

# 2023

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INTERNACIONAL CONGRESS

LOS SEGUROS AGRARIOS EN EL ACTUAL CONTEXTO  
CLIMÁTICO: SITUACIÓN Y PERSPECTIVAS

AGRICULTURAL INSURANCE IN THE CURRENT  
CLIMATE CONTEXT: SITUATION AND PROSPECTS

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TÍTULO DE LA PONENCIA: AGRICULTURAL RISK MANAGEMENT IN ITALY  
FECHA DE LA PONENCIA: 5 OCTOBER 2023

# Risk management policy in Italy

Until 2005



single-risk policies

Since 2007



single-risk, multi-risk and multi-risk

Since 2014



included within two instruments of the Cap 2014/2020:  
single CMO and Rural Development Programs



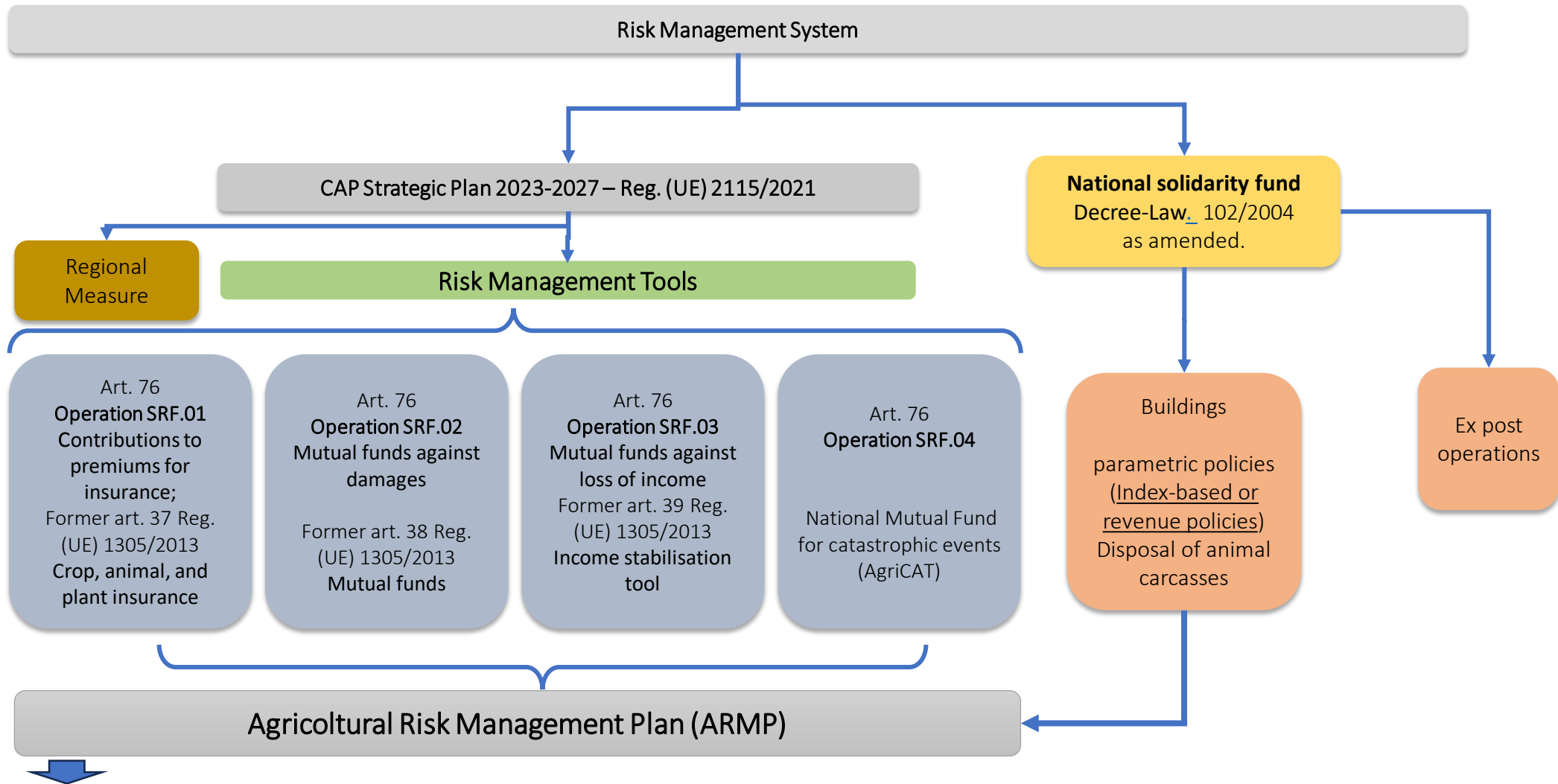
Reg. 1305/2013 (art. 36) provides 3 sub-measures in addition to national aid

## Starting 2023

- SRF.01 - financial contributions to premiums for insurance schemes
- SRF.02 - financial contributions to mutual funds for adverse climatic events, animal and plant diseases, pest infestations
- SRF.03 - Income stabilization tool
- SRF.04 - National mutual fund for catastrophe events (AgriCat)



# Current regulatory framework



It is the implementing instrument of Legislative Decree 102/2004 which dictates annually the regulations regarding public support for risk management in agriculture on “ex ante” operations.



