

TURKISH EXPERIENCE IN AGRICULTURAL INSURANCE

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OVERVIEW OF TURKISH AGRICULTURE



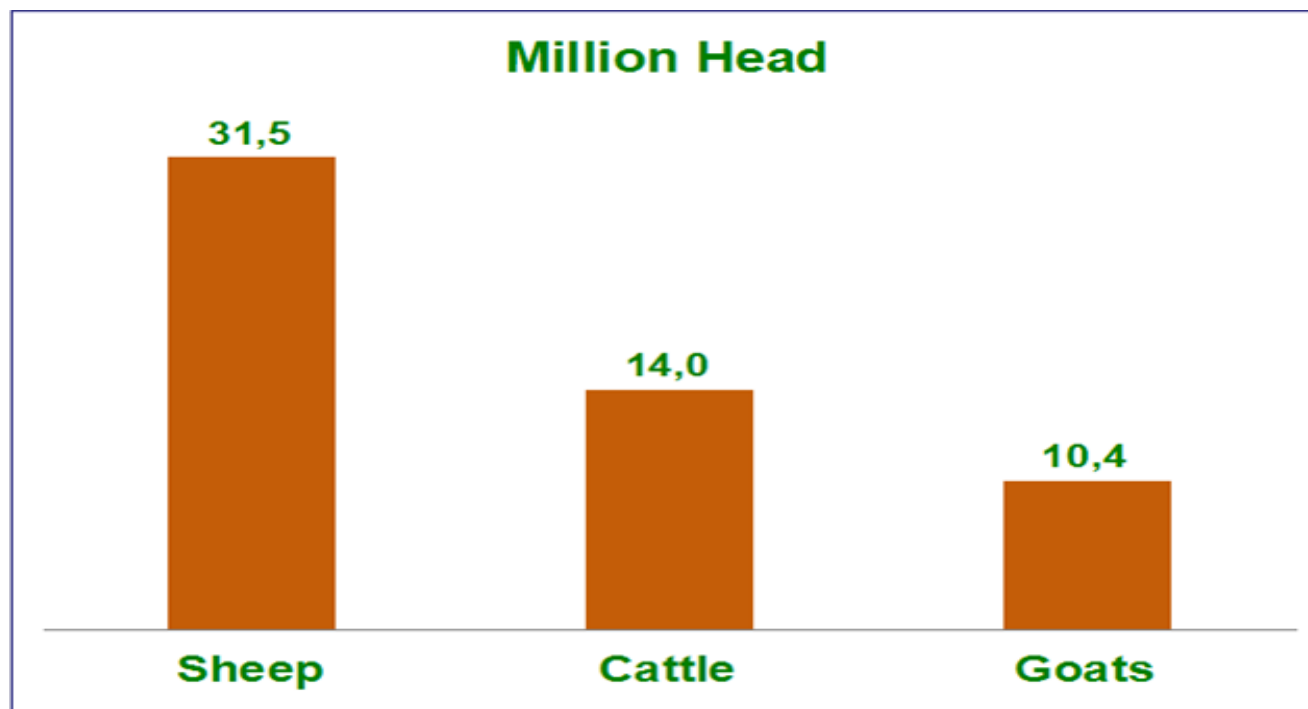
TURKISH AGRICULTURE

- ❑ Rural Population :23 %
- ❑ Number of Farmers :2,2 Million
- ❑ GDP of Agriculture :8 % (62,5 Billion \$)
- ❑ Agricultural Export :16 Billion \$
- ❑ Total Agricultural Area :24 Million ha
- ❑ Avg. Size of Farm :6 ha

In terms of agricultural economy, TURKEY ranks 1st in Europe, and 7th in the World.



