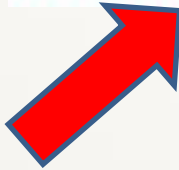


INTERNATIONAL ASSOCIATION OF AGRICULTURAL PRODUCTION INSURERS
INTERNATIONALE VEREINIGUNG DER VERSICHERER DER LANDWIRTSCHAFTLICHEN PRODUKTION



AIAG ALL-RUSSIAN INSURANCE ASSOCIATION
RUSSIAN INSURANCE SUMMIT 2017
12 July 2017, Saint Petersburg

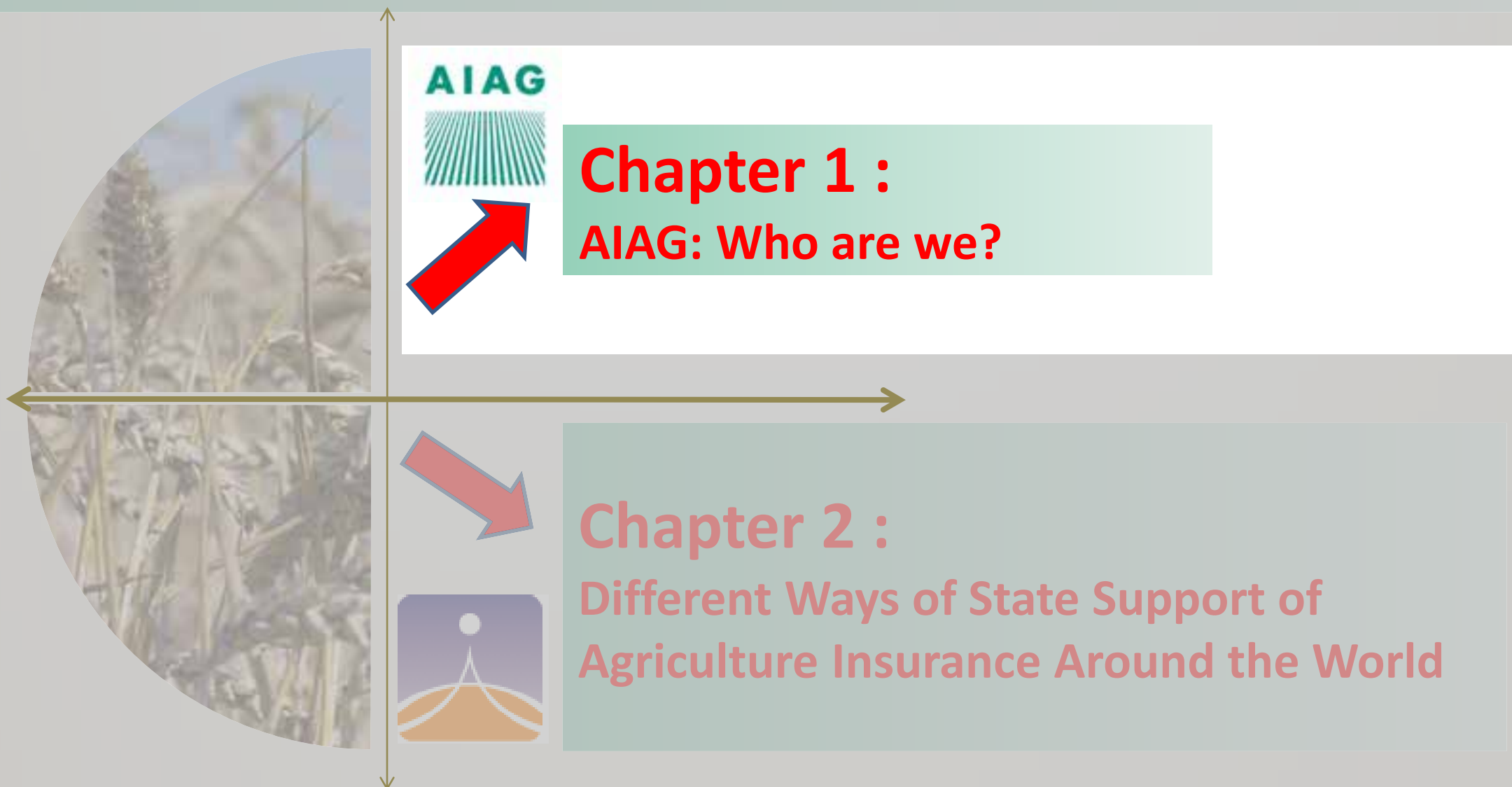
ASSOCIATION INTERNATIONALE DES ASSUREURS DE LA PRODUCTION AGRICOLE
ASSOCIAZIONE INTERNAZIONALE DEGLI ASSICURATORI DELLA PRODUZIONE AGRICOLA ¹



Chapter 1 :
AIAG: Who are we?



Chapter 2 :
**Different Ways of State Support of
Agriculture Insurance Around the World**





Who we are



AIAG unites the world's leading agricultural production insurers as well as...

- ▶ direct insurers
- ▶ reinsurers and brokers
- ▶ institutions

Tour de 300 mètres



The history of AIAG...



...began in 1951 with the first congress in Paris.

Founding members of AIAG

- ▶ Representatives from France, Germany, Italy, the Netherlands, Sweden and Switzerland

Goals

- ▶ Exchange of statistics, information and experience
- ▶ Improving and expanding the protection and services of hail insurance

Who attended the meeting

- ▶ Initially only authorized to hail insurers operating directly, at the time 60 companies, with voting rights at the General Assembly
- ▶ Since 1955, reinsurers are also greeted and other institutions related to hail insurance. Since 1997, brokers have also been "subscribing members" without voting rights
- ▶ Meanwhile livestock insurers can also become a member.

