

## **The New Era of Crop Natural Disaster Insurance: The Pilot of Top-grafting Sand Pears**

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The Council of Agriculture (COA) has spent years of planning crop natural disaster insurance in collaboration with domestic non-life insurance corporations in order to minimize risks caused by natural violations of agricultural operations for farmers. The first insurance policy which is ready-to-launch is designed for top-grafting sand pears. This already got approved by FSC Insurance Board in September, 2015. Non-life insurance companies prepare an official launch of the project this coming November.

The insurance product of top-grafting sand pears will adopt a commercial insurance model. In order to take care of the extra costs of farmers, COA will prepare a budget to subsidize one-third of the insurance premium which is fully paid by farmers, who are willing to purchase the crop natural disaster insurance policy as pilot pioneers. This pilot crop natural disaster insurance will activate a new era for the agricultural production in Taiwan.

COA illustrated that the policy to promote crop natural disaster insurance demanded more trainings of natural disaster damage survey for insurance professionals specifically for agricultural crops. The various varieties of crop plantations in Taiwan, however, present concentrating areas for similar kinds of crop varieties thus seasons are consistent within geographic proximity. The trainings will ensure a smooth process of the damage survey and farmer reclaims of crop natural disaster insurance in the future. Therefore, COA will assist the distribution of an “Operation manual of damage survey for top-grafting sand pears natural disaster insurance” for the pilot period. COA will also arrange intensive trainings for the damage survey and insurance reclaim in order to accumulate experiences from the real practice as a foundation for future general crops. Nevertheless, COA further emphasizes that the current agricultural natural disaster relief system still remains during the pilot period of top-grafting sand pears natural disaster insurance.

COA will publish an operation detail list for insurance premium subsidy in assistance to farmers. The Council will also host 11 related seminars in Yilan, Hsinchu, Miaoli, Taichung, and Chiayu. The seminars intend to illustrate the public policy purpose of the crop natural disaster insurance, insurance coverage contents, and insurance outlets. The goal is to encourage farmers to actively participate and well know the benefits of avoiding agricultural production risks from a crop natural disaster insurance.

COA appreciated that Executive Yuan fully supports the policy of crop insurance. Premier Chi-Kuo Mao also re-emphasized the importance of future direction of efforts in promoting crop natural disaster insurance. COA will further complete the planning of agricultural facility insurance before April, 2016, the season of high risk of flooding. By then, the coverage of agricultural natural disaster insurance will extend and the government will

encourage more farmers to join the insurance in order to minimize operational risks caused by natural uncertainties.

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