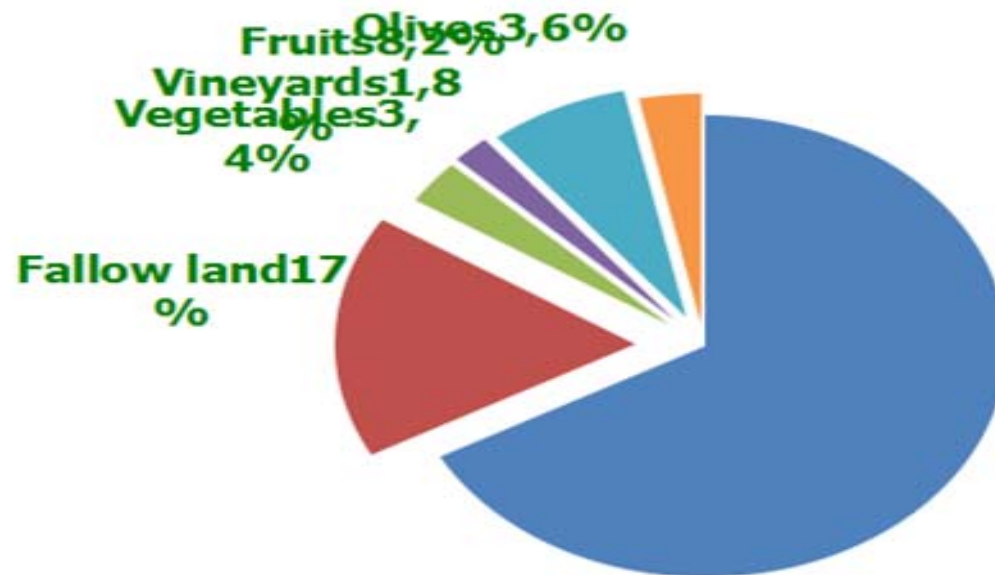
NUMBER OF LIVESTOCK



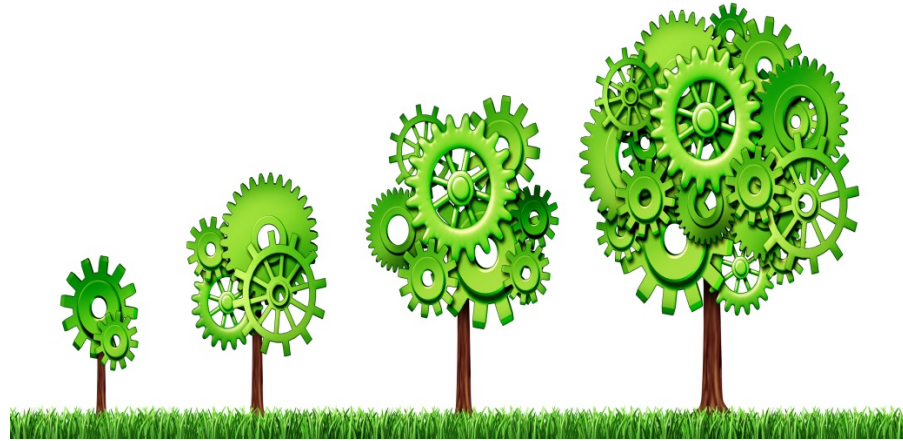
TUIK 2015

THE DISTRIBUTION OF AGRICULTURAL LAND

Total Agricultural Area: 24 Million ha.



TURKISH AGRICULTURAL INSURANCE SYSTEM



TURKISH AGRICULTURAL INSURANCE SYSTEM

1957 : Private Agricultural Insurance

1957 : Crop-Hail Insurance

1960 : Cattle Insurance

1984 : Poultry Insurance

1990 : Aquaculture Insurance



2006 : State Supported Agricultural Insurance (PPP)

WHY STATE SUPPORTED AGRICULTURAL INSURANCE ?

- ☐ To provide continuity of the farmers' activities after natural disasters
- ☐ To prevent migration from villages to cities
- ☐ To ensure budgetary discipline in the government's disaster relief
- ☐ To share the catastrophic loss between farmer, insurance industry and the government
- ☐ To switch from crisis management to risk management



WHY A POOL SYSTEM?

- ☐ Efficient use of the resources for risk management by a unique organization
- ☐ Transparent and uniform terms and conditions
- ☐ The necessity of the government premium subsidy due to the high premium levels of the covered risks
- ☐ Private sector may not produce solution alone to farmers needs
- ☐ Sustainability