Over 100 members from more than 30 countries



- 53 full members  direct insurers
- 48 subscribing members  reinsurers, brokers, institutions

Over 100 members from more than 30 countries



Board members

President (since 2015)

Arnaud de Beaucaron, L'Étoile (FR)

Vice Presidents

Dott. Pier Ugo Andreini, ARA VMG 1857 S.p.A. (IT)

Bernard Koeckhoven, Achmea Agro (NL)

Tom Zacharias, National Crop Insurance Services NCIS (US)

Members

Benjamin Grayeb, ALASA (AR)

Dr. Rainer Langner, Vereinigte Hagelversicherung (DE)

Ignacio Machetti, AGROSEGURO (ES)

Ewa Nordenstedt, AGRIA Djurförsäkring (SW)

Dr. Kurt Weinberger, Österreichische Hagelversicherung (AT)

Secretary-Treasurer

Pascal Forrer, Schweizer Hagel (CH)

Delegate of the Board

Patricia Angehrn, Schweizer Hagel (CH)



► Board (10 members) & secretariat based in Zurich since the foundation of the Association

Become a member?



The advantages...

- ☑ Worldwide contacts with crop insurance companies, reinsurers and brokers
- ☑ International exchanges of experience at congresses
- ☑ Professional exchanges on loss evaluation at loss adjusters' seminars
- ☑ Working groups for special topics in agricultural insurance (e.g. livestock insurance)
- ☑ Regular information by newsletter

▶ Languages

- ▶ English
- ▶ German
- ▶ French
- ▶ Italian

Seminars every year

Loss adjusters' seminars

1	1977	Maize	Eggenfelden	DE
2	1978	Vines	Arcugnano	IT
3	1980	Fruit	Breda	NL
4	1981	Root vegetable	Amiens	FR
5	1982	Cereals	Vienna	AT
6	1983	Citrus fruits	Valencia	ES
7	1984	Vines	Montreux	CH
8	1985	Rape	Ulm	DE
9	1986	Sunflowers	Toulouse	FR
10	1987	Maize	Treviso	IT
11	1988	Peas	Malmö	SW
12	1990	Wheat and barley	Ain Draham	TN
13	1991	Potatoes	Lelystad	NL
14	1992	Fruit	Weinfeld	CH
15	1993	Tobacco	Oropesa	ES
16	1994	Sugar beets	Rauenberg	DE
17	1995	Onions	Goes	NL
18	1996	Maize Storm	Bordeaux	FR
19	1997	Hops	Prague	CZ

20	1998	Wheat	Hohenkammer	DE
21	1999	Citrus fruits	El Saler	ES
22	2000	Rape	Krems	AT
23	2002	Vines	Poiana	IT
24	2003	Vegetables	Ficksburg	ZA
25	2004	Wheat Hail and Storm	Auxerre	FR
26	2005	Fruit	Maribor	SL
27	2006	Sugar beets	Emmeloord	NL
28	2007	Peaches Hail and Frost	Veria	GR
29	2008	Cereals Drought	Vienna	AT
30	2009	Onions	Toruń	PL
31	2010	Maize Hail/Storm	Egerkingen	CH
32	2011	Cherries : hail	Bursa	TR
33	2012	Food potatoes	Hermannsburg	DE
34	2013	Rape	Lind	SW
35	2014	Vines: hail /frost	Colmar(Elsass)	FR
36	2015	Salad : hail	Murcia	ES
37	2016	Carrots : hail	Emmerloord	NL
38	2017	Tomatoes : hail	Parma	IT



AIAG-NAAI- 12 July 2017, Saint Petersburg



Next seminar



▶ 2017 Loss adjuster's seminar in Parma (Italia)

Hail damage on tomatoes

▲
2 – 4 August 2017



- 3-days long loss adjusters' seminar (generally)
- AIAG members invite other members in turn
- assessing the damage of previously defined cultures by experts in practice
- subsequent evaluation of the assessment results
- varied supporting programs





Congresses every 2 years

1951 to 2017

1	1951	Paris	FR
2	1953	Baden-Baden	DE
3	1955	Rome	IT
4	1957	Vevey	CH
5	1959	Scheveningen	NL
6	1961	Nice	FR
7	1963	Athens	GR
8	1965	Berlin	DE
9	1967	Venice	IT
10	1969	Monastir	TN
11	1971	Vienna	AT
12	1973	Palma de Mallorca	ES
13	1975	Copenhagen	DK
14	1977	Cannes	FR
15	1979	Munich	DE
16	1981	Zurich	CH
17	1983	Sorrento	IT
18	1985	Amsterdam	NL



19	1987	Deauville	FR
20	1989	Seville	ES
21	1991	Vienna	AT
22	1993	Hanover	DE
23	1995	Taormina	IT
24	1997	Stockholm	SW
25	1999	Maastricht	NL
26	2001	Paris	FR
27	2003	Lucerne	CH
28	2005	Madrid	ES
29	2007	Berlin	DE
30	2009	Rome	IT
31	2011	Athens	GR
32	2013	Vienna	AT
33	2015	Kansas City	US

34	2017	Warsaw		PO
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Next congress



1 – 4 October 2017



▶ 2017 34th AIAG CONGRESS in Warsaw (PL)

Climate change, remote sensing and big data –
New challenges for agricultural insurance
Closing of entries : 31th August 2017

- 3-days international congress
- current topics presented by international speakers
- meeting place for insurers, reinsurers and brokers
- varied accompanying program



