

Doing business in a turbulent environment

Lessons learned

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What is the Key Element of Success?

- Government support and premium's subsidies?
- Variety of good insurance products?
- Knowledgeable insurance market?
- Active insurance market?
- Awareness of Farmers?
- Bundle insurance and finance?

**Only doing all this parts in parallel with
Complex Adaptive Management will lead to Success**

Markets Conditions

- Low/No insurance uptake
- Poor data quality and restricted data access
- Minimum awareness of stakeholders
- Low insurance products quality
- No/Not-structured Government support programs
- No trust at insurance market

What can be done in such conditions?



ECA Agri-Finance Project

Objective: facilitate access to finance in the agriculture sector through the development of an Agri-Insurance Program by:



Improving the legislative/regulatory enabling environment



Building capacity of the sector to support insurance activities



Increasing farmers' awareness/involvement in crop insurance

KOSOVO

- ✓ RMD (Risk Management Division) accepted by MoA
- ✓ Ag-Insurance System Diagnostic
- ✓ Profitability Risk Analysis completed
- ✓ 26 sector training sessions training 579 participants
- ✓ Data collection
- ✓ 6 index insurance products developed
- ▶ Attracting new partners, new insurance clients

UKRAINE

- ✓ RMO (Risk Management Office) model created, accepted by MoA
- ✓ More than 12 insurance products developed
- ✓ Law on agri-insurance system drafted
- ✓ 17 sector training sessions training 351 participants
- ✓ Training for RMO staff
- ▶ Development of new index insurance products
- ▶ Awareness campaigns for farmers
- ▶ Attracting new insurance clients

AZERBAIJAN

- ✓ Agricultural Insurance System Diagnostic
- ✓ Profitability Risk Analysis completed
- ✓ 21 sector training sessions training 517 participants
- ✓ Awareness Campaigns for Farmers
- ▶ New Ag-Insurance Model, New Draft Law
- ▶ Insurance product development



What to Do if There is NO TRUST?

- Recommendation from trustworthy partner
- Simple and transparent products that really works
- Quick indemnity payment
- Start small
- Exceed expectations – be close at all stages
- Strong oversight

Trust takes years to build, seconds to break, and forever to repair



Is the Price Really the Driver for Sales?

- Everything which is not for free can be expensive if there is no value for the client
- Without trust even free products will not have uptake
- Understanding what are the client needs
- Bundle insurance with other services bring extra value
- Positive customer experience

Client will pay only if he sees value for him



Who is Your Client?

- Average farmer will be your client 40-50 years
- The same farmer in 25 and 60 will behave differently and has different needs
- Size and crops, type of production influence on decision making
- Happy farmer is your best and free sales agent
- Farming is not ONLY about money, it is about LIFE and FUTURE

Think strategically about recruit and retain your clients



Why Insurance?

- Strong instrument to increase access to finance
- Budget stabilization tool
- Part of bigger government policy
- Boost the client's growth
- Value chain protection from weather related shocks
- Client's business continuity

Insurance will not guarantee certain level of yield but it will protect from circumstances of bad year