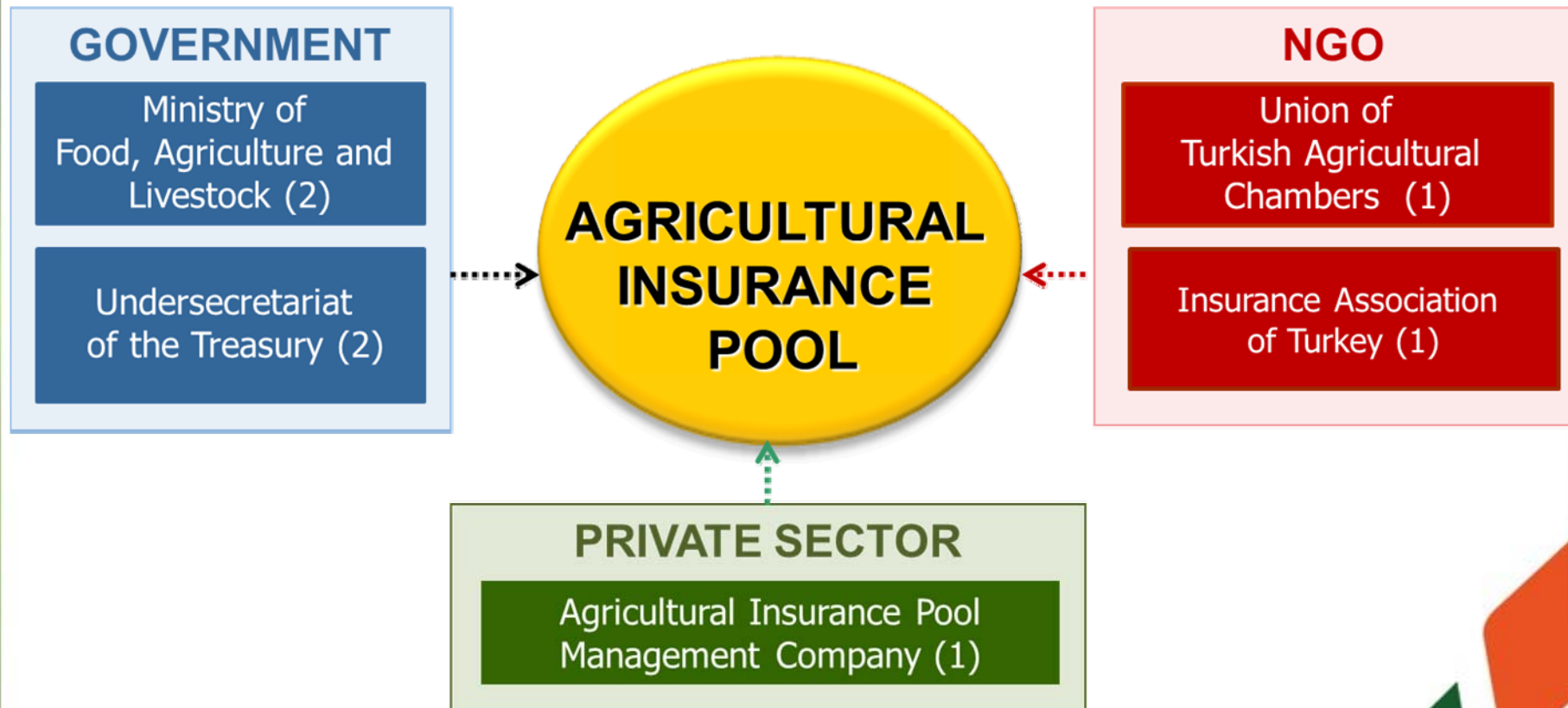


KEY FEATURES OF THE SYSTEM

- ☐ Premium + Loss support of government
- ☐ Voluntary basis
- ☐ Registration systems
- ☐ Centralized management
- ☐ Auditing



CORPORATE STRUCTURE



AGRICULTURAL INSURANCE POOL



STATE SUPPORTED AGRICULTURAL INSURANCE LINES



CROP INSURANCE

Fruits
Vegetables
Field Crops
Seedling - Sapling
Stem of Cereals
Hail Net and Cover System



