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Blossom



India: South West Monsoon Season Rainfall 2017 - IMD Forecast

India's nodal weather agency, Indian Meteorological Department (IMD) has upgraded its maiden forecast for Southwest Monsoon. Rainfall over the country as a whole for the 2017 southwest monsoon season (June to September) is most likely to be NORMAL (96% to 104% of long period average (LPA)).

Quantitatively, monsoon season rainfall for the country as a whole is likely to be 98% of the LPA with a model error of ±4%.

Region wise, the season rainfall is likely to be 96% of LPA over North-West India, 100% of LPA over Central India, 99% of LPA over South Peninsula and 96% of LPA over North-East India all with a model error of ±8 %.

The monthly rainfall over the country as whole is likely to be 96% of its LPA during July and 99% of LPA during August both with a model error of ±9 %.

Source - <http://www.imd.gov.in>



India: GIC Re achieves record growth of 82% in FYE17

GIC Re, India's National Reinsurer, is on a growth trajectory, having achieved an impressive growth of 82.2% during the fiscal year ended 31 March 2017 (FYE17).

GIC Re announced the financial results of the company at a press conference in Mumbai. During 2016-17, the Corporation wrote a gross global premium of INR33,585 crore (US \$5.2 billion) registering a growth of 82.2 % over the previous year. The gross premium income of the Corporation during 2015-16 was INR18,436 crore (US \$2794 Million).

The premium split between the domestic and the overseas business of the Corporation during FYE17 was 69% and 31% respectively. It is heartening that for the first time GIC Re has achieved a sub-100 combined ratio during the year. GIC Re registered a combined ratio of 99.7% in FYE17 as compared to 107.4% in the previous year.

GIC Re's profit before tax for FYE17 was INR3,624 crore (US \$550 Million) which was an increase of 22% over that of the previous year. Profit after tax was INR3,127 crore (US \$473.79 Million). The Corporation's creditable performance received a boost from Pradhan Mantri Fasal Beema Yojana (PMFBY), the Indian government's agriculture insurance scheme that was introduced in 2015.

PMFBY has been a game changer for crop insurance and the insurance industry in India. GIC Re leads the agriculture treaties of 15 of 18 Indian insurance companies that write agriculture business. The reinsurer wrote a premium of INR9,744 crore (US \$1476 million) from the agriculture segment in FYE17.

The state-owned Corporation has proposed a dividend amounting to INR1,002 crore (US \$151.82 million) for FYE17, an increase of 17% over the previous year. Total investments at 31 March 2017 stood at INR39,126 crore (US \$5928.18 Million) as compared to INR34,050 crore (US \$5159.09 Million) 12 months previously. The income from investments during FYE17 was INR4,520 crore (US \$684 Million) (INR4,180 crore (US \$633 Million) for FYE2016).

GIC Re has also moved up two steps in the global pecking order of reinsurers and is today ranked the 12th largest reinsurer globally. During the year GIC Re, also set up an office at the International Financial Services Centre in Gujarat International Finance Tec-City (GIFT City).

Source - <http://www3.asiainsurancereview.com>

China to pilot agricultural disaster insurance in 200 counties

The Chinese government has announced that 200 of the major grain producing counties in the country will participate in a pilot of a new agricultural disaster insurance program, as it looks to leverage risk transfer to help its farmers increase their incomes.

The Chinese government is constantly taking steps to enhance the protection of its citizens and an announcement from its State Council shows that agriculture is a particular focus. The government aims to start a new agricultural disaster insurance pilot, with 200 of the highest grain producing counties set to be included at the start.

Chinese agricultural sector and the number of livelihoods that depend on the sector, combined with the country's high exposure to natural disaster events, suggests more can be done to ensure greater access to affordable and effective disaster insurance or risk transfer coverage.

China faces numerous catastrophe and severe weather risks, with its agricultural sector particularly threatened by disasters that can wipe out profitability for farmers on successive years. The counties selected for the pilot disaster

insurance program will be largely grain producers, taken from the 13 leading grain-producing provinces in China.

The Ministry of Finance of China has stressed that it wants local or regional governments involved in the pilot disaster insurance scheme to explore innovative insurance models to achieve disaster insurance risk transfer, and then to share their experiences at the end of the pilot.