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# New approach to risk management in the CAP 2023-2027

TO OVERCOME STRUCTURAL LIMITS BY 2014-2022 NRDP

**THROUGH  
EXPERIENCE  
GAINED**

Change of orientation of risk management in agriculture where active and passive defense tools interact with each other in order to improve the entire system.



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# Risk Management in agriculture in the CAP 2023 - 2027

SRF01 - Insurance policies  
Budget €1.486.391.837,30

## What's left:

- ❖ Support for the beneficiaries
- ❖ Beneficiary requirements
- ❖ Minimum damage threshold
- ❖ Insurable risks and products
- ❖ Eligible expenses
- ❖ Maximum support rate
- ❖ Check through Standard Value

## What changes:

- ✓ Minimum support rate
- ✓ % of policy support less than 3 risks
- ✓ Demarcation

SRF02 and SRF03 – Mutual Funds and IST  
Budget €120.191.820,05

## What's left:

- ❖ Support beneficiaries
- ❖ Beneficiary requirements
- ❖ Minimum damage threshold
- ❖ Insurable risks and products
- ❖ Eligible sectors
- ❖ Eligible expenses
- ❖ Maximum support rate
- ❖ Check through Standard Value(SRF02)

## What changes:

- ✓ Minimum support rate
- ✓ Demarcation(SRF02)
- ✓ Check income (SRF03)



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# Implementation peculiarities of SRF01 - vegetables

Multi-risk packages have been introduced to deal with adverse selection. Insurance coverage for loss of yield (quantitative and/or qualitative) of plant production can have the different combinations.



Catastrophic adversities

Frequency adversities

Accessory adversities

➤ The insurable products and risks are listed in the risk management plan issued annually by MASAF.



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# Insurance market data

VEGETABLES				
	Hectares	Insurance value	Price	Average annual rate
2022	1.235.334	7.139.000.000 €	696.931.000 €	9,8%

ANIMAL HUSBANDRY				
	Animals number	Insurance value	Price	Average annual rate
2022		1.192.797.000 €	26.274.000 €	2,2%

STRUCTURE				
	Structures surface	Insurance value	Price	Average annual rate
2022		1.276.791.000 €	12.261.000 €	1,0%

Source: ISMEA processing of SIAN/SGR data



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# Implementation peculiarities of SRF01- animal husbandry

INSURANCE POLICIES → all the obligatory epizootics for each individual insured species

## ZOOTECHNICAL FARMING

- CATTLE
- BUFFALOES
- PIGS
- SHEEP AND GOATS
- POULTRY
- BEES
- EQUIDAE
- RABBITS
- CAMELIDS

## INSURABLE GUARANTEES

- LOST INCOME
- LACK OF MILK PRODUCTION
- FAILURE TO PRODUCE HONEY
- FORCED KILLING for health issues





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# Congruity checks for the eligibility of expense – SRF01

From 2021 standard unit values are introduced

- result of the product between the Price and the potential statistical/agronomic yield

Contribution parameters

- to verify the reasonableness of the costs



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# Why a mutual fund?

Improve good  
agronomic  
practices

Reduces moral  
hazard

Reduces  
information  
asymmetry



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# Implementation of mutual funds