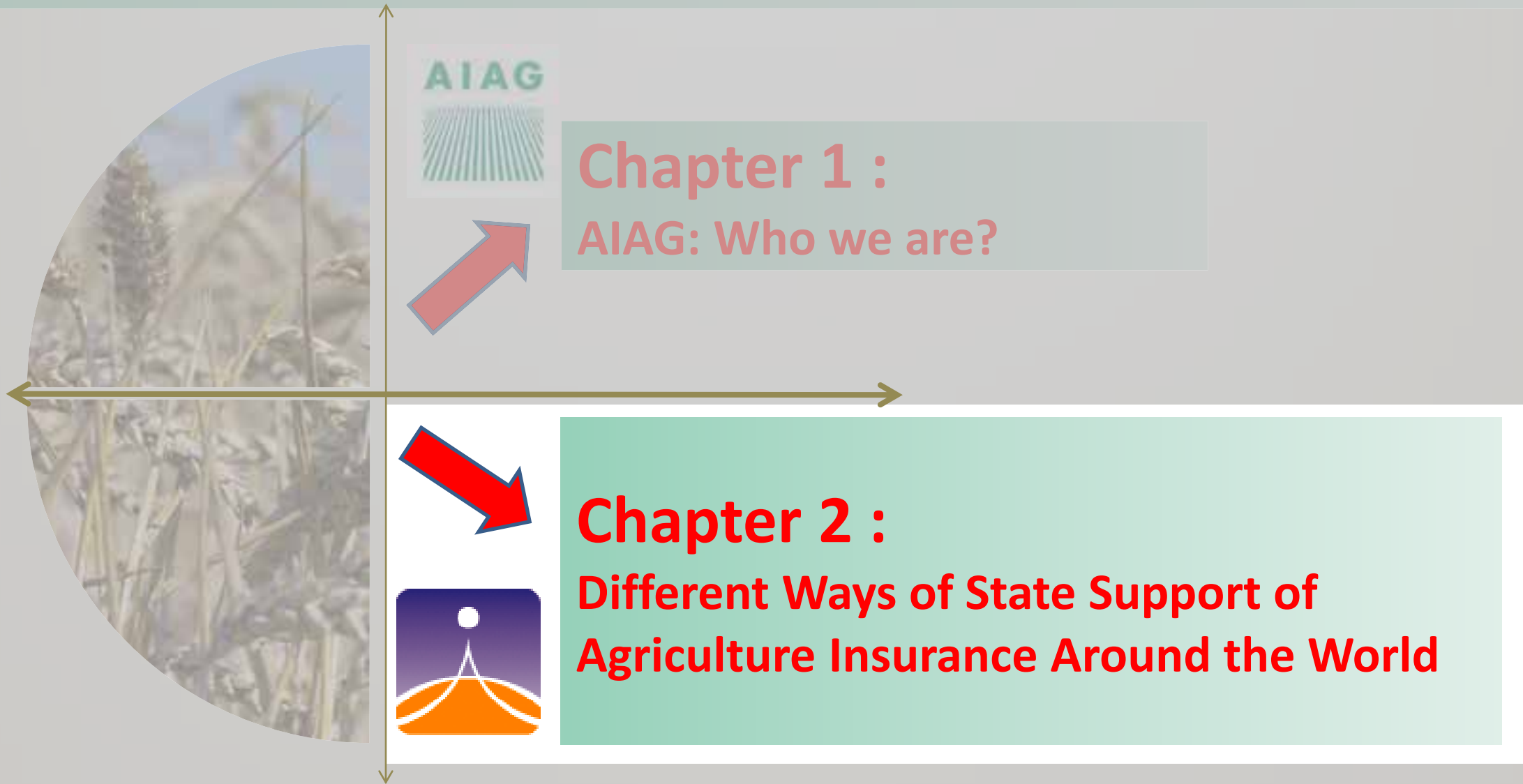
The Association's vision

A central graphic featuring a globe of the Earth with a blue and green color scheme. Two large, thick, blue arrows form a circular loop around the globe, pointing in opposite directions to suggest a continuous cycle or global connectivity.

**We connect Agricultural Insurers
worldwide**

Homepage: www.aiag-iahi.org







Agriculture subsidies worldwide



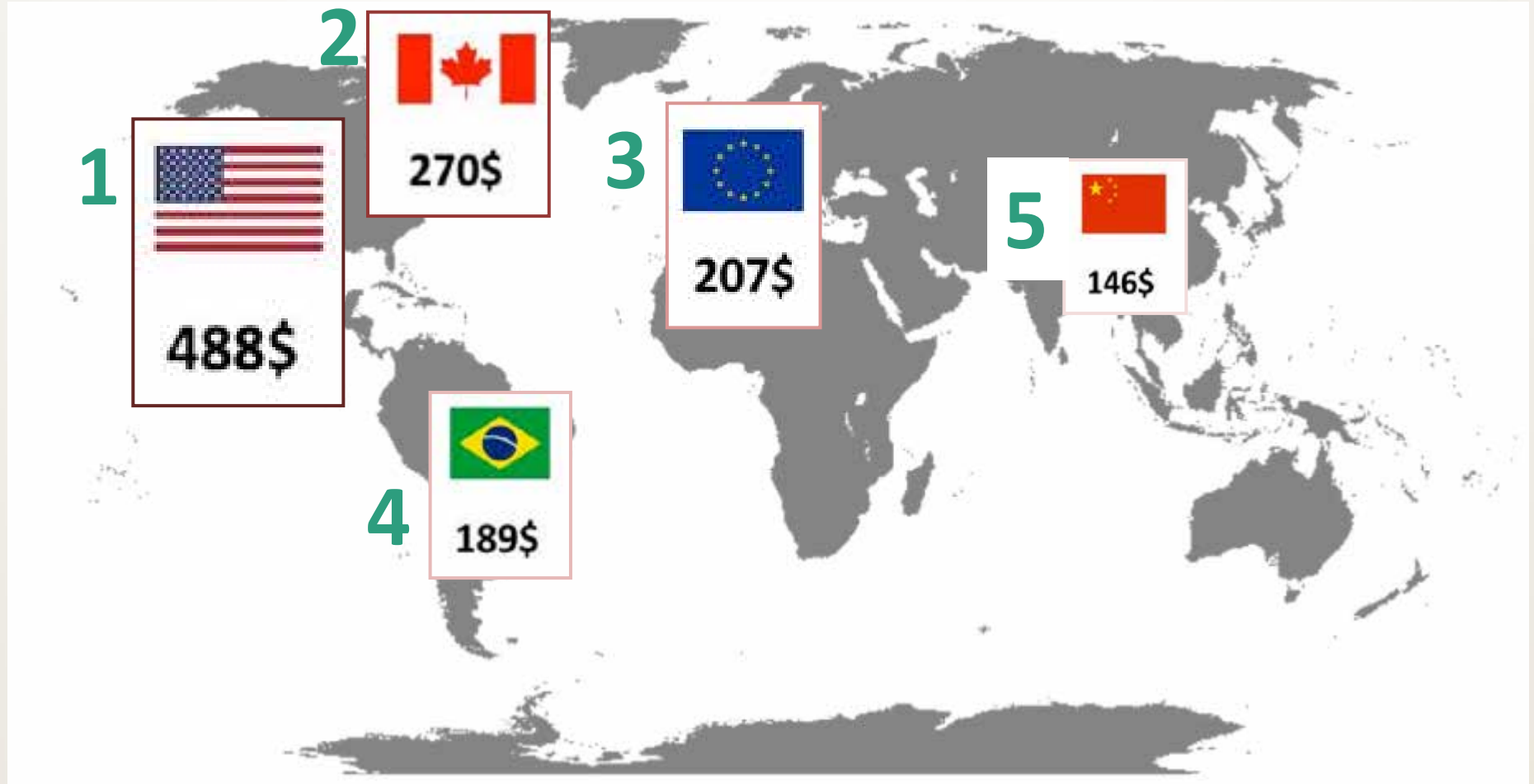
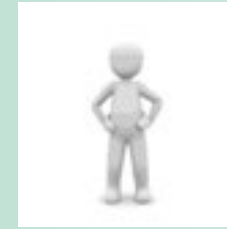
486 billion-US\$

