

Allianza:Publico-Privado para el Seguro Agricola

Index Insurance Innovation Initiative

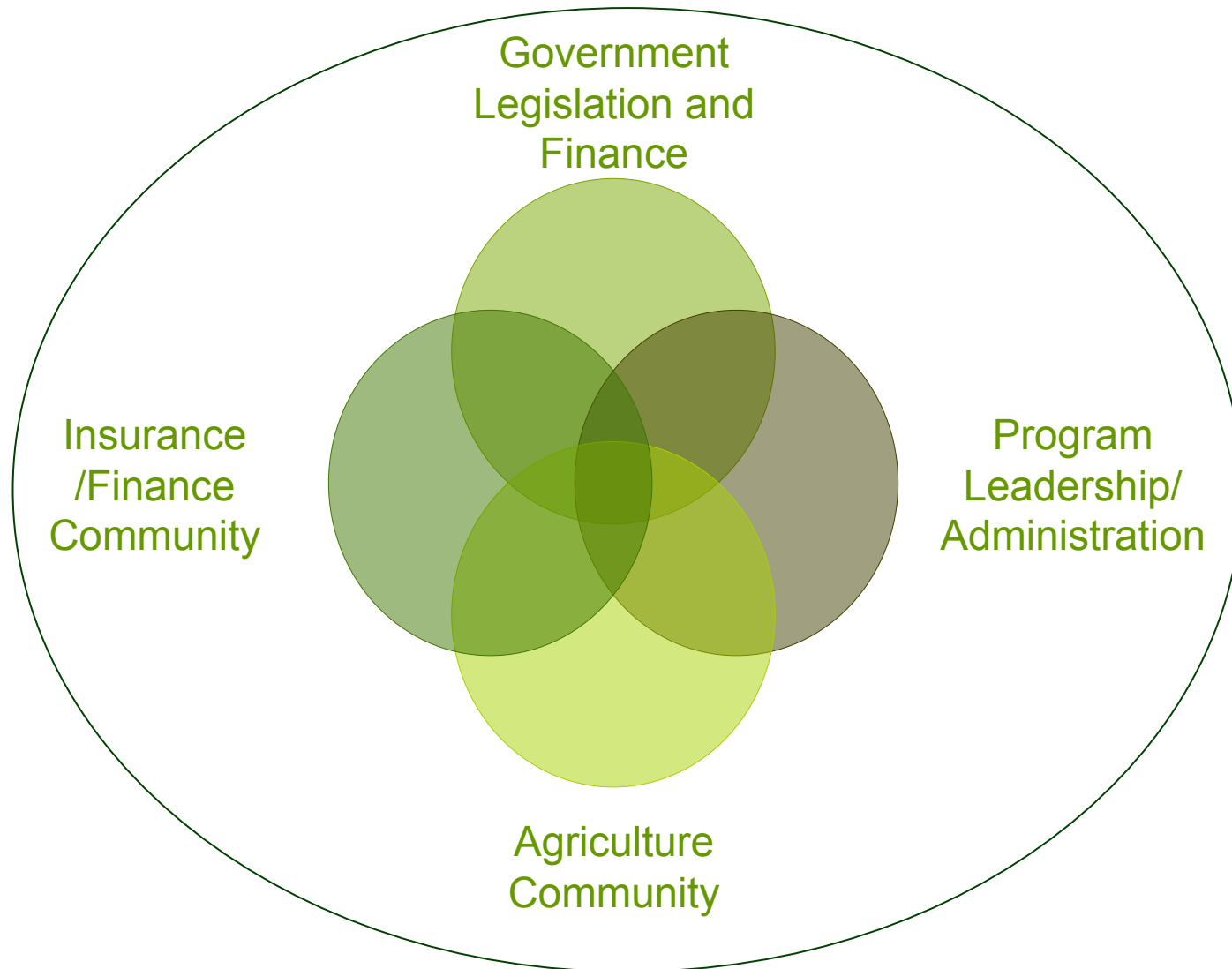
Lima, Peru
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Inter-American Institute for Cooperation on Agriculture





