS), India	14,500,000	Cover for a variety of crops and risks; compulsory with credit in states that have opted for WBCIS; lower premium rate for farmers who undertake soil & water conservation measures	2007
National Agriculture Insurance Scheme (NAIS), India	15,900,000 ^{d/}	Area-yield insurance for range crops; compulsory with credit in states that have opted for NAIS	1999
Modified NAIS (mNAIS), India	2,818,000 ^{e/}	Improved area-yield insurance for range crops; compulsory with credit in states that have opted for mNAIS	2010
PepsiCo, India (ICICI Lombard, WRL)	4,000	Weather Insurance and pest alerts plus growing advice for potato contract farmers	2006
Rice Crop Insurance Pilot, Indonesia	1,102 ^{f/}	Insurance against flood, drought, pest/disease for rice farmers belonging to a Farmer's Group	2012
IBLIP, Mongolia	14,000	Livestock insurance for pastoralists that pays out against low mortality rates recorded at district level	2006
Security Farm Supply (SFS), Philippines	7,787	Bundles fertilizer insurance (typhoon) with accidental death insurance; uses satellite data	2013
Philippine Crop Insurance Corporation (PCIC), Philippines	924,343	Several agricultural insurance schemes: Multi-peril crop insurance, agricultural assets insurance, livestock insurance, fisheries insurance, loan repayment protection, agricultural producers protection and accident insurance; also weather-index pilots	
SANASA Insurance, Sri Lanka	14,508	Pilot program for paddy and tea farmers that is now going fully private; use of own distribution channels	2011
TOTAL ASIA	194,185,463		



COUNTRY & PROGRAM NAME	SCALE (IN OR ABOUT 2014)	MAIN FEATURES	START
Programs that insure farmers			
Latin America and Caribbean			
ProAgro Tradicional, Brazil	50,078	Pays off farmers' credits in case of extreme weather events (drought, wind, frost, etc.) average sum insured US\$ 21k	
ProAgro Mais, Brazil	428,452	Pays off family farmers' credits in case of extreme weather events; average sum insured US\$ 5.6K	
LPP, Caribbean (St. Lucia, Jamaica, Grenada)	80	Index insurance for any non-salary income earner banking with participating credit unions	2014
Alternative Insurance Company (AIC), Haiti	60,516	Natural catastrophe (hurricanes, earthquakes) and weather index insurance for women-owned micro-enterprises	2011
Agroasemex, Mexico	45,000 ^{g/}	Fondos (self-insurance funds) aggregate and pool risk and then reinsure through the program	2001
ProAgro, Mexico	2,600,000	Government provides decoupled direct support payments to farmers; linked to specific actions to improve land productivity	
La Positiva SAC, Peru	130,500	Catastrophic Area yield index based; indemnity is paid directly into bank account	2010
Insurance for climate change adaptation project of GIZ, Peru	1,000	El Niño Index Insurance offered by La Positiva Seguros; average November–December sea surface temperature is used as index; payout before an extreme El Niño occurs	
TOTAL LATIN AMERICA	3,315,626		

Notes: a/ 2015 b/ 2015 c/ Estimate; cumulative 10,000 since 2010; d/ 2012; e/ 2012; f/ 2 2013 ha = assumption: ~ 2ha of land per farmer; g/ Rough estimate

Appendix 2: World Map of Agricultural Insurance Schemes

Mexico

Agroasemex Fondos
45,000 policy holders
40% subsidised; group insurance
ProAgro
2,600,000 policy holders
100% subsidised; safety net

Haiti AIC

60,516 policy holders
50% subsidised; direct

Planet Guarantee

Mali, Burkina Faso,
Senegal, Benin
32,000 policy holders
50% subsidised;
credit linked

Caribbean LPP

80 policy holders
30% subsidised; direct

Ethiopia, Malawi, Zambia and Senegal R4

32,288 policy holders
30% subsidised; safety net

Senegal Groundnut

8,500 policy holders
50% subsidised; direct

Ghana GAIP

2,115 policy holders
0% subsidised; direct

Peru

La Positiva SAC
130,500 policy holders
100% subsidised; safety net
GIZ
1,000 policy holders
50% subsidised; direct

Nigeria NAIC

5,000 policy holders
50% subsidised; input supplier

Brazil

ProAgro Tradicional
50,078 policy holders
50% subsidised; credit linked
ProAgro Mais
428,452 policy holders
50% subsidised; credit linked

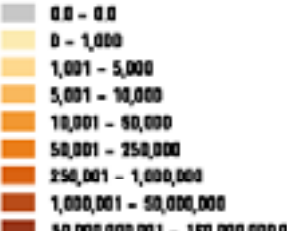
Zambia

NWK
52,000 policy holders
0% subsidised; contract farming
ZNFU
2,500 policy holders
0% subsidised; group insured
FISP
1,549 policy holders
50% subsidised; safety net
Pioneer Seeds
400 policy holders
10% subsidised; input supplier

East Africa ACRE

Kenya, Rwanda, Tanzania

Number of policy holders



India

WBCIS

14,500,000 policy holders
68% subsidised; direct

NAIS

15,900,000 policy holders
68% subsidised; credit linked

mNAIS

2,818,000 policy holders
68% subsidised; credit linked

PepsiCo

4,000 policy holders
0% subsidised; contract farming
linked

China

160,000,000 policy holders
77% subsidised; safety net

Mongolia IBLIP

14,000 policy holders
40% subsidised;
safety net

Philippines - PCIC

PCIC

924,343 policy holders
60% subsidised; direct

SFS

7,787 policy holders
0% subsidised; input supplier

Bangladesh Flood Insurance

1,660 policy holders
100% subsidised;
group insured

Kenya and Ethiopia IBLI

1,000 policy holders
70% subsidised;
safety net input supplier

Kenya FreshCo

12,000 policy holders
0% subsidised;
input supplier

Rwanda KCB

6,400 policy holders
50% subsidised;
credit linked

Sri Lanka SANASA

14,508 policy holders
0% subsidised; direct

Cambodia Forte Insurance/ WRL

60 policy holders
0% subsidised; direct

Tanzania

Afrisian

300 policy holders
0% subsidised; contract farming

QFP

500 policy holders
0% subsidised; input supplier

Mozambique GC

43,000 policy holders
100% subsidised;
contract farming

Indonesia Rice Crop Insurance

1,102 policy holders
80% subsidised;
group insured