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India: India's water-logged farmers try out revamped flood insurance

Heavy rains affected villages in northern Bihar in August and September 2017. It was difficult to differentiate one plot of land from another.

Climate change brings intensifying rainfall in South Asia, the floods are worsening. In August and September, the heaviest rains in several years in Bihar killed 514 people and affected 17 million more, according to Bihar's state disaster management authority.

Insurance policies for farmers could play a role in stemming the losses. But getting insurance right in India – from how fast help is delivered to how closely payouts match actual losses – has proved tricky. However, a new flood insurance effort being tried in six villages in Bihar aims to bring greater accuracy and speed to assessing and compensating crop damage from flooding.

The pilot project, backed by the Sri Lanka-based International Water Management Institute (IWMI), will insure 200 farmers for up to 5 million rupees (USD 78,000) in losses in total, with payouts made within a couple of months of a disaster.

In South Asia, floods have cost countries approximately USD 95 billion over the last 30 years. The economic damage has been particularly devastating for farmers in the region.

Small-scale farmers represent close to 60 percent of the estimated 90 million rural households in India. A third of the country's farmers own less than half a hectare of land, or about one acre, according to government surveys.

In normal years, these farmers can earn enough to feed their families and replant for the following season. But their thin margin makes them especially vulnerable to any kind of accident or disaster.

Buying flood insurance is one way to cut the risks. But problems ranging from inaccurate damage assessments to delays in payments have plagued India's existing agricultural insurance efforts.

Source: <http://www.developmentnews.in>



INDIA: Rejigged scheme sees almost 1 crore more farmers sign up for farm insurance

Nearly a 10 Million farmers have been added under the rejigged farm insurance scheme Pradhan Mantri Fasal Bima Yojana with numbers rising from 48.5 Million in 2015-16 to 57.4 Million in 2016-17, according to official statistics provided to the public accounts committee of Parliament.

The number of non-loanee farmers has risen from 6 Million to 13.5 Million in the same period. The Government of India is particularly targeting non-loanees to ensure a greater degree of inclusion of small and marginal farmers. The data tracking has improved with real time information for farmers, including share-croppers and tenants, being recorded by the integrated crop insurance portal. The government said funds have been released against demands raised by insurance companies from 2014-15 onwards.

The Agriculture ministry has taken necessary steps for compulsory use of smart phones and an agri app that transmits images along with location and time stamp.

With the operationalisation of the portal, tracking of claim settlements and direct crediting of amounts to the accounts of farmers has become feasible. The seeding of Aadhaar with accounts is further helping reduce the chances of irregularities in claim disbursements. There are improvements in sown area verification through new technologies such as drone, remote sensing and satellite imagery. Areas where discrepancies were noticed are being scanned closely.

In earlier crop insurance schemes, rates of premium were only applicable for normal coverage, equivalent to loan amounts for loanee farmers. Though there was provision for higher coverage up to 150 per cent of the average of yield of notified crops it was on payment of commercial/ actuarial premium rates which were mostly higher than the administered rates, therefore farmers may not have opted for higher sum insured.

Source: <https://timesofindia.indiatimes.com>



India: GIC Re is not worried of foreign reinsurers setting up shop in India.

General Insurance Corporation of India (GIC Re), the country's largest reinsurance firm is not worried with several foreign competitors setting up branches in India since there is enough room to grow in a market which is still largely underpenetrated. GIC hopes to maintain a dominant share even in the future, while it also takes steps to expand its operations in more overseas markets.

From the foreign reinsurers, GIC Re does not see any threat or competition. They were already working in the Indian market from outside of India. Now, they have only opened branches. There is room for everyone to grow in the market.

Earlier this year, Swiss Re, Munich Re, SCOR Re, Hannover Re and RGA Life Reinsurance received certificates of registration from Insurance Regulatory and Development Authority of India (IRDAI), allowing them to open branches and operate from India. Until then, GIC Re was the only reinsurer in India, although some of the foreign companies were doing business in India, through their overseas offices.

Lloyd's the specialist insurance and reinsurance market also commenced its operations in India, in April 2017.

GIC Re wrote gross premiums worth INR 33,741 crore (USD 5112 Million) in the year-ended March 2017. Crop insurance, fire insurance and motor insurance accounted for a major share for GIC Re in India. Of the total gross premiums 70 per cent was contributed from India, while the rest was from overseas business.

GIC Re is the 12th largest Reinsurer in the world, has offices in five countries and has chalked out ambitious expansion plans. In the domestic market, it will look to grow business in the life reinsurance segment; non-life reinsurance still accounts for 95 per cent of total reinsurance premiums in India. It also plans to expand operations to more overseas markets.

As a reinsurer, GIC Re needs to diversify across geographies. The current share of foreign business is only 30 per cent. GIC Re will grow more in foreign & have plans to set up a syndicate at Lloyds of London; it's in the process, likely to happen next fiscal year.

GIC Re also wants to accept more US insurance related risks and expand its relationships with insurers in the US, which is the largest market globally. It also aims to establish representative office in China and also setting up a representative office in Brazil to expand Latin American business. It also aims to open a representative office in Bangladesh, while also forming a strategic relationship to do business in Myanmar.

Source: <http://www.theweek.in>



Myanmar: Sampo Japan & state-owned insurer work on crop insurance

Sampo Japan Insurance and government-run Myanmar Insurance are working to adopt a crop insurance system based on climatic conditions.

The relevant committees and task forces would be implementing the provisions of the law for protection of farmers' rights and promotion of farmers' interests. Sampo Japan Insurance, Myanmar Agricultural Development Bank and Myanmar Insurance are drawing up a plan to adopt and implement a crop insurance system based on weather. Due to natural disasters that happened in the fiscal year ended 31 March 2017, more than 438,000 acres of crop plantations in 10 states and regions were destroyed.

Source: <https://www.slipcase.com>



Sri Lanka: Reinsurer to draw up plan for crop insurance

Sri Lanka's state-run reinsurer, the National Insurance Trust Fund (NITF), will prepare a plan to insure key agricultural crops for up to LKR40, 000 (USD 261) an acre against natural disasters.

Paddy, maize, soya, large onions, potato and chillies will be covered under the scheme. The move follows approval from the Sri Lanka Government. This development takes place against the backdrop of an ongoing drought that has affected 1.9 million people.

The NITF already provides cover for natural disasters, with most of the risks re-insured abroad.

Source: <http://www.businessinsurance.com>

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