



# SPANISH AGRICULTURAL INSURANCE SYSTEM



## WHAT DOES IT CONSIST OF?

**IT CONSISTS OF A SYSTEM FOR COVERING DAMAGE CAUSED TO AGRICULTURAL PRODUCTIONS (CROPS AND LIVESTOCK) AND FORESTRY.**

### **AS A RESULT OF:**

- ✓ **UNUSUAL CHANGES IN THE WEATHER CONDITIONS.**
- ✓ **DISEASES AND ACCIDENTS THAT INVOLVE:  
DEATH, OBLIGATORY SLAUGHTER, INCAPACITY AND  
EVEN LOSS OF A SPECIFIC FUNCTION OF THE ANIMAL.**
- ✓ **FOREST FIRES**



# SPANISH AGRICULTURAL INSURANCE SYSTEM

## KEY POINTS OF THE SPANISH SYSTEM



### **VOLUNTARY PARTICIPATION IN THE SYSTEM:**

**OF FARMERS: BY UNDERWRITING AN  
INSURANCE POLICY (non previous selection)**

**OF INSURANCE COMPANIES: BY JOINING  
AGROSEGURO.**



**USE OF THE INSURANCE TECHNIQUE.**



**JOINT INVOLVEMENT OF GOVERNMENT AND  
PRIVATE INSTITUTIONS.**

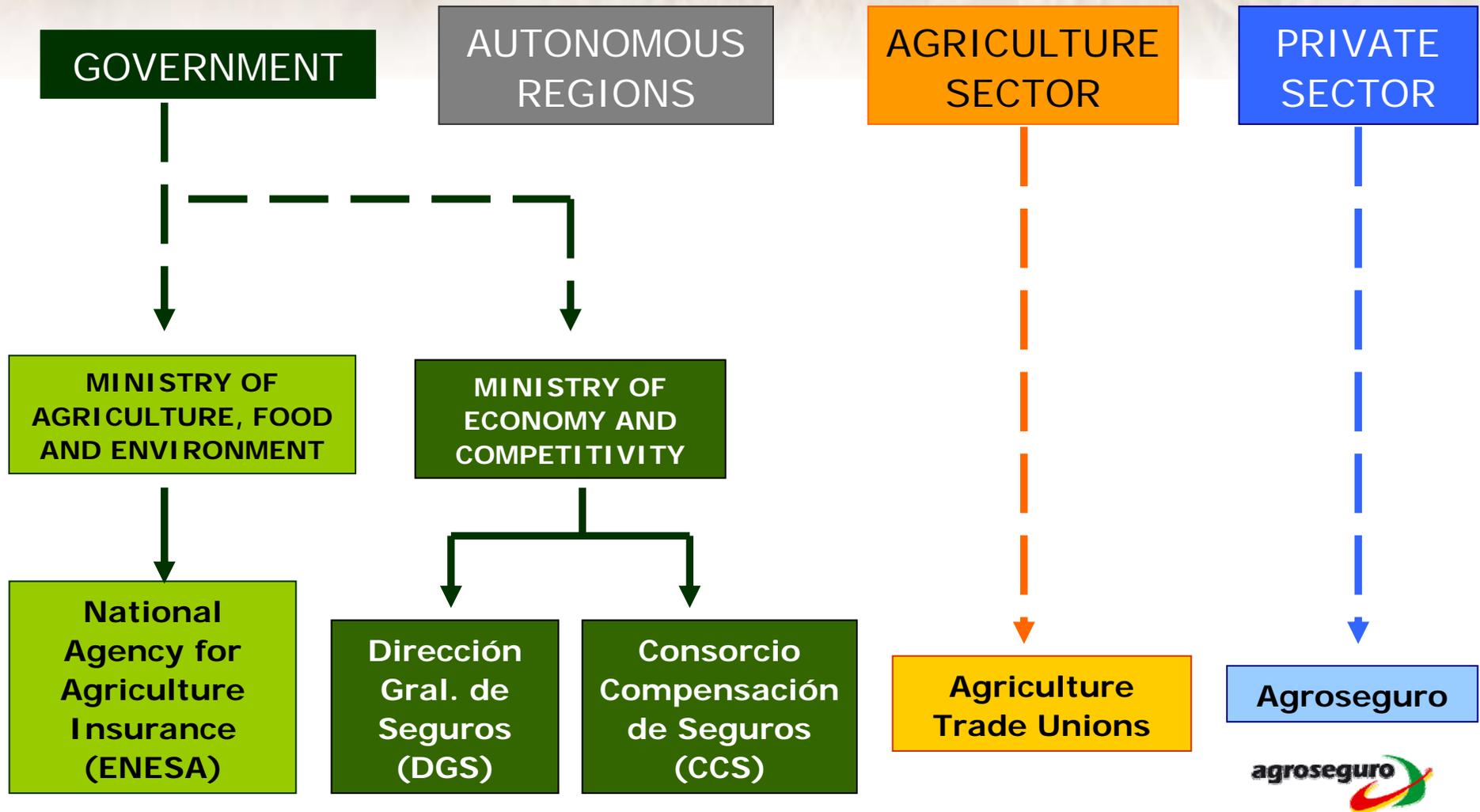


**SUBSIDIES FROM CENTRAL GOVERNMENT  
AND AUTONOMOUS REGIONS.**



# SPANISH AGROINSURANCE FRAMEWORK

## LAW ON AGRICULTURAL INSURANCE





## PRIVATE INSURANCE SECTOR

### THE COINSURANCE POOL

- @ CURRENTLY 29 COMPANIES ARE INVOLVED (CCS INCLUDED)**
- @ INTEGRATION IN THE POOL HAS VOLUNTARY KIND**
- @ INSURANCE SUSSCRIPTION THROUGH ITS COMMERCIAL NETWORK**
- @ THE INSURANCE COMPANIES ASSUME THE RISK IN THE SAME PROPORTION AS THEY PARTICIPATE IN THE SHARE CAPITAL OF AGROSEGURO.**



## AGROSEGURO

“ASSOCIATION OF ALL THOSE INSURANCE COMPANIES WILLING TO PARTICIPATE IN THE ANNUAL AGRICULTURAL INSURANCE PROGRAM”

LEGAL FORM →

JOINT STOCK COMPANY

SHAREHOLDERS →

INSURANCE ENTITIES  
JOINED IN THE  
COINSURANCE GROUP



SAME PROPORTION OF RISK  
COVERAGE AND SHARE CAPITAL

IT'S A MANAGEMENT ENTITY



## MAIN FUNCTIONS OF AGROSEGURO

- REPRESENTATION OF ALL CO-INSURANCE ENTITIES
- PRODUCTS DESIGNING
- ELABORATION OF POLICY WORDING AND TARIFFS
- ASSESSMENT AND PAYMENT OF INDEMNITIES
- ACCOUNTING OF THE POOL



