

GIIF conference session - Bundling of Agriculture Insurance





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About ACRE Africa

- ACRE Africa specialises in the developed of agri-insurance products and their route to market.
 - **Micro-insurance product designer** providing expertise and experience in linking stakeholders to agricultural insurance through localized solutions
 - **Licensed insurance intermediary**, supporting local insurers in Kenya, Rwanda and Tanzania to offer smallholder-focused agriculture insurance across value chains
- ACRE Africa, has 3 impact investors; Syngenta Foundation, Lundin Foundation and Grameen Credit Agricole

In 2017 (YTD), over 300,000 farmers in Kenya, Tanzania and Rwanda were insured through products designed by ACRE Africa.

Cumulatively reaching over 1,000,000 since 2009.



Identified Gap

- Small holder farmers make up 80% of farmers across Africa.
- There is increased adoption of risk reduction initiatives that enable small holder farmers to maximize on land and water resources.
- These initiatives need greater investment by farmers.
- A poor season, characterized by production and/or climate risks, can result in farmers losing this investment.
- ACRE Africa develops agri-insurance products that incorporate the risk reduction initiatives adopted resulting in suitable and affordable products.

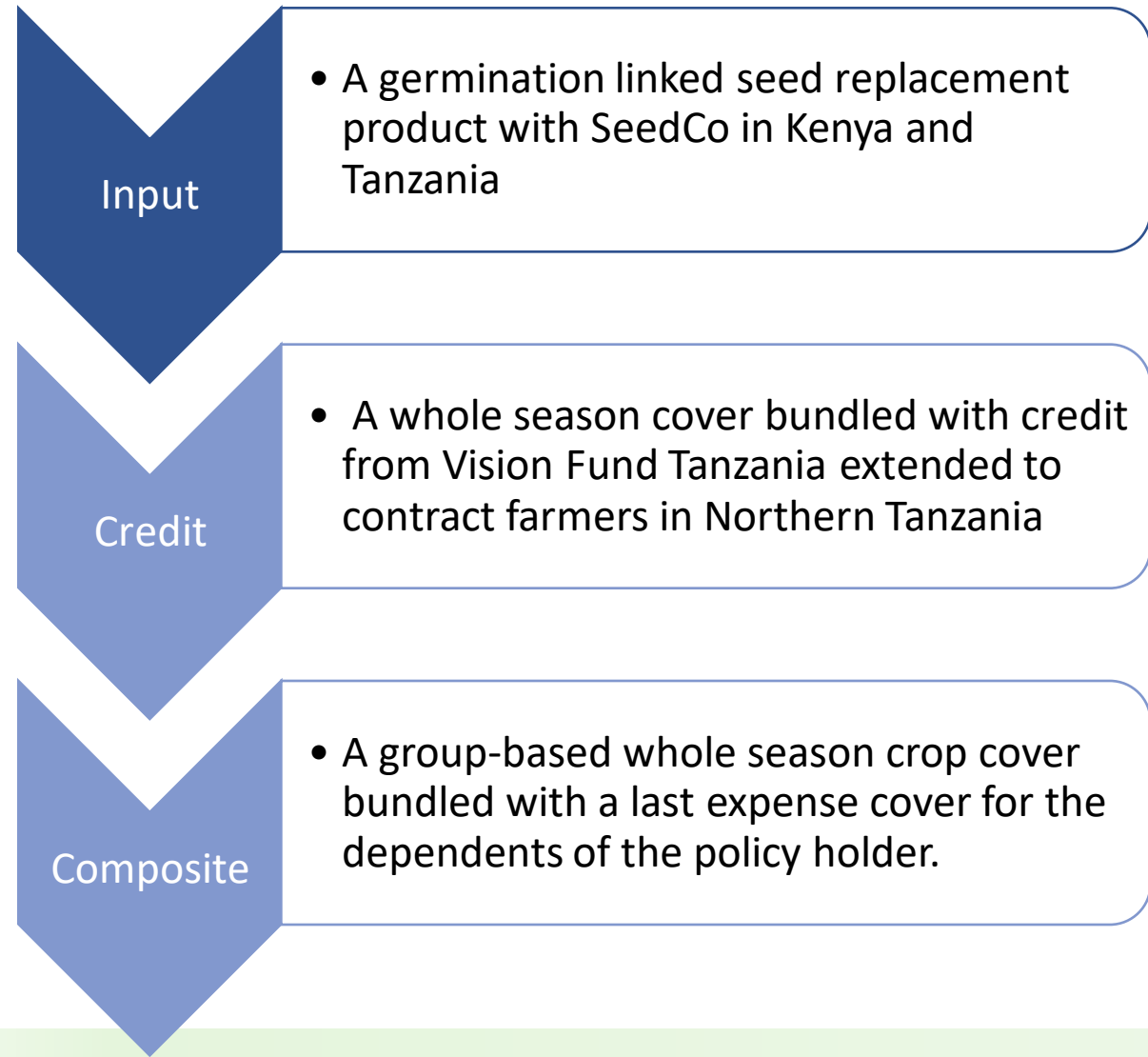


ACRE Africa's Bundling Approach

Bundling enables products to 'borrow' value from each other.

Consideration for bundling

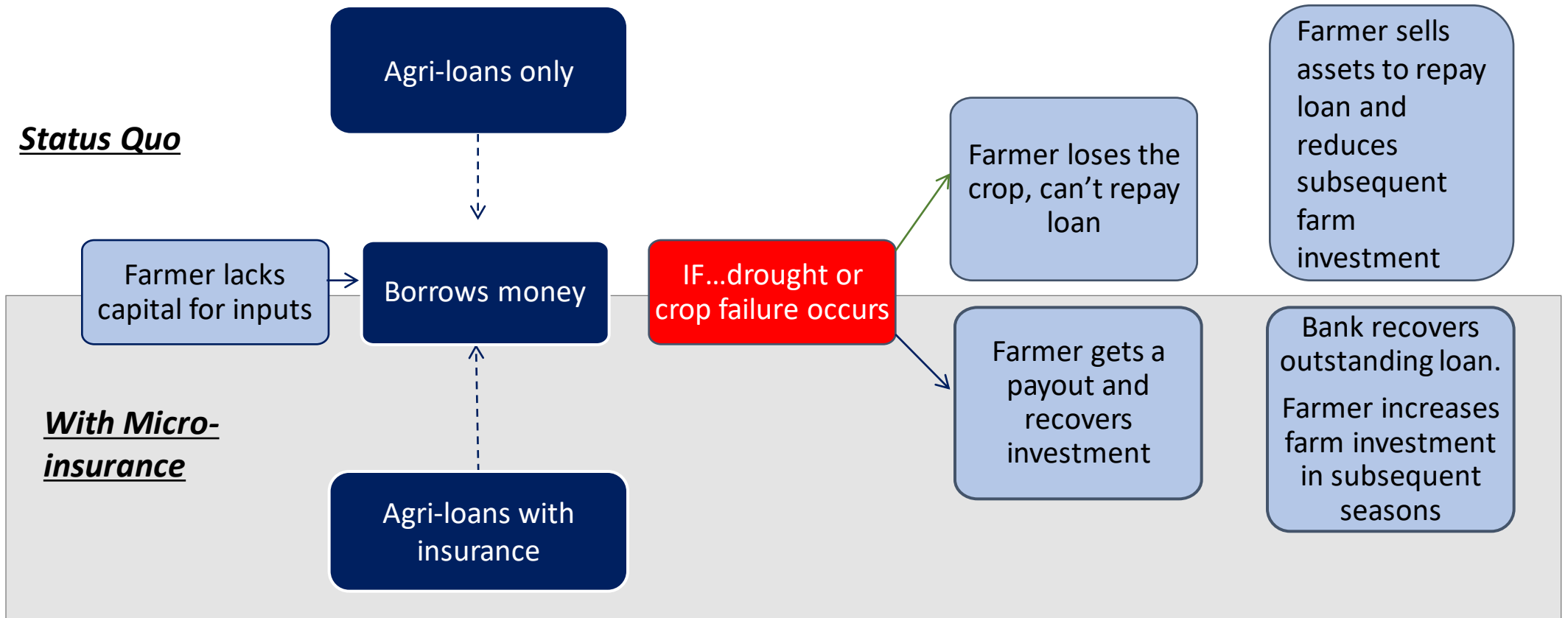
- Established market and distribution channel
- Lower aversion to purchase
- Value across different timelines