source: [Worldwatch Institute - 2012](#)

For the 21 largest agricultural producers in the world: OECD countries and Brazil, China, Indonesia, Kazakhstan, Russia, South Africa, Ukraine, in 2012

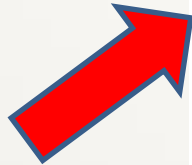


Agriculture subsidies (US\$ per capita - 2012)



Source : <http://www.momagri.org>

Aids
Are
Classified
By
WTO



GREEN BOX : permitted aids

among them. CROP INSURANCE



BLUE BOX : aids to be reduced
Limited (eg on number of animals
or acreage).

Few countries use blue box aids.

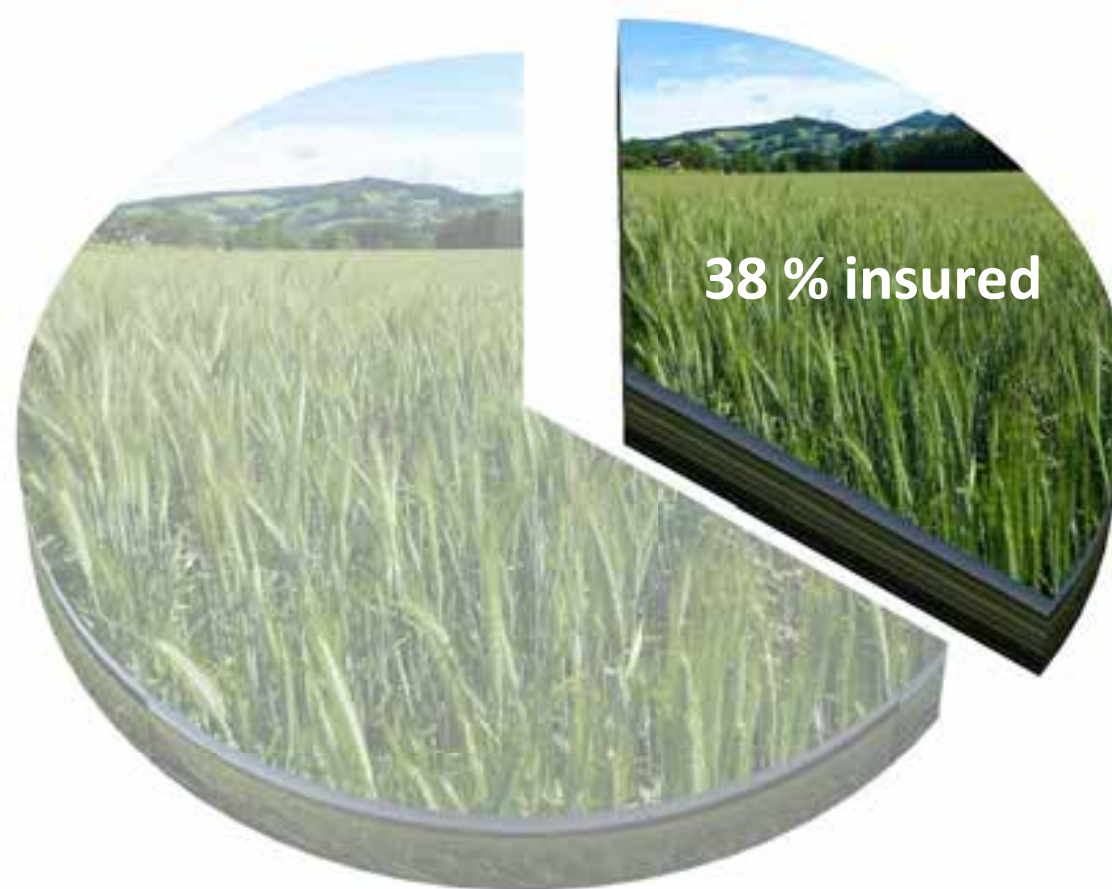


AMBER BOX : forbidden aids

Because they distort production and trade
If used, have to be reduced