GREENHOUSE INSURANCE

Crop
Cover
Construction
Technical Equipment
High Tunnel



CATTLE INSURANCE

Dairy Cattle
Fattening Cattle
Breeding Buffalos



SHEEP & GOAT INSURANCE

Sheep
Goat
Breeding Ram
Male Goat

STATE SUPPORTED AGRICULTURAL INSURANCE LINES



POULTRY INSURANCE

Broiler
Laying Hen
Breeding Chicken
Turkey
Ostrich



AQUACULTURE INSURANCE

Sea and Land Based Farms:
Aquaculture Products
Cage and Nets



BEE HIVES INSURANCE

Plated – Active Hive
And
Bee Colony

SCOPE OF COVER

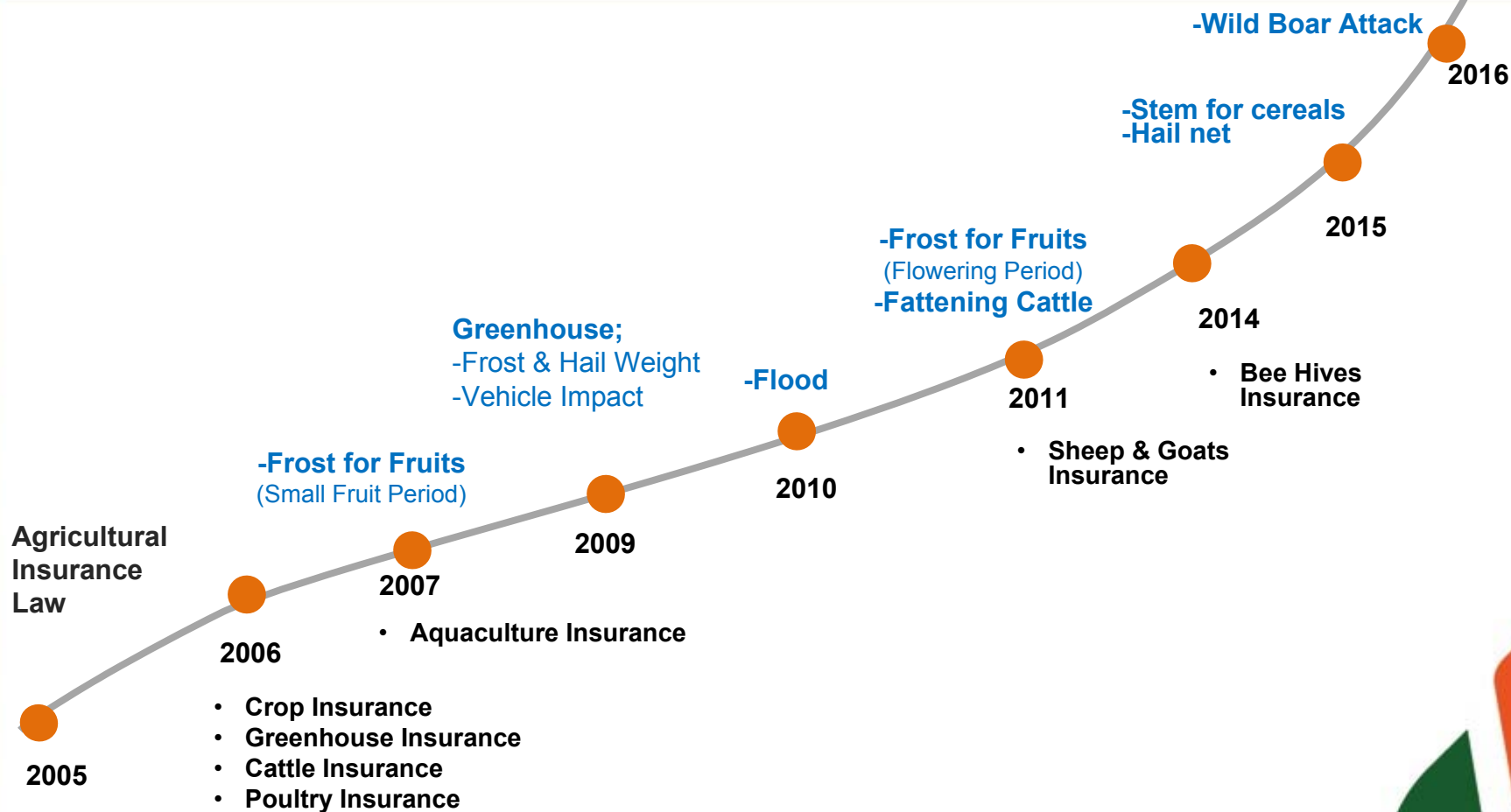
Crop Insurance	Hail, Storm, Fire, Whirlwind, Flood, Earthquake	»»»	FRUITS VEGETABLES FIELD CROPS CUT FLOWER	
	Frost	»»»	FRUITS	
	Wild Boar Attack	»»»	VEGETABLES FIELD CROPS	
Greenhouse Insurance	Hail, Storm, Whirlwind, Fire, Flood, Earthquake, Snow and Hail Weight, Vehicle Impact			

SCOPE OF COVER

Cattle Insurance	Deaths Arising From Disease and Natural Disaster, Abortion
Sheep & Goats, Aquaculture, Poultry, Insurances	Deaths Arising From Disease and Natural Disaster
Bee Hives Insurance	Loss of Bee Colony and Hive Arising From Natural Disasters and During Transportation