# COVERED RISKS

**CROP RISKS**

**FORESTRY RISKS**



**LIVESTOCK RISKS**

**AQUACULTURE RISKS**



# SPANISH INSURANCE FACTS

## EVOLUTION OF MAIN FIGURES

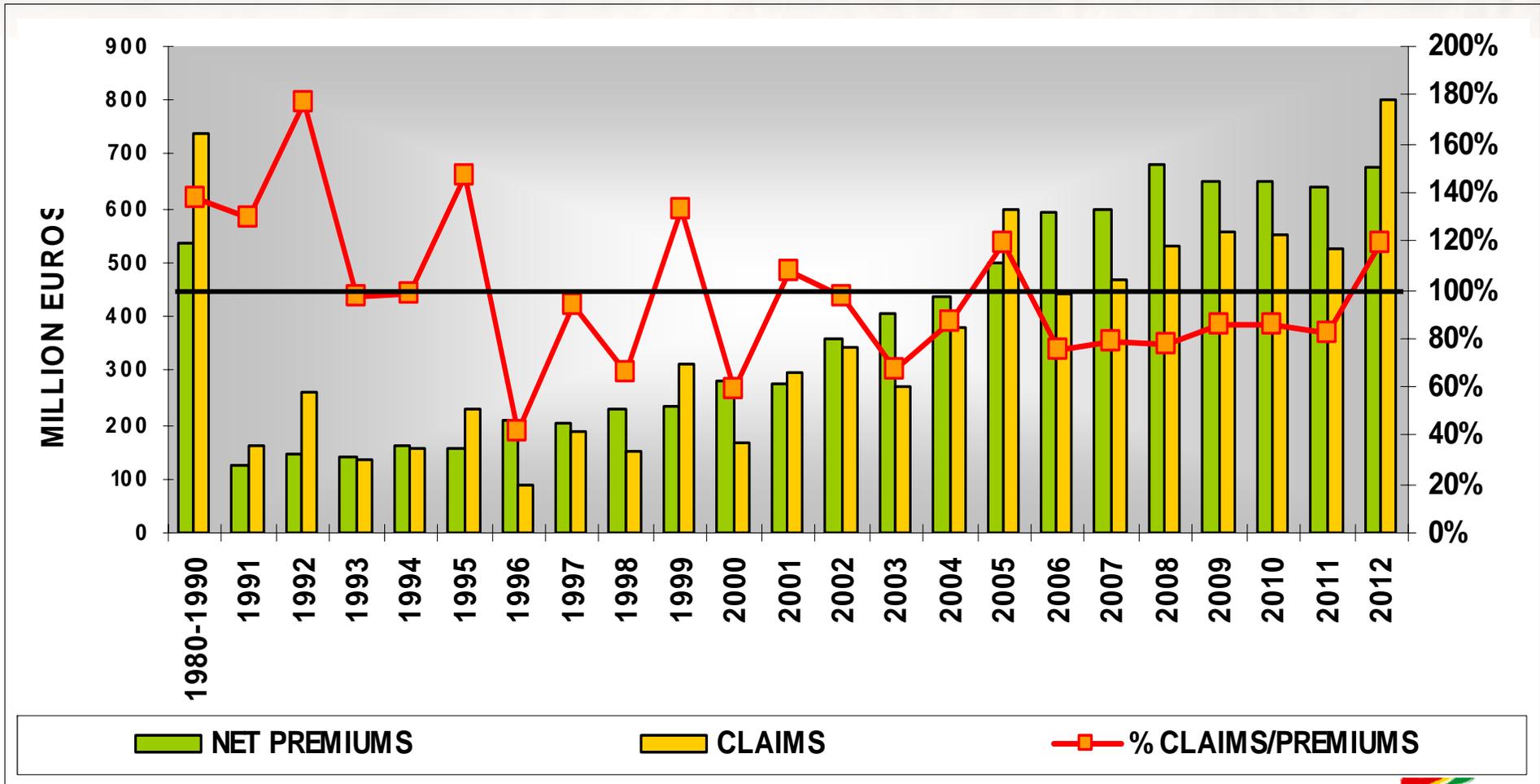
	1980	1990	2000	2010	2012
<b>INSURED CAPITAL</b>	22,17	2.492,60	5.783,43	11.071,20	11.210,00