Arable land 1.5 billion ha worldwide





Crop insurance support worldwide

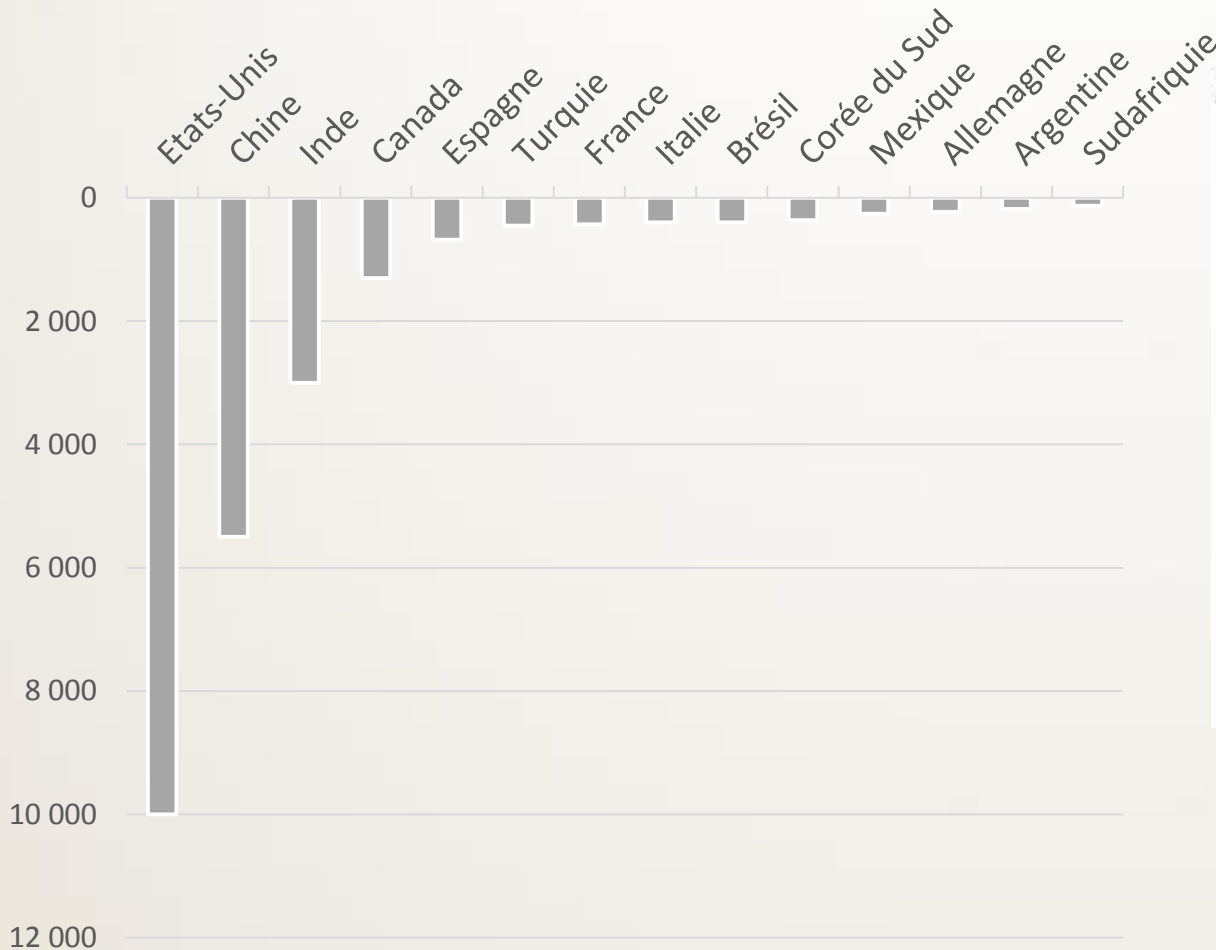


- premium subsidies
- premium subsidies and public reinsurance
- loss subsidy only
- no subsidy/no info

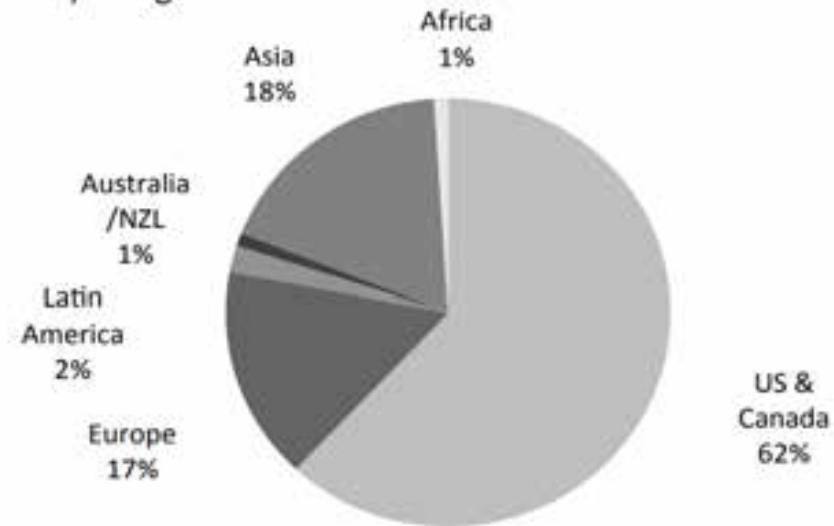
source: Swiss Re



Agricultural insurance premiums per region



Participations per region



Source: Swiss Re, 2009

Source : Agricultural Insurance in 2008
Ramiro Iturrioz-The world bank-November 2009

Source : APREF 2017; 2016 estimation in Million of € CommAgri



State aids depend on:

- **Different risks:**

- Weather risks

- Hail, frost, rain, temperature, drought, wind speed, flood...

