

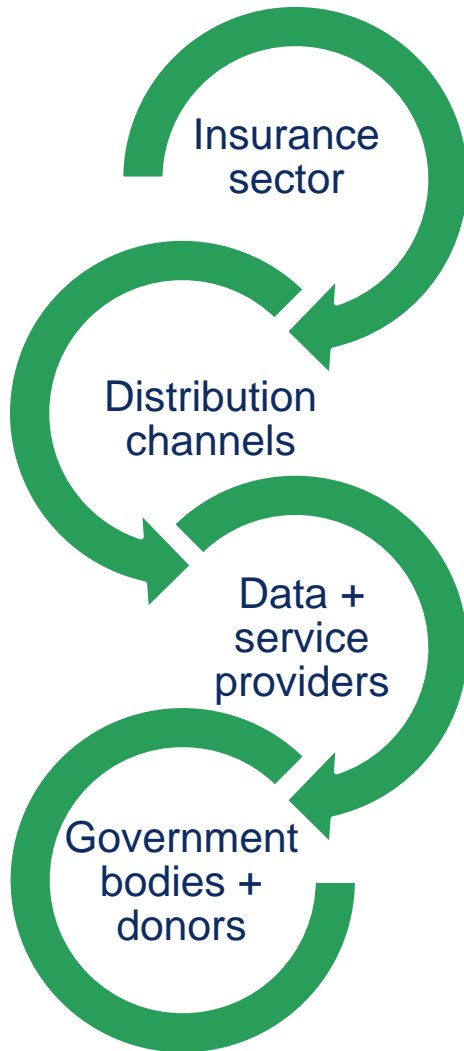
INSURED

Insurance for rural
resilience and economic
development

PPPs for agricultural insurance development
Lessons and recommendations for governments and development
actors

Overview

Why PPPs for agricultural insurance?



- **Sustainable insurance needs:**
 - **Mix of actors from different sectors**
 - **To meet the interests** of all stakeholders and clients
- **PPPs key to building sustainable insurance markets:**
 - Public goods needed to kick-start & scale new markets
 - Private sector competition for sustainability
- INSURED – financed by Sida – bringing together partners
- ASEAN national programme experience

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Common challenges

Hurdles for sustainable market development

Demand

Suitable products
Claims processing speed
Awareness & understanding

- Products for high-value cash crop value chains
- Diversified products for different groups/risk exposure
- Efficient loss and damage assessment procedures
- Individual farmer awareness

Supply

Private insurer involvement
Insurer/agent capacity
Delivery channels

- Private insurer access to subsidized schemes
- Insurer staff/agent understanding
- Use of alternative delivery channels

Enabling environment

Policy: motivation, understanding &
exit strategy
Government coordination
Regulation
Agricultural and weather data
M&E

- Market growth approach to national scheme/support
- Local government role and awareness
- Flexibility for new products and scheme models
- Well performing, validated products
- Tracking of renewal rates

Solutions and recommendations

Role of governments and donors

Demand

Suitable products
Claims processing speed
Awareness & understanding

- Assess, develop & test: technology for claims assessment; new products
- Farmer-level education and training of extension workers; registration documents for end-client
- Specific demand/risk/client value assessments

Supply

Private insurer involvement
Insurer/agent capacity
Delivery channels

- Insurance pool development/competition for subsidies
- Institutional capacity assessment/development of state and private insurers
- Protocols and guidance for training agents/staff of insurers and delivery channels

Enabling environment

Policy: motivation, understanding & exit strategy
Government coordination
Regulation
Agricultural and weather data
M&E

- National-level government capacity building
- Ag insurance market development strategy and T.A
- Local government capacity building
- Develop, validate, and provide ag and weather data
- Develop M&E systems with appropriate metrics
- Track local-level indicators

Conclusions

- ✓ Governments and donors should help overcome supply and demand-side inefficiencies, as well as create an enabling environment
- ✓ Public goods should have a benefit for state institutions as well as for the private sector
- ✓ Private insurers and other private actors should be crowded in when possible

Thank you

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