<b>NET PREMIUMS</b>	1,15	103,01	280,94	650,52	675,29
<b>SUBSIDIES</b>	0,59	74,29	178,16	405,82	386,47
<b>NUMBER OF POLICIES</b>	2.204	279.404	367.147	485.008	484.482
<b>CLAIMS</b>	0,23	135,62	163,40	554,01	800,25

Million Euros, except number of policies



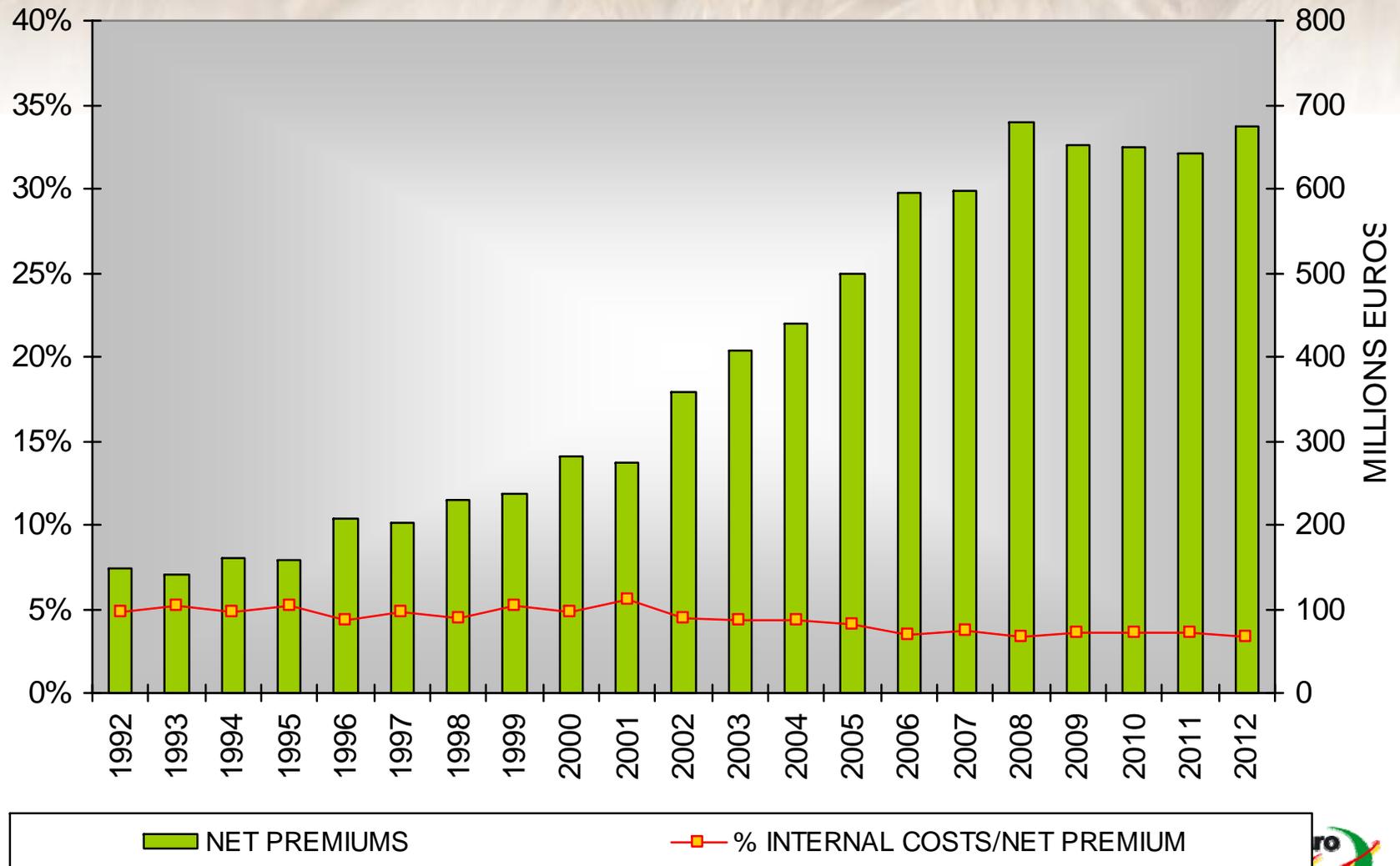
# SOLVENCY: EVOLUTION OF PREMIUMS AND CLAIMS

