



AIDA CLIMATE CHANGE WORKING PARTY

Questionnaire for 8th AIDA CCWP Meeting – Rome – 29 September 2014

Challenges and issues for agricultural and other insurance designed to cope with threats to food production in the face of the impact of Climate Change

21 AIDA National Sections (and three individuals) supplied answers to a Questionnaire prepared by Prof Marcel Fontaine which informed his General Report upon Climate Change and Insurance Law arising out of discussions held at the XIII AIDA World Congress in Paris in May 2010. Since then much has happened. The AIDA Climate Change Working Party has been formed. It has already held seven meetings. It is now looking to update information previously gathered on a range of topics.

In Rome for its eighth meeting – on **29 September 2014** – one of the topics being considered by the AIDA Climate Change Working Party is that of ***Agricultural Insurances – Coping with threats to Food Production?***

At earlier meetings we have received a number of reports or presentations upon agricultural insurance, including micro-insurance, and discussions more particularly of the State's role in various jurisdictions in responding to major losses in the agricultural context in the wake of natural disasters.

To help inform discussions in Rome it is therefore timely for us to consider together a few pertinent questions in the wider context of emerging perceived threats to food production and security which have been the subject of much debate and the trigger for many financial and insurance schemes of various kinds which are being developed or encouraged around the globe.

We have deliberately aimed to keep this questionnaire short. The first six questions are designed to update issues reported upon previously or known to concern initiatives in various countries presently. Those later in the questionnaire encourage those responding to identify from their own experience or that of their own jurisdiction or region any particular issues of a legal nature which more directly have an impact upon the interpretation or effectiveness of policy terms or schemes or their regulation.

Please feel free to include in your answers any links to materials described or to introduce at the end any topics not specifically addressed, but thought to be of interest. For details of the Agenda for the Rome meeting and for registration details for the XIVth AIDA World Congress please visit the AIDA Climate Change Working Party page of the AIDA website: http://www.aida.org.uk/workpart_climatechange.asp.

Name: _____ AIDA National Section: _____ Date: _____

With reference to your own country or region:

<p>1. <u>Availability of specialist private sector agricultural insurance products</u></p> <p>Is specific private sector insurance available to those directly concerned with agricultural production of any description or</p>	
--	--



<p>with any indirect reliance upon the purchase, import, distribution or retail of agricultural goods/items of any kind?</p> <p><i>Briefly identify the most common forms of indemnity cover (e.g. crop, livestock, crop/livestock combined, forestry insurance) and whether, if so in what form, weather index covers are also available, noting any most particular features/limitations.</i></p> <p>Briefly describe who pays the premium and who is regarded as the policyholder/indemnified party?</p> <p>Are these usually sold independently of, or as part of a wider package of, property catastrophe risk insurance, disaster micro-insurance, public infrastructure insurance products?</p>	
<p><u>2. Scale of business in terms of premium income etc (and reasons if limited)</u></p> <p>What is the scale of such business in terms of premium income (cf. GDP, other insurance lines e.g. non-life)? What proportion, if any/known, is provided by local carriers? Who are the major purchasers? Any risk sectors/areas significantly <i>not</i> insured/under-represented? What explains this? Price, unsuitable product, questionable benefit, lack of reliable underwriting/modelling data?</p>	
<p><u>3. Regulation or restrictions applying of particular note?</u></p> <p>Are such specialist insurance products the subject of any particular local or regional regulation or restriction of particular note?</p>	
<p><u>4. What subsidies, other State support or risk mitigation tools are available in conjunction with products?</u></p> <p>Are any forms of subsidy or risk management mitigation tools available to those seeking indemnity or index-related</p>	



<p>protection of this kind, e.g. premium subsidies, A&O (administrative & operating) subsidies, loss assessment subsidies, public sector reinsurance, insurance pools, supportive insurance legislation, other support (R&D, training etc)?</p>	
<p>5. <u>Compulsory provisions:</u></p> <p>Are any provisions in place making the purchasing of agricultural insurance protection of any kind (property loss, weather event, lost production) compulsory or are other levies for compensation imposed of any kind?</p>	
<p>6. <u>Impact of Climate Change:</u></p> <p>To what extent has the impact of Climate Change been anticipated or expressly provided for (or is in prospect) in the private insurance sector products available, any State support or in other respects?</p>	
<p>7. <u>Major problem areas:</u></p> <p>Which of the following (or identify others) would you describe as the <i>greatest</i> problems facing the successful wider provision of agricultural insurance-style products, either from the policyholder, insurer or the State's perspective?</p> <ul style="list-style-type: none"> • Products unsuitable or unaffordable? • Lack of investment/data for managing underwriting risk/claims handling? • Lack of local technical support/capability? 	
<p>8. <u>Particular legal or contractual problem areas of note from an insurance perspective:</u></p> <p>What issues are proving (or are expected to prove) the most contentious or difficult in the provision or interpretation of insurance products or other forms of relief or in complying with or implementing a regulatory framework?</p>	



<ul style="list-style-type: none">• Are terms of cover/policy conditions clearly expressed/capable of enforcement/compliance?• Need for duties of respective parties to be more clearly defined?• Are legislation or enforcement provisions fit for purpose, especially to contend with any growing Climate Change impacts? If not, what is identified as most particularly in need of change and how?	
<p>9. <u>Major disputes:</u></p> <p>Has any litigation or formal dispute resolution procedure taken place in the last five years by which challenges have been made of any kind over the terms of any agricultural insurance provisions or other forms of relief or in respect of their governance/legislation? Please describe and any outcome or if still pending.</p>	
<p>10. <u>Other comments or observations:</u></p> <p>Are there any other issues, not necessarily described above, which merit particular mention in terms of the present regime for any financial and/or insurance protection of food/agricultural products, food security and the impact of Climate Change more generally?</p>	