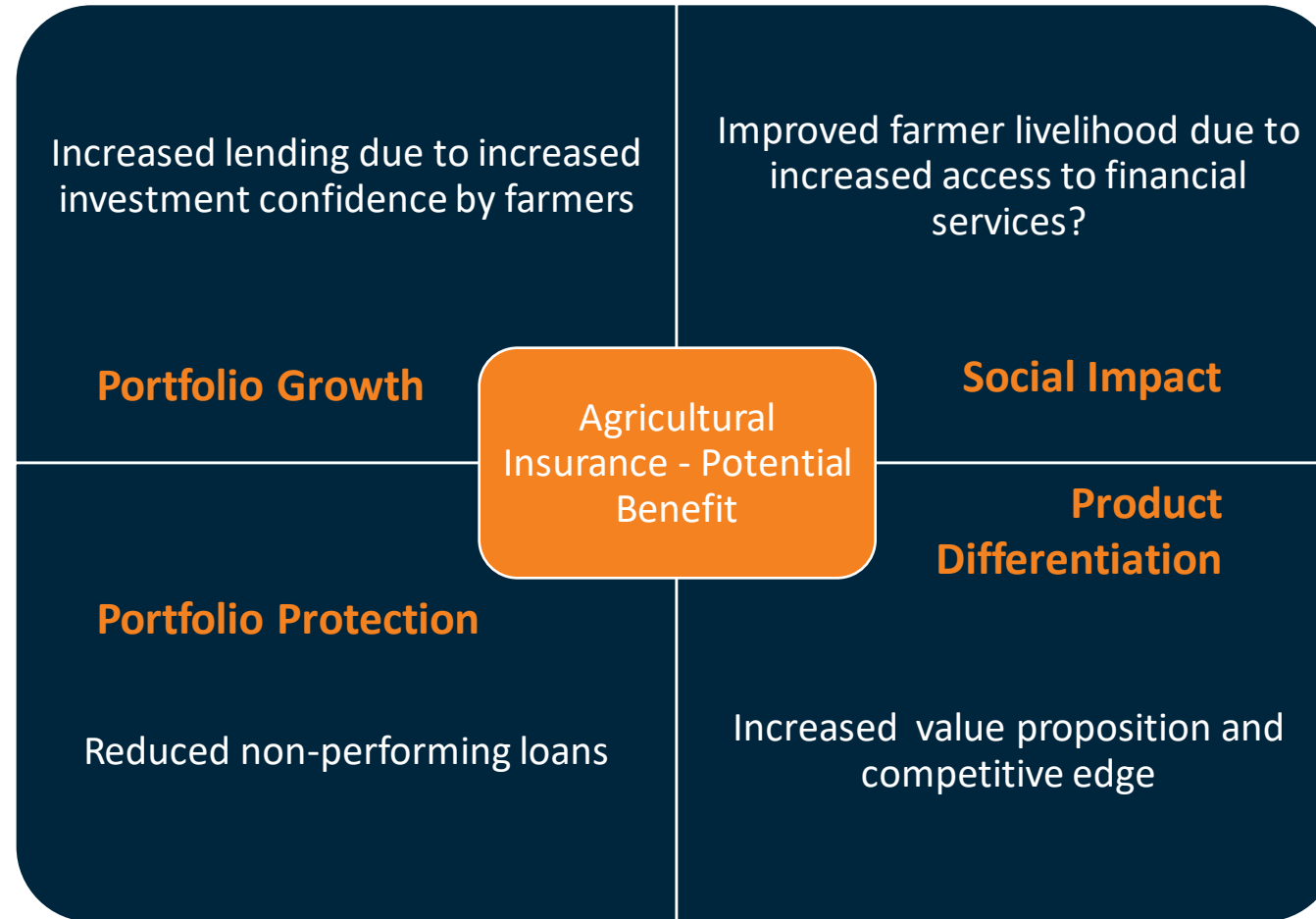
Credit Linked Insurance – ACRE Africa's Experience