DEVELOPMENT OF THE INSURANCE LINES



REGIONAL OFFICES – LOSS ADJUSTERS



REGIONAL OFFICES

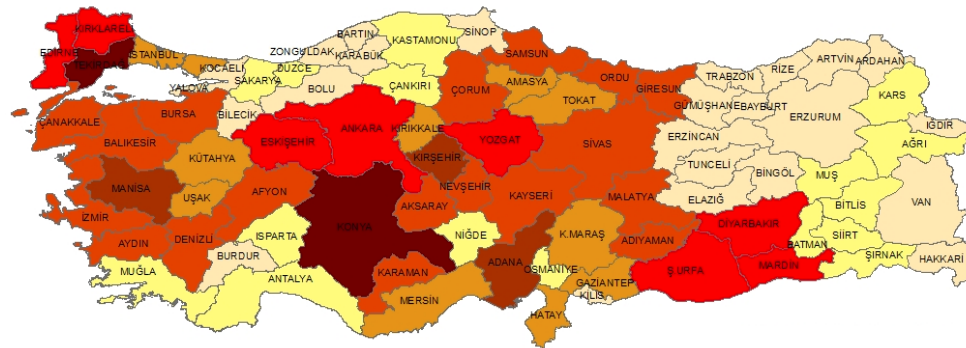
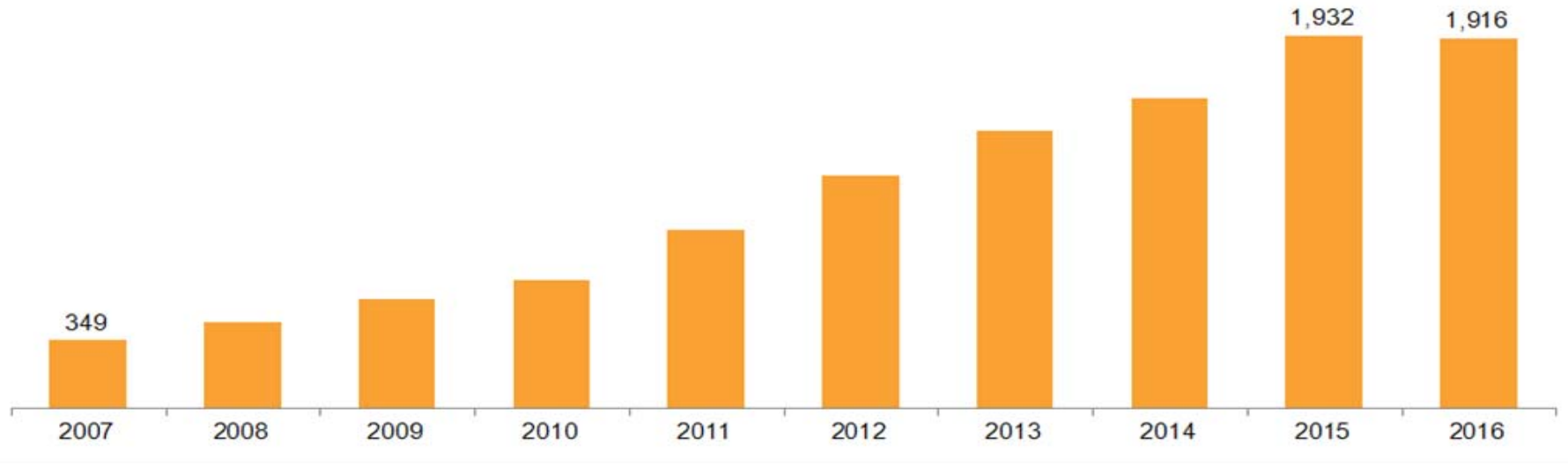
- ADANA REGION
- ANKARA REGION
- ANTALYA REGION
- BURSA REGION
- GİRESUN REGION
- MALATYA REGION
- MANISA REGION
- TEKIRDAG REGION

Insurance Lines	Number of Loss Adjusters
Crop Insurances :	1.172
Livestock Insurances:	990
Aquaculture Insurance:	63
Total :	2.225

RESULTS



INSURED AREA (Thousand Ha)



TARSİM
TARIM SİGORTALARI HAYUZU

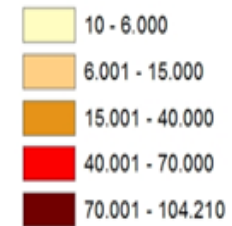
* As at 31.05.2016



NUMBER OF POLICY



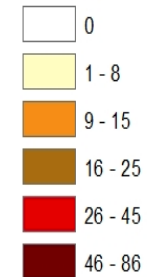
2015 Number of Policy



PREMIUM (Million USD)



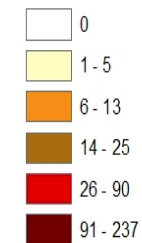
2015 Premium (Million USD)



PAID LOSS (Million USD)



