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

GOVERNMENT

AUTONOMOUS REGIONS

AGRICULTURE SECTOR

PRIVATE SECTOR

MINISTRY OF AGRICULTURE, FOOD AND ENVIRONMENT

MINISTRY OF ECONOMY AND COMPETITIVITY

National Agency for Agriculture Insurance (ENESA)

Dirección Gral. de Seguros (DGS)

Consorcio Compensación de Seguros (CCS)

Agriculture Trade Unions

Agroseguro
PRIVATE INSURANCE SECTOR

THE COINSURANCE POOL

CURRENTLY 29 COMPANIES ARE INVOLVED (CCS INCLUDED)

INTEGRATION IN THE POOL HAS VOLUNTARY KIND

INSURANCE SUSCRIPTION 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

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<tbody>
<tr>
<td><strong>INSURED CAPITAL</strong></td>
<td>22,17</td>
<td>2,492,60</td>
<td>5,783,43</td>
<td>11,071,20</td>
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<td><strong>NET PREMIUMS</strong></td>
<td>1,15</td>
<td>103,01</td>
<td>280,94</td>
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<td><strong>SUBSIDIES</strong></td>
<td>0,59</td>
<td>74,29</td>
<td>178,16</td>
<td>405,82</td>
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<tr>
<td><strong>NUMBER OF POLICIES</strong></td>
<td>2,204</td>
<td>279,404</td>
<td>367,147</td>
<td>485,008</td>
<td>484,482</td>
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<tr>
<td><strong>CLAIMS</strong></td>
<td>0,23</td>
<td>135,62</td>
<td>163,40</td>
<td>554,01</td>
<td>800,25</td>
</tr>
</tbody>
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Million Euros, except number of policies
SOLVENCY: EVOLUTION OF PREMIUMS AND CLAIMS

Accumulated claims ratio: 94.01%
ADVANTAGES OF THE SYSTEM FOR THE PUBLIC ADMINISTRATION

- It allows the public administration to establish in advance the budget addressed to subsidize part of the premium to be paid by the producers.

- The government reduces both the economic and the political cost since the criteria for indemnities distribution are contractually assumed by all the parties.

- It avoids duplicities by the public administrations in the handling of damages caused by climatic events.

- If the endowment of aids is necessary, only the policy holders will receive these exceptional aids.
ADVANTAGES OF THE SYSTEM FOR THE INSURER

- ALLOWS INSURERS THE ACCESS TO A NEW INSURANCE MARKET.
- INSURERS CAN COMMERCIALISE OTHER TYPES OF INSURANCES TO AGRICULTURAL PRODUCERS.
- 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!

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