Preferred Insurance Model: A True Public-Private Sector Partnership

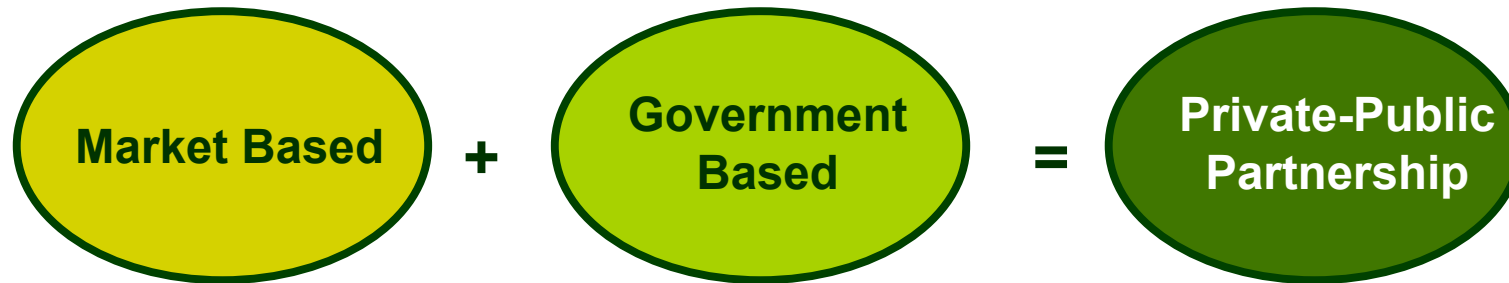




Allianzas Publicos-Privados

- Ambiente de socios
- El gobierno empieza el proceso
- Identidades claras
- Maximizar las fuerzas (no competir)
- Roles definados
- Autoridades definidas
- Riesgos compartidos
- Confiar y verificar

Three Policy Models



- Limited Penetration
- Technical Driven
- Low Diversification
- Competition on Price
- Full Risk Liability
- Low Fiscal Cost

- Penetration is Variable
- Social Criteria Driven
- Low Diversification
- Monopolistic: Service & Price Issues
- Full Risk Liability
- Higher Fiscal Costs

- High Penetration
- Technical Criteria Driven
- Diversified Products
- Compete on Service
- Shared Risk Liability
- Reasonable Fiscal Cost
- Government Adds Stability
- Private Sector Adds Know How