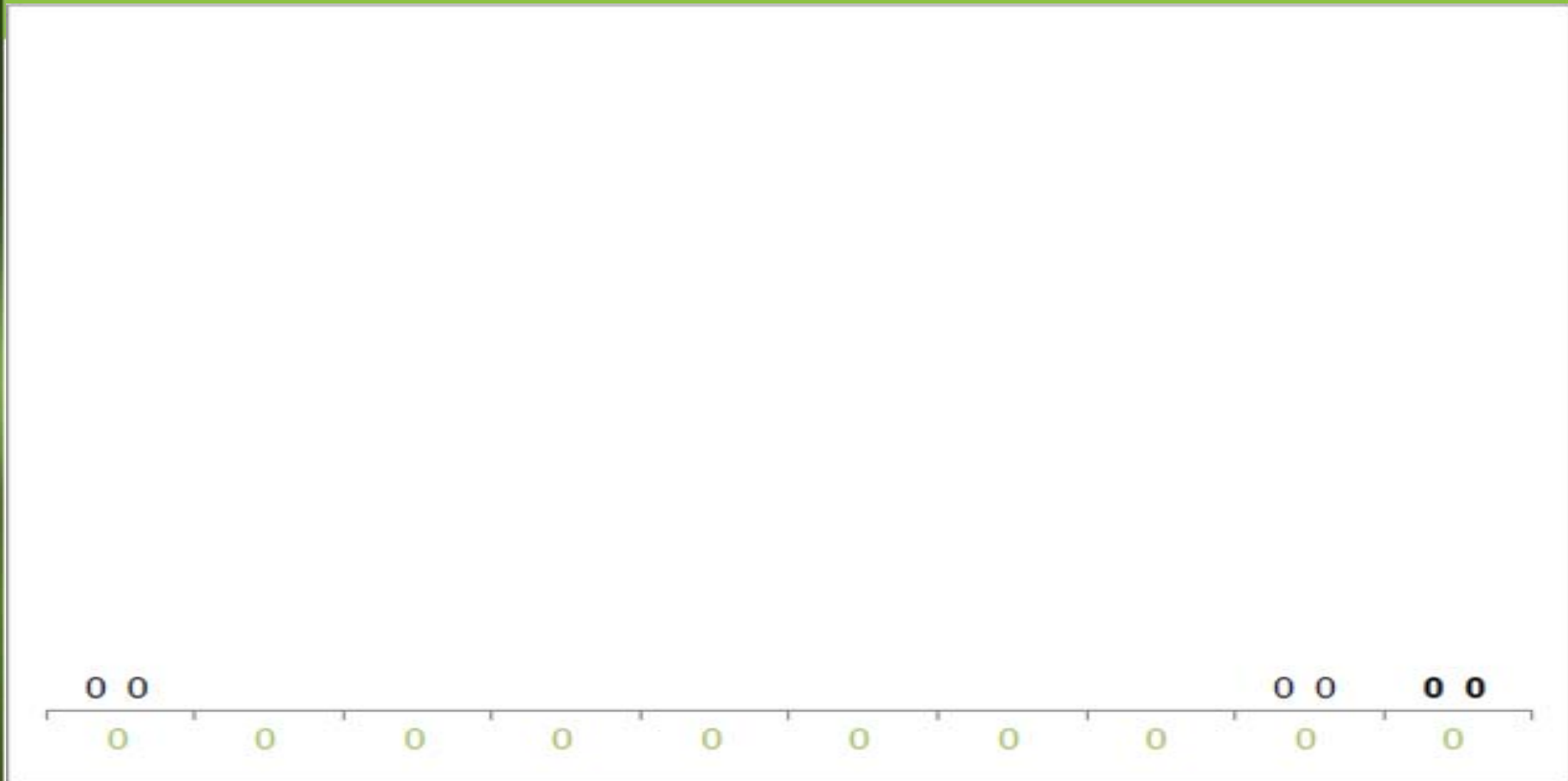
2015 Paid Loss (Million USD)