- Price risks

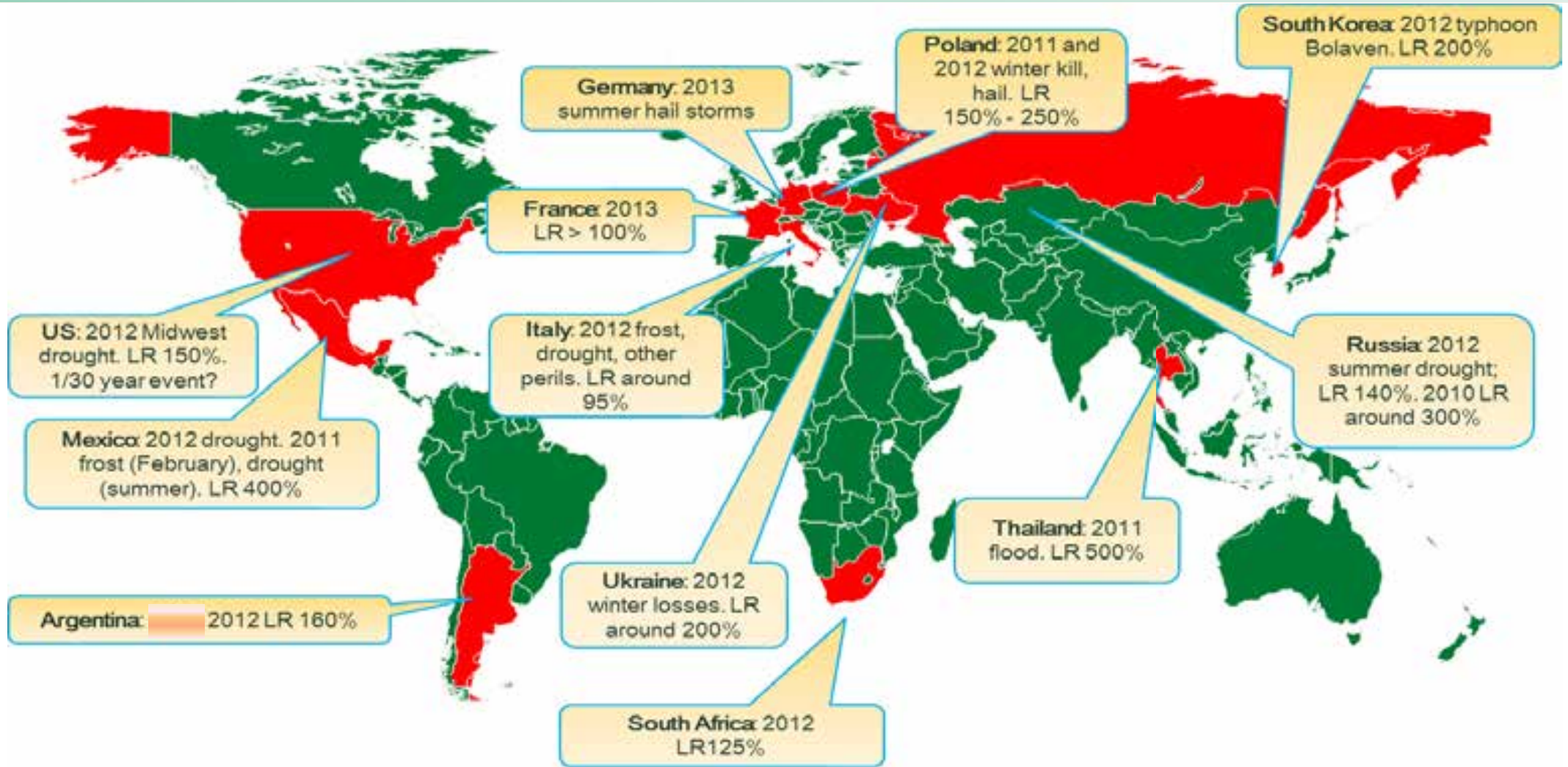
- Prices may vary and threat revenues

- Regulation risks or not insured risks (involving statistical differences)

- Ban on product, prevention, infectious risks (eg: H5N1), natural disasters as earthquakes or volcano eruptions...etc.



Examples of losses



LR : Loss Ratio



State aids also depend on:

- **Different indexes to measure risks:**

- Weather index

- Climatic parameters (Rainfall, Temperature, Wind speed etc.)

- Satellite imagery

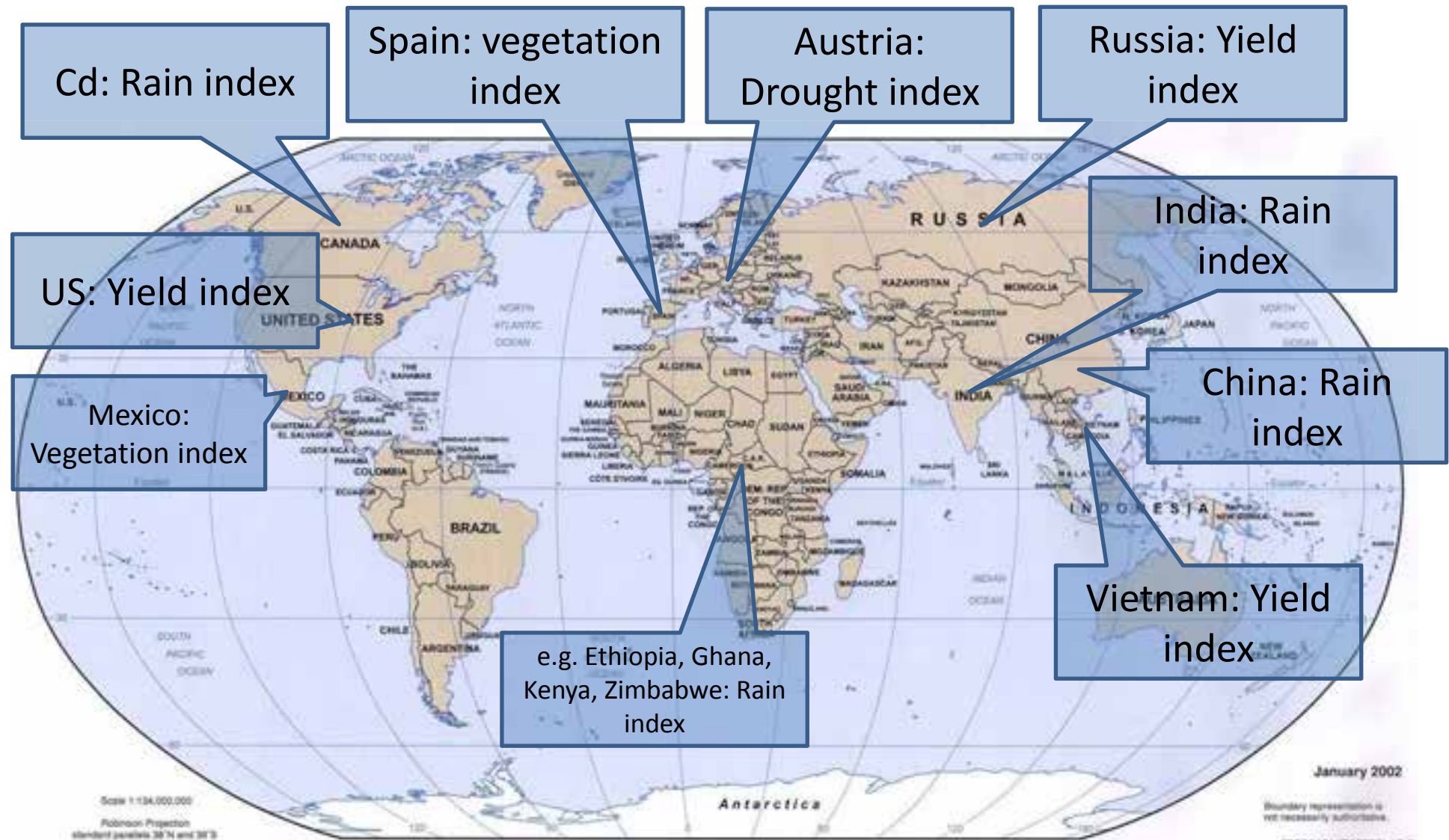
- NDVI („**N**ormalized **D**ifference **V**egetation **I**ndex“)