Credit and Agri insurance - Complementary or Competitive?

Ideally insurance decreases farmer risks, encouraging investments and wealth creation



Credit Linked Insurance – Bundling Value Proposition



Snap Shot – Farmer's Perspective



Farmer: Apollo Chamwela
Region – Manyara, Tanzania
Age: 48
Family: Married with 3 Children

Context

Farmer for 10 +years. In the past would farm 8+ Acres with poor inputs and poor farming practices and harvested 2-3 bags of maize per acre. Currently, through membership to a Tanzania farmers' organization that gives lessons on **good farming techniques** and access to agri-insurance to members, Apollo decided to invest fully in 3 acres.

Agriculture and Insurance

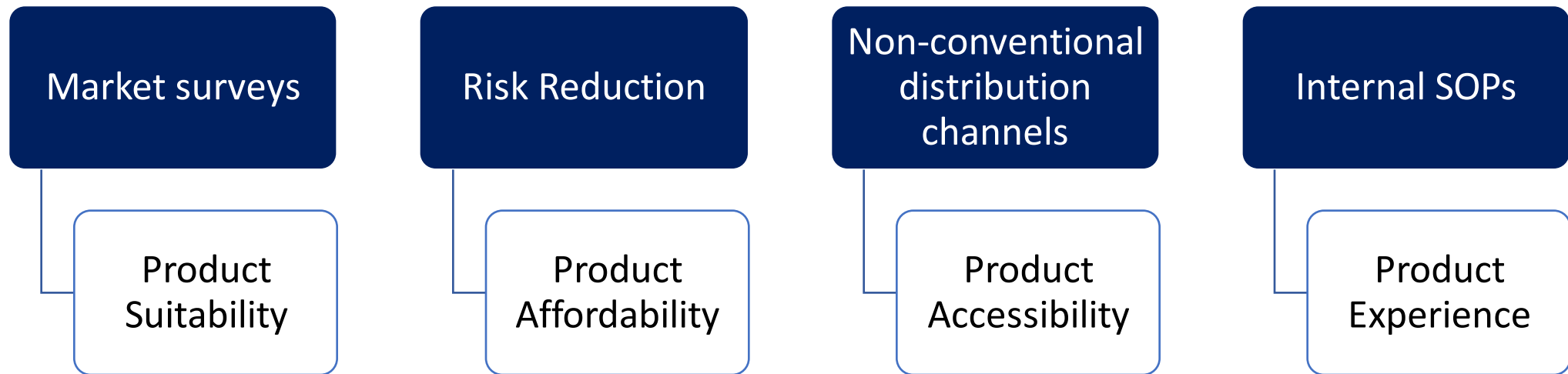
Apollo followed good farming practices using improved seed and use fertilizer optimally. He did this targeting to harvest 20 bags per acre. Unfortunately his area was affected by drought and he harvested 8 bags per acre. This was **still a good harvest compared to other farmers in the area who did not apply proper farming practices and quality inputs**. Additionally, Apollo had insurance for his crops and was able to be compensated. From his harvest Apollo was able to **sell part of the crops**.

Financial Inclusion

Apollo has a **bank account, but it has been dormant** because he has no money to deposit. However, he **expects to start using it fully following his successful season**.



Credit Linked Insurance – Insurer's Focus





- For more information kindly talk to me and visit
 - www.acreafrica.com