**Accumulated claims ratio: 94,01%**





# ECONOMY: NET PREMIUMS AND INTERNAL COSTS





## ADVANTAGES OF THE SYSTEM FOR THE PUBLIC ADMINISTRATION

- ④ **IT ALLOWS THE PUBLIC ADMINISTRATION TO ESTABLISH IN ADVANCE THE BUDGET ADDRESSED TO SUBSIDIZE PART OF THE PREMIUM TO BE PAID BY THE PRODUCERS.**
- ④ **THE GOVERNMENT REDUCES BOTH THE ECONOMIC AND THE POLITICAL COST SINCE THE CRITERIA FOR INDEMNITIES DISTRIBUTION ARE CONTRACTUALLY ASSUMED BY ALL THE PARTIES.**
- ④ **IT AVOIDS DUPLICITIES BY THE PUBLIC ADMINISTRATIONS IN THE HANDLING OF DAMAGES CAUSED BY CLIMATIC EVENTS.**
- ④ **IF THE ENDOWMENT OF AIDS IS NECESSARY, ONLY THE POLICY HOLDERS WILL RECEIVE THESE EXCEPTIONAL AIDS.**



## ADVANTAGES OF THE SYSTEM FOR THE INSURER

- ④ **ALLOWS INSURERS THE ACCESS TO A NEW INSURANCE MARKET.**
- ④ **INSURERS CAN COMMERCIALISE OTHER TYPES OF INSURANCES TO AGRICULTURAL PRODUCERS.**
- ④ **COINSURANCE POOL ALLOWS TO SHARE ADMINISTRATION COSTS (EFICIENCY) AND ASSUME CATASTROPHIC RISKS CHARACTERISED BY A HIGH LEVEL OF LOSSES WHEN THEY OCCURS AND THAT WOULD BE IMPOSSIBLE TO COVER INDIVIDUALLY.**



## ADVANTAGES OF THE SYSTEM FOR THE PRODUCERS

- @ THE FARMER RECEIVES AN INDEMNITY PROPORTIONAL TO THE DAMAGE SUFFERED.**
- @ INDEMNITY IS PAID OUT TO THE HOLDER WITHIN APPROXIMATELY 60 DAYS AFTER HARVESTING AND THE ADJUSTMENT HAVE BEEN MADE.**
- @ THE FARMER CAN INVEST MORE IN HIS LAND AS HE IS BETTER PROTECTED AGAINST UNPREDICTABLE WEATHER CONDITIONS.**
- @ HIS SOLVENCY RATING IMPROVES WITH REGARD TO ACCESS TO THE FINANCIAL SYSTEM**



*¡Thank you very much!*



**C/ Gobelás, 23 – 28023 Madrid**

**Tel.: 91 837 32 00 - Fax: 91 837 32 27**

**[www.agroseguro.es](http://www.agroseguro.es)**