- Yield index

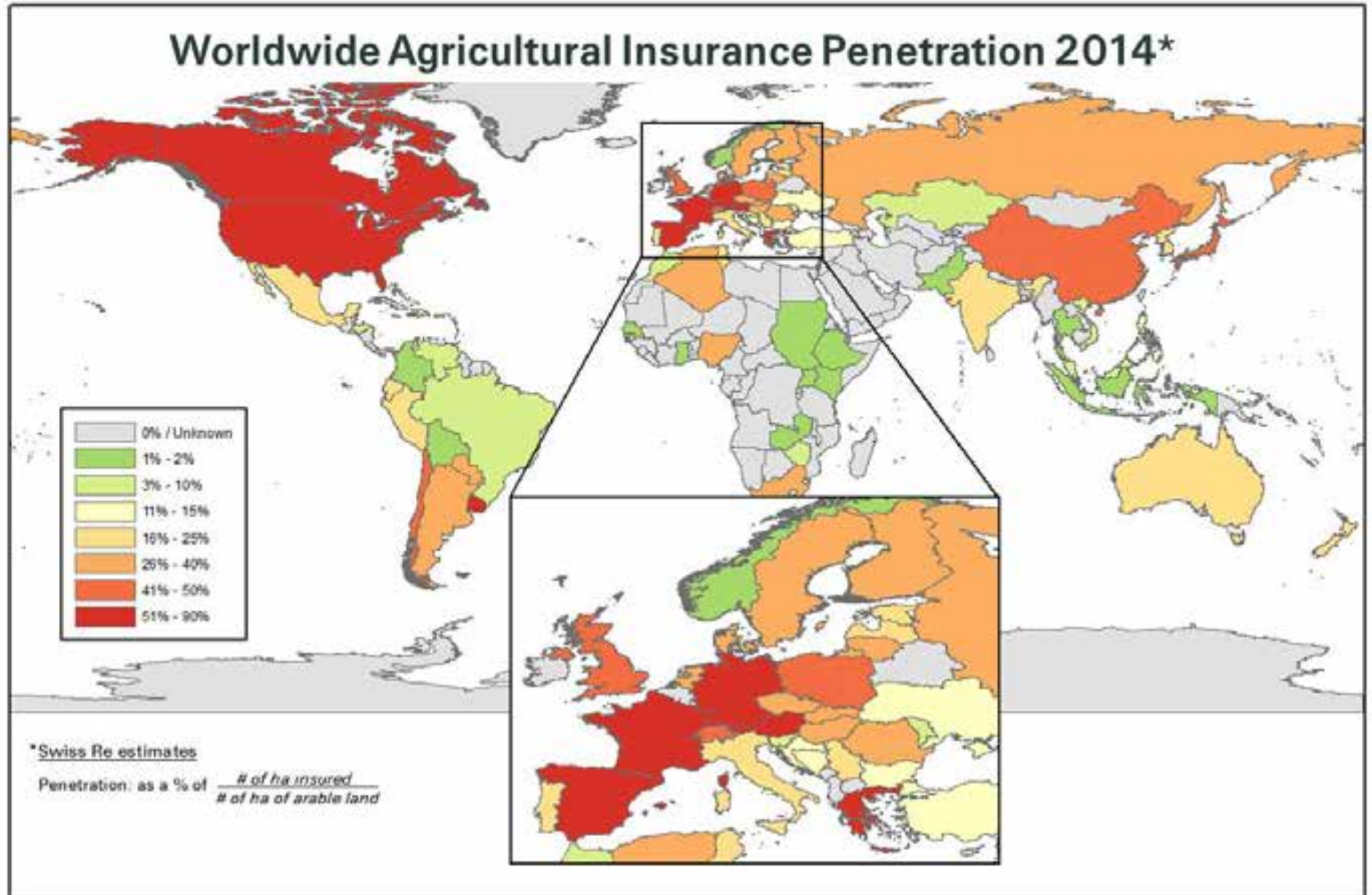
- Harvest production by area as published by official sources (eg:Euronext)



Examples of indexes in the world



Agricultural insurance penetration worldwide





Main ways of state support

State insurance funds:

- **Premium subsidies**

And/or

- **Public reinsurance**

Premium subsidies are given to insured or insurance companies for:

- Climat risks (expected harvest),
And/or
- Price risks (expected income),
And/or
- Livestock, forestry, aquaculture,
greenhouses...