The goal is not just to protect farmers, but also to relieve the burden faced by local, regional and national government in China, as the majority of the costs of natural disasters and severe weather still fall to the authorities to pay for.

The steady progress towards increasing insurance cover will naturally result in more reinsurance capacity being required in China, offering opportunities for ILS funds, the catastrophe bond market and other capital markets risk transfer solutions to play a role.

Source - <http://www.artemis.bm>

Indonesia: IFC & MAIPARK to develop index-based cover for farmers

IFC, a member of the World Bank Group, and PT Reasuransi MAIPARK have agreed to jointly develop index-based insurance products to hedge risks against adverse weather events for agribusinesses, bank agriculture-loan portfolios, and farmer groups.

IFC will support MAIPARK—a special-risk reinsurance company—to work with local insurance companies to develop, sell, and possibly bundle these new products with agri-loans or inputs to mitigate these weather-related risks.

MAIPARK is a special-risk reinsurance company owned by all licensed general insurance and reinsurance companies in Indonesia. MAIPARK has been operating since 1 January 2004, providing reinsurance cover for earthquake, volcanic eruption, and tsunami risks.

IFC is the largest global development institution focused on the private sector in emerging markets. The new insurance products intend to protect farmers, agribusinesses, and

banks—and also attract further investment by reducing the risks associated with natural hazards and adverse weather events.

Indonesia is highly vulnerable to a variety of climate hazards, including droughts, floods, landslides, and rising sea levels. The impacts and effects of adverse weather events—such as droughts, floods, and hurricanes—were felt during the most recent El Nino, when some of the worst hit agribusinesses reported up to 30% drops in projected yields.

This project reinforces our commitment to create new markets and fully support sustainable growth by providing protection to all key players in the agriculture value chain. The joint project with MAIPARK is part of IFC's Canada-funded Indonesia Agribusiness Programme, which aims to promote inclusive and sustainable rural growth.

Source - <http://www3.asianinsurancereview.com>



India: Govt to use CSCs, post offices to sell crop insurance policy

The government has decided to use 1.75 lakh Common Service Centres (CSC) and post offices in a big way to encourage more non-loanee farmers to take up crop insurance schemes such as PMFBY in 2017-18 crop year beginning July.

At present, it is mandatory for loanee farmers to take the crop insurance policy. The government wants both loanee and non-loanee to take advantage of Pradhan Mantri Fasal Bima Yojana (PMFBY) as well as weather-based crop insurance scheme.

CSCs, set up under the Ministry of Electronics and Information Technology, till now were being utilised for booking railway tickets, providing Aadhaar numbers and passport applications.

Non-loanee farmers who have taken the crop insurance policy at present are only 22 per cent. Government want to achieve 40 -50 per cent and therefore they have decided to use multiple platforms to reach out to them.

Source - <http://www.dnaindia.com>



Taiwan: Fish farmers get parametric aquaculture insurance

Global reinsurer, Swiss Re, together with Taiwan Fire & Marine Insurance, has jointly developed the first parametric aquaculture insurance solution in Taiwan.

The parametric insurance will cover grouper onshore fisheries in Ping Tung County in southern Taiwan against extreme rainfall of over 480 mm for two consecutive days.

The innovative insurance solution uses meteorological data to allow faster payout, reducing the time that is needed to settle claims and reducing the ambiguity of quantifying loss incurred for the fish farmers.

It will protect grouper fish producers from flash flood, which may cause overflowing of onshore fisheries and escape of the fishes, resulting in a loss of fish stock.

The aquaculture insurance solution will protect 120,000 hectares of grouper fish ponds that produce 25 million kg of groupers annually, making the fisheries sector in Taiwan more resilient. Grouper is one of the expensive fish breeds in Ping Tung County and a high economic asset in the aquaculture industry in Taiwan.

This is the second insurance solution launched in Taiwan by Swiss Re for the agricultural sector, in response to the Taiwan government's initiative in developing insurance solutions for farmers and fisheries. The first such offering is indemnity insurance for pears, launched in 2015.

Source - <http://www3.asiainsurancereview.com>

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