5 recognized mutual funds

Participants:  
approximately 14.000

9 recognized sectoral IST funds

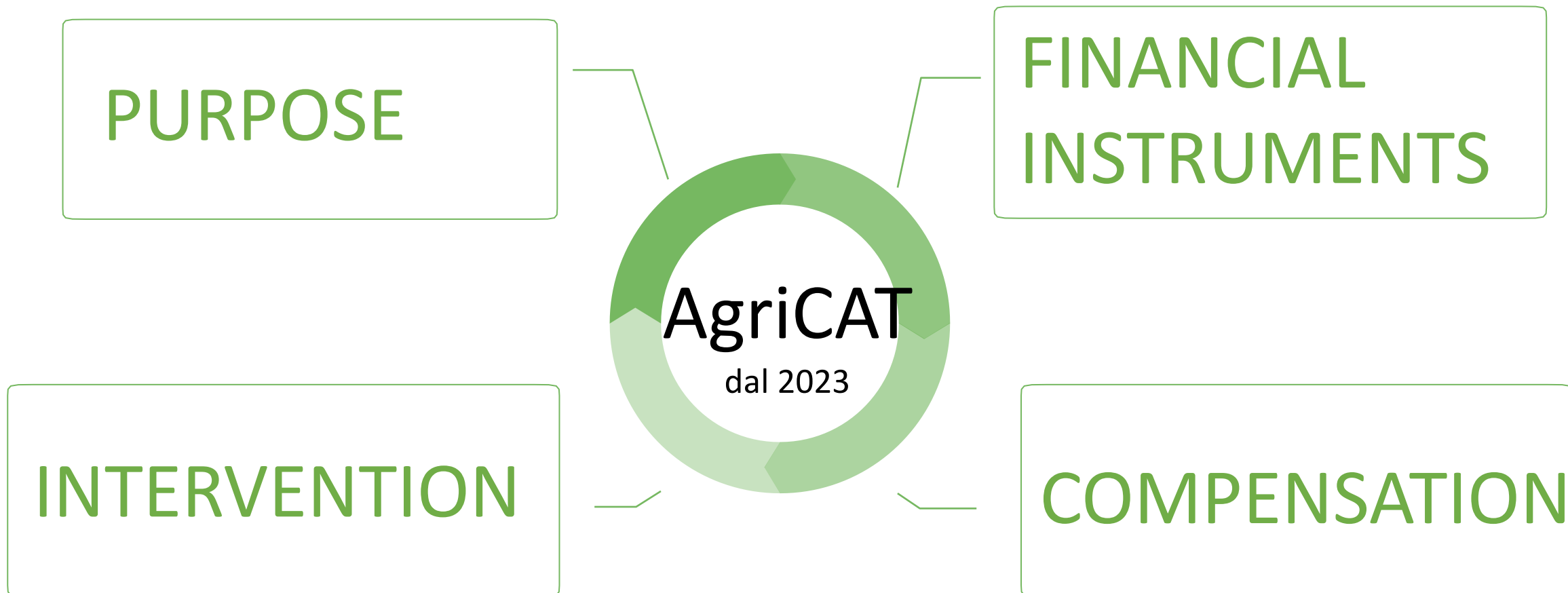
Participants:  
approximately 3.900

**Eligible expenses:** membership fees for mutual coverage, establishment costs, interest on commercial mortgages.



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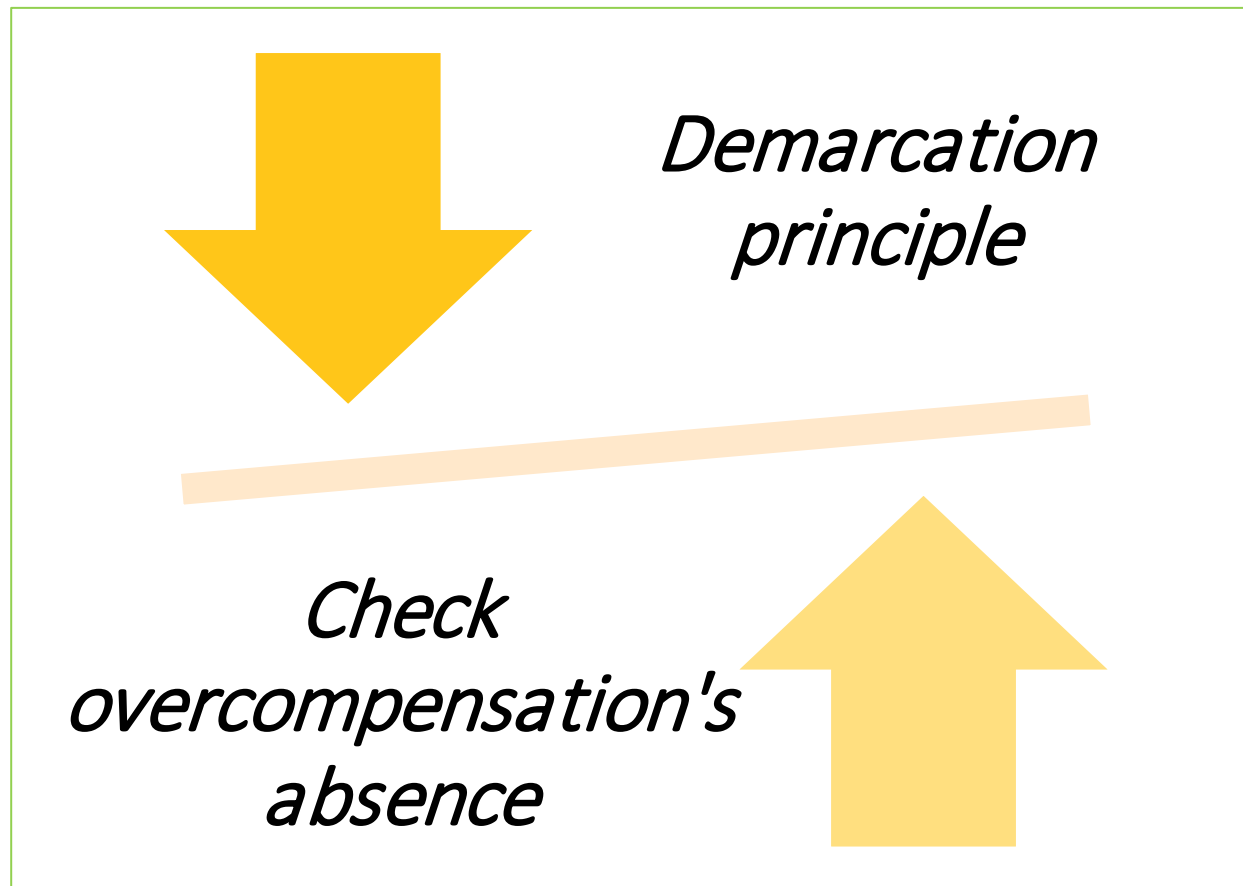
# Innovation of the new european rural program: AgriCat Fund





