

Agriculture Experts Review the State of Insurance in the Americas



IICA convened its Third Annual Symposium for Facilitating the Development of Agricultural Insurance in the Americas, in Washington, DC.

Washington, DC, February 17, 2012 – Senior officials from regional and international organizations met in Washington, D.C. yesterday to share the latest information on tools and techniques available to mitigate the effects of climate change and development of insurance schemes and products within a broader risk management framework for the Americas.

The third Annual one-day symposium, convened by the Inter-American Institute for Cooperation on Agriculture (IICA), brought together senior officials

from the World Bank, the Organization of American States (OAS), the Inter-American Federation of Insurance Companies (FIDES); Caribbean Risk Managers, Ltd.; the Latin American Association for the Development of Agricultural Insurance (ALASA); Munich Re; Swiss Re; Spain's state agency, ENESA and MAPFRE, one of the largest reinsurers in the world, to name a few, to share experiences in implementing agriculture insurance schemes in the Americas. The group exchanged ideas on how to work more effectively and collectively with other organizations, agencies, donor organizations, associations in the insurance community, and shared lessons learned from public/private partnerships in order to expand insurance and risk management practices.

According to David C. Hatch, IICA Representative in the United States, the potential impact of agriculture insurance for the farming community needs increased attention. "We still see many countries underestimating the importance of agriculture insurance schemes as an essential risk management tool as evidenced by the lack of policies, laws, instruments, credit and investment," said Hatch. He added, "It is time for action with a correct comprehension of risk management and the commitment from Heads of State and the Ministries of Finance in each country to become pro-active rather than simply responding to event."

As the inter-American agency for the Americas, the OAS believes that agriculture insurance should be part of a broader risk program that is in the interest of governments, private sector and international organizations. "I would like to stress the firm commitment of the General Secretariat of the OAS to support the efforts of the IICA and the OAS Secretariat for Integral Development in developing an effective response to the

challenges that are identified in this forum,” said OAS Assistant Secretary General, Ambassador Albert Ramdin.

Although symposium representatives from the World Bank confirmed that agriculture insurance is available in most countries in the region and that the market is well developed in terms of premiums and products, budget, infrastructure, human resources and technology remain some key challenges for the sector.

Linking insurance products to disaster risk reduction while thinking far beyond traditional agriculture insurance programs are critical to efforts undertaken by the Caribbean Risk Managers Ltd. In response to the Jagdeo Initiative, the group plans to develop, test and implement up to three products in the Caribbean region. Target countries include Jamaica, Grenada, St. Lucia, Belize and Guyana in the near future.

With more than 30 years of international experience, Spain’s state agency, ENESA, underscored the importance of strengthening alliances, promoting forums, promoting coordination between agents in rural areas; development of new technologies such as mobile phones, smart cards and the guarantee of medium long term economic support.

Fully developing agriculture insurance requires time and effort. To this end, the IICA Office in Uruguay is currently implementing a regional project which contributes to the sustainable development of agriculture in Latin America and the Caribbean (LAC). By providing training in the design and implementation of policies and modern instruments of risk management to the public and private sectors, IICA expects to increase the number of countries with public policies and appropriate instruments for insurance coverage which will contribute to a better risk management used in the farming community.

Concluding the day’s session was unanimous decision by participating organizations and agencies for IICA to continue leading the charge to advance hemispheric solutions to reduce vulnerability and mitigate disasters.

ABOUT IICA

The Inter-American Institute for Cooperation on Agriculture is the specialized agency for agriculture and the rural milieu of the Inter-American System, whose purpose is to provide innovative technical cooperation to the Member States, with a view to achieving their sustainable development in aid of the peoples of the Americas.

For additional information on IICA, please visit <http://www.iica.int/usa>

Additional information
alondon@iicawash.org
dhatch@iicawash.org

###