Estimated coverage by country

Source : APREF 2017-www.apref.com

	Acreage insured	Garantees	% subvention	Insurance legislation	Pool	Public sector reinsurance	Reliability of statistics
United States	85%	Multi-perils	>70%	yes	no	yes	+++
China	35%	Multi-perils	80%	yes	yes	yes/no	--
India	30%	Multi-perils	80%	no	no	yes	-
Canada	85%	Multi-perils & Hail	55%	yes	no	yes	++
Spain	60%	Multi-perils	50%	yes	yes	yes	++
Turkey	23%	Multi-perils	50%	yes	yes	yes	++
France	55%*	Multi-perils & Hail	(Multi-perils) 65%	no	no	no	-
Italy	20%	Multi-perils	65%	no	limited	no	+
Germany	60%*	Hail	0%	no	no	no	-
Argentina	58%*	Multi-perils & Hail	0%	no	no	no	-
South Africa	40%*	Multi-perils & Hail	0%	no	no	no	-

(*) Markets with a higher coverage in hail alone than in multi-perils crop insurance



State support

Country	Premium Support		Insurance coverage			Country	Premium Support		Insurance coverage		
	Yes	No	Single Risk	Multi risk	Income		Yes	No	Single Risk	Multi risk	Income
Austria	x		x	x		Italy	x			x	x
Belgium	x ¹⁾		x	x		Latvia	x		x	x	
Bulgaria		x	x	x		Lithuania	x		x	x	
Croatia	x		x	x		Luxembourg	x		x	x	
Cyprus	x ²⁾		x ²⁾	x ²⁾		Malta	x		x	x	x
Czech Republic	x		x	x		Netherlands	x		x	x	
Denmark		x	x	x		Poland	x		x	x	
Estonia		x	x	x		Portugal	x		x	x	
Finland	x ³⁾			x ³⁾		Romania	x		x		
France	x		x	x	x	Slovakia	x		x	x	
Germany		x	x	x		Slovenia	x		x	x	
Greece	x		x	x		Spain	x			x	x
Hungary	x		x	x		Sweden		x	x	x	
Ireland		x	x			United Kingdom		x	x		

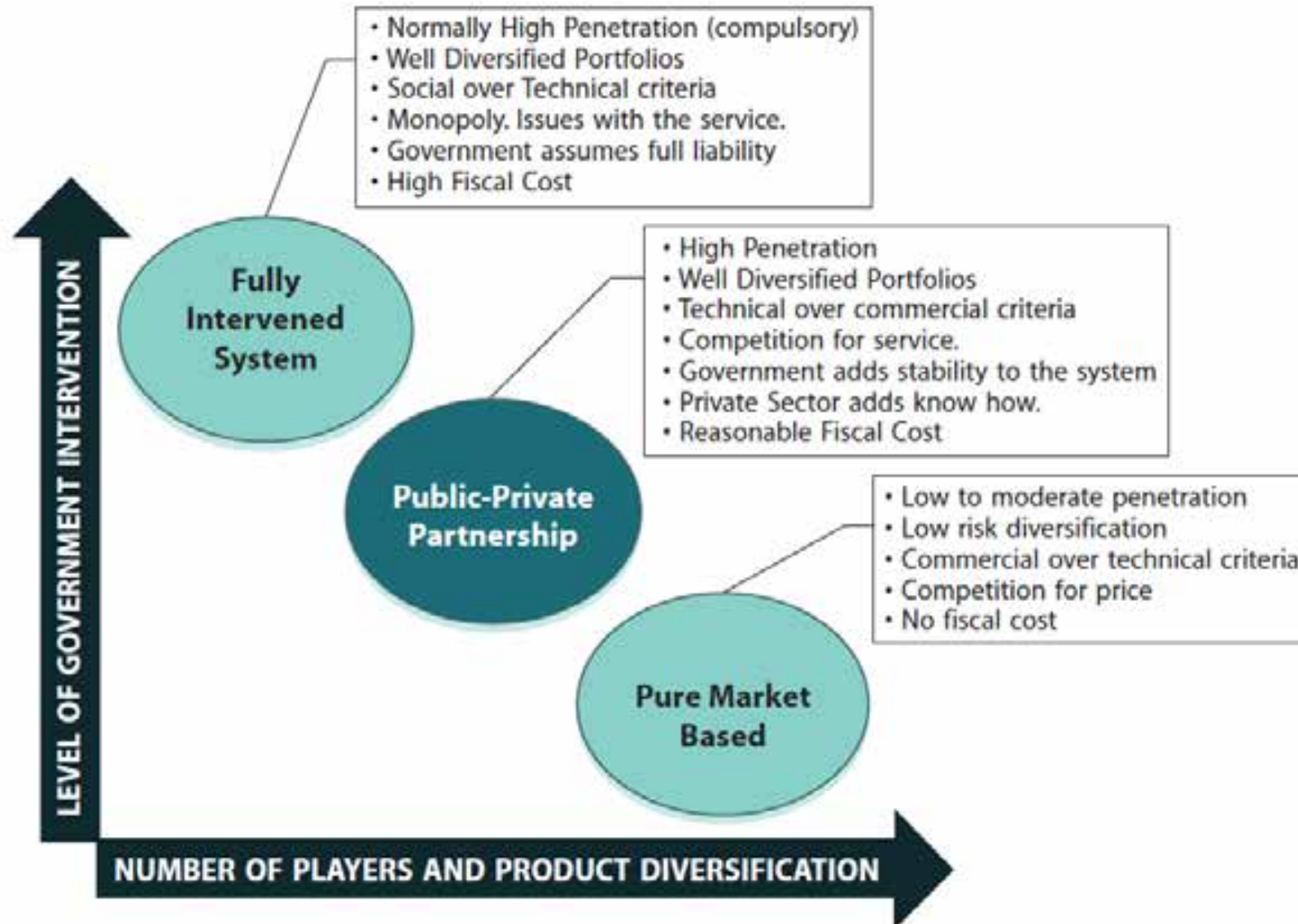
1) Approved from 2015 for Flanders, no co-financed insurance products available

2) State-run insurance

3) Planned for 2016, Regional yield index

Source: GDV, European Commission

Public and private sector agricultural models



Source : Agricultural Insurance in 2008-Ramiro Iturrioz-The world bank-November 2009

& Food and Agriculture Organization of the United Nations Regional Office for Asia and the Pacific Bangkok, 2011-p.26



Agriculture insurance in the future



Many Thanks for your attention!

AIAG