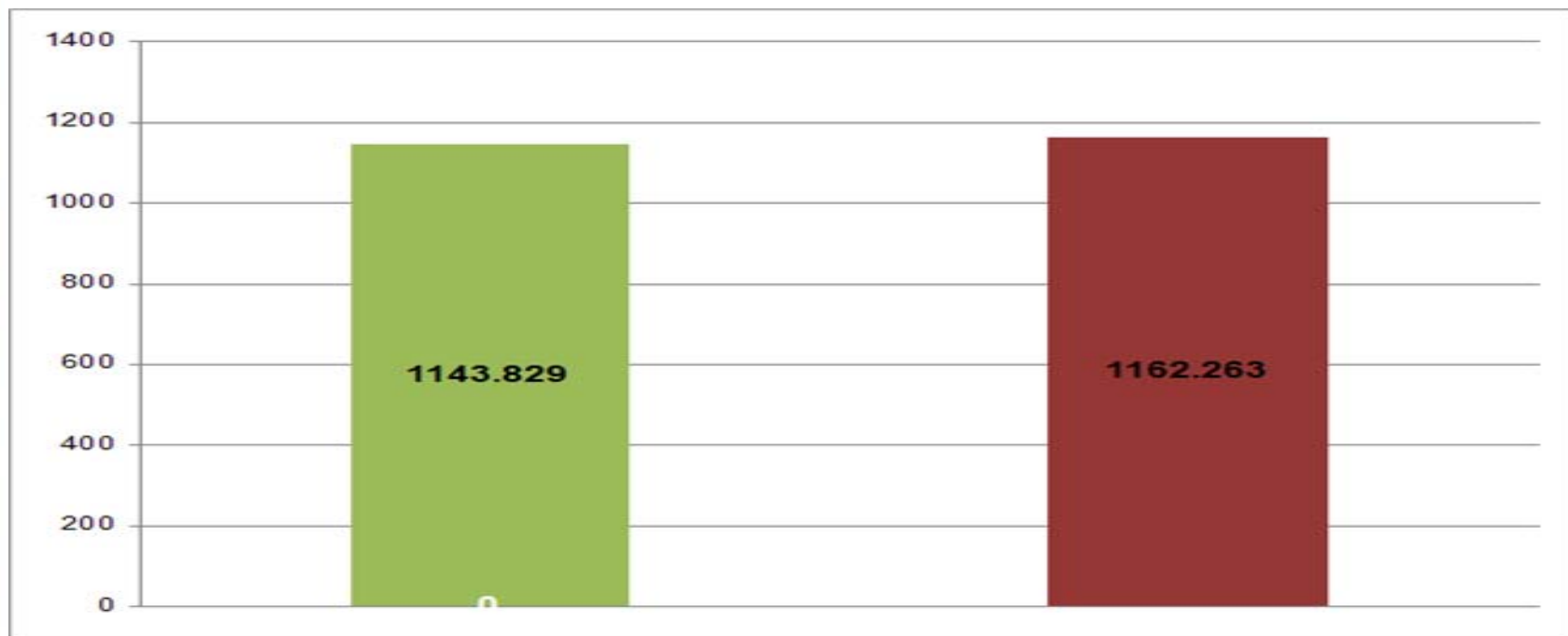
PENETRATION



GOVERNMENT SUBSIDY (Million USD)



2007 – 2015 (Million USD)

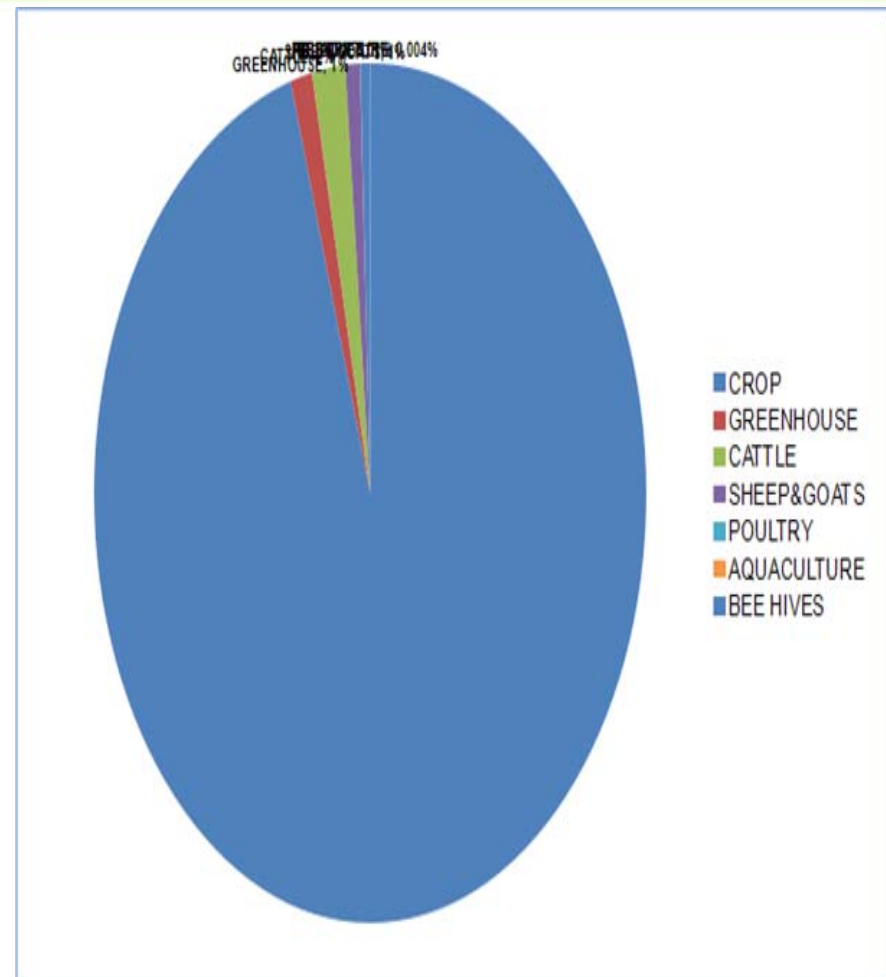
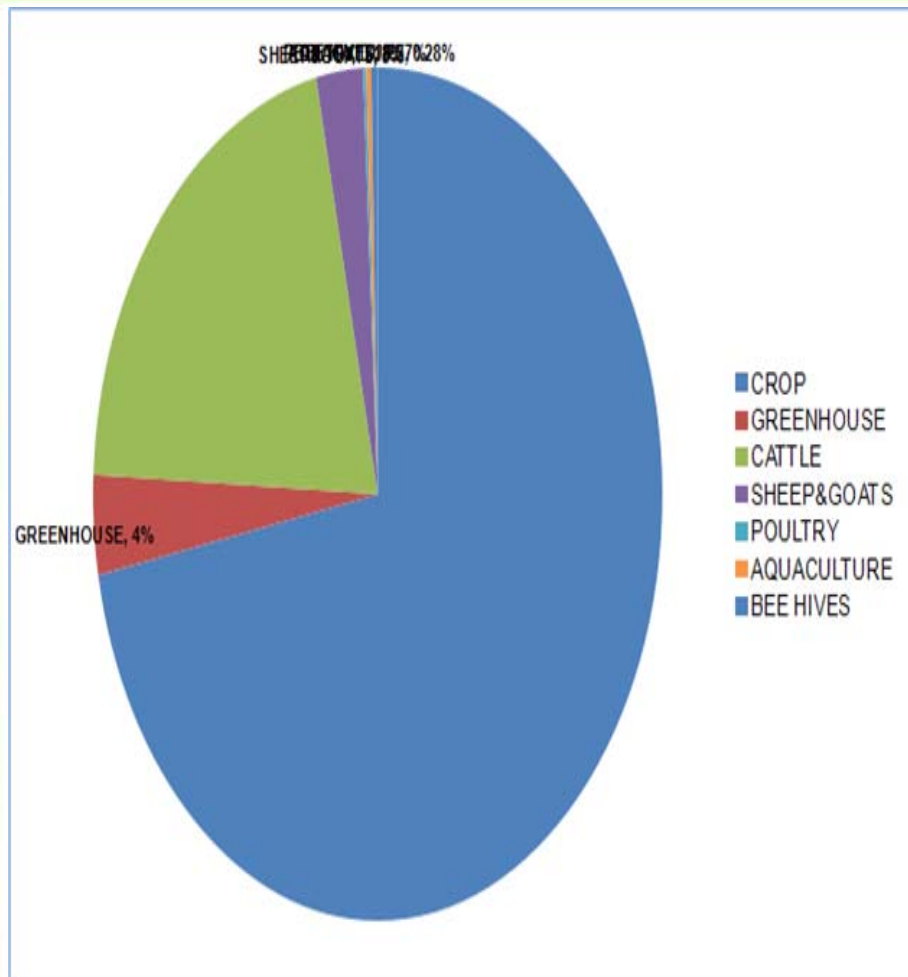