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# Demarcation and overcompensation





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# Reinsurance Fund

Activities

Directly to  
insurance  
companies

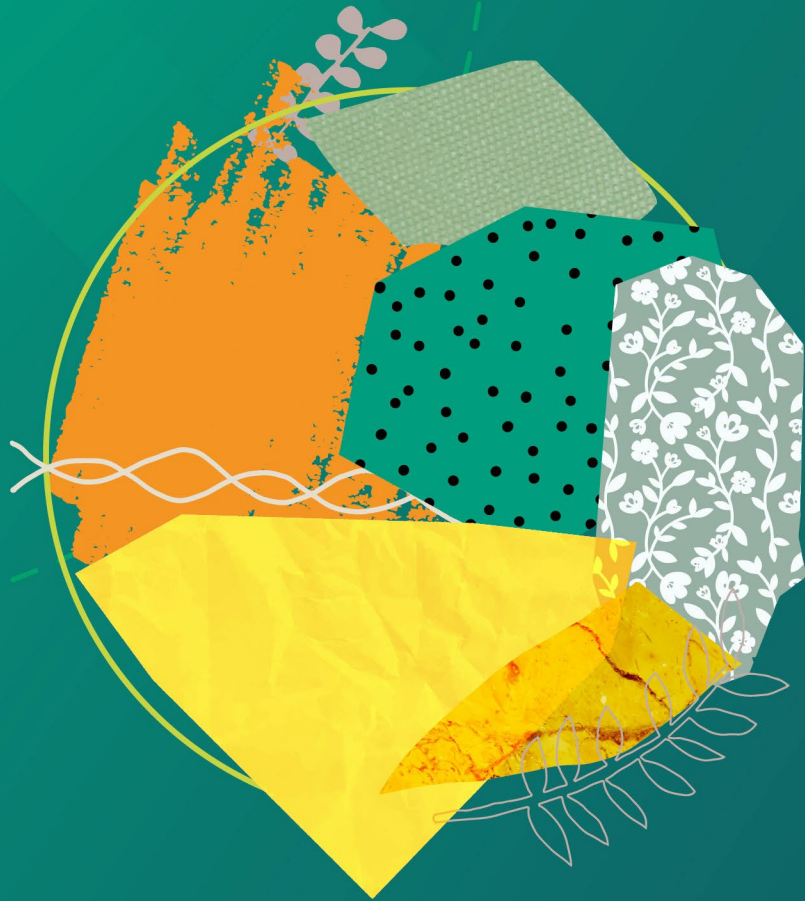
Indirectly to  
farmers



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# National Aid

Instrument	Damage threshold	Fund	Contribution
Insurance premiums for disposal of animal carcasses and company structures*	0%	NSF	50%
Insurance premiums Index based policies (cereals, fodder, oilseeds, tomatoes, citrus fruits, cucurbits, olives, wine grapes, hazelnuts and livestock production of cattle and bees)	30%		70%
Insurance premiums for revenue policies (durum and common wheat)	20%		65%



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## GRACIAS

 @Seguro\_Agrario