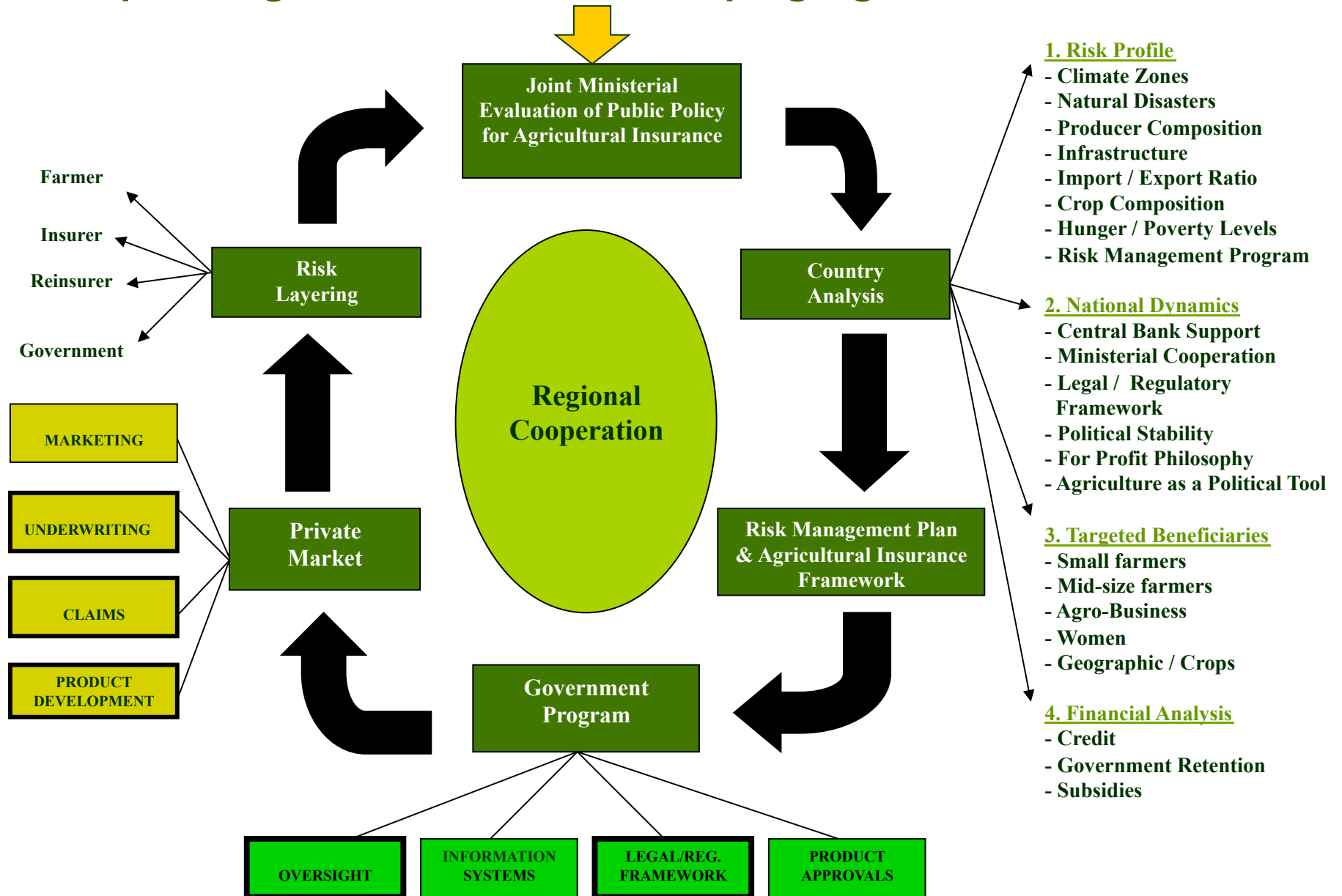
Adapted from R. Iturrioz, World Bank

Private Sector: Who, Why?

| | <i>Deploy Expertise</i> | | | | | <i>Build Capacity</i> | | | <i>Create Demand</i> | |
|---------------------------------------|-------------------------|-------------------|----------------------|------------------|----------------------------|--------------------------|-------------------------|-----------------------|----------------------|---------------------------|
| | <i>Analyze Risk</i> | <i>Price Risk</i> | <i>Manage Claims</i> | <i>Marketing</i> | <i>Product Development</i> | <i>Educate Producers</i> | <i>Train Government</i> | <i>Train Insurers</i> | <i>Product Input</i> | <i>Market Development</i> |
| Producers | X | | | | | | | | X | X |
| Cooperatives/ Associations | X | | | X | | X | | | X | X |
| Agents | X | | X | X | | X | X | X | X | X |
| Insurers | X | X | X | X | X | X | X | X | | |
| Reinsurers | X | X | | | X | | X | X | | |

- High Penetration
- =
- Technical Rationale

Sequencing Framework for Developing Agricultural Insurance





Think Linkage

- Correct risk management programs will include sound insurance mechanisms
- Sound insurance mechanisms enable producers to rebuild and/or avoid returning to poverty
- Sound insurance mechanisms accelerates credit availability
- Affordable credit is critical to expanding agriculture
- Correct crop selection and supporting decisions position agriculture to be sustainable
- Sustainable agriculture stimulates the economy, creates jobs, increases civil stability, improves food security, eliminates hunger and reduces poverty
- Private-public partnerships are fundamental to sound and enduring risk management programs



Cuatro Pasos Fundamentales

- El gobierno reconoce la importancia de agricultura y los pequeños productores a su economía y estabilidad civil.
- El gobierno crea un ambiente para atraer la comunidad de seguros-gobierno estable, datos, leyes, etc. para el largo plazo
- Eleva el tema de seguros y la gestión de los riesgos a las cabezas del gobierno como una prioridad para vencer inseguridad alimentaria, pobreza y el hambre. Forma parte de un programa de la gestión de riesgos nacional.
- Dedicar por lo menos 5% del presupuesto gubernamental directamente a la inversión en agricultura incluyendo aumentando la capacidad de los pequeños productores.