Farmer's Premium

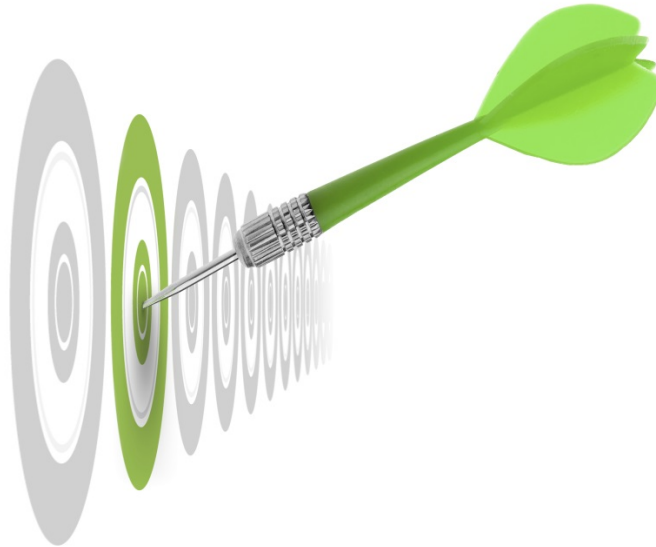
Government Subsidy

Paid Loss

INSURANCE LINES (2015)



OBJECTIVES



OBJECTIVES

- ❑ To increase penetration
 - ❑ To expand the scope of cover
 - ❑ To introduce discounts
 - No Claims Bonus
 - Technical Precautions Discount
 - Optional Co-Insurance
 - Group Policy Discount
 - Discount if all parcels of the farmer is insured



OBJECTIVES

☐ Trainings

- Banks
- Agencies
- Farmers



☐ Publicity Meetings



OBJECTIVES

- ❑ To use the advantage of the technology in all process

- ❑ Online policy issuance

- ❑ Online claims payment

- ❑ Using Geographical Information System (GIS)

- monitoring visually location and the crop info
 - risk maps for actuarial use

- ❑ Mobile Loss Adjustment

- ❑ Smart Glasses

- ❑ Drones



Yasal uyarı

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