

PROMOTING AGRICULTURAL INSURANCE IN VIETNAM

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1. Agricultural insurance in Vietnam before 2018

Decision No 315/QĐ-TTg of piloting during 2011-2013:

- Location: 20 provinces (rice: 7; livestock: 9; aquaculture: 5).
- Premium subsidy: 100% poor, 90% near poor, 60% non - poor, 20% enterprise.
- The Steering committee was established from local to central level

Insured	Insurance product	No of households/ enterprise	Turnover (tr.đ)	Claim(tr.đ)
Rice insurance	Yield index	236.397	91.919	19
Livestock insurance	Actual compensation	60.133	83.906	13,3
Aquaculture insurance	Actual compensation	7.487	218.175	669,5
Total		304.017	394	701,8



2. Challenges

- Public property insurance is still in the process of construction and development.
- Not yet have the legal framework to address specific issues of disaster risk insurance.
- Technical infrastructure for disaster risk insurance: disaster risk database are not updated, modelling (application, update), disaster risk valuation.
- Awareness of communities, businesses and individuals on insurance remain low.
- No separate disaster risk insurance products available on the market.

2. Challenges (cont.)

- Agriculture insurance is a new, complex product with the majority of insurers and farmers.
- Agricultural production is mainly small - scale, scattered, low technology application. Difficult to manage and monitor risks.
- Natural disasters and epidemics in agricultural production are complicated and unpredictable; that can impact on a large scale and scale, heavy economic consequences ..
- Resources (human resources, finance, IT infrastructure) of insurers and localities are still limited.



3. Solutions

- Raised awareness about agricultural insurance of farmers.
- Experience in reformulating policies, designed products suitable to each targeted client and implementation.
- To built the new Decree about Agriculture insurance.
- To set up a budget to implement for Agriculture insurance.

4. Agriculture Insurance from 2018 to now

Decree No 58/2018/NĐ-CP of the Government :

- Stable and specific legal framework to encourage and promote agriculture insurance.
- Support agriculture insurance framework: the basis to specify support and subsidy in accordance with the State budget balance.

The Decree defines regulations on agricultural insurance and policies supporting agricultural insurance. It aims to facilitate organizations and individuals operating in agriculture, forestry and aquaculture to actively overcome financial damages caused during the production process.

4. Agriculture Insurance from 2018 to now (cont)

- Commodity for support: Crop (rice, rubber, cashew, coffee, fruit, vegetable), livestock (buffalo, cows, pigs, poultry,) seafood (tiger shrimp, white shrimp, pangasius).
- Maximum support: (90% poor, near poor, 20% non – poor, 20% enterprises and cooperatives
- Risk: disaster, disease, (announced and certified by authority).
- Location: According to the agriculture restructuring – planning.

5. The development of agriculture insurance in the next time

- Continuing to implement agriculture insurance integrated following the Decree 58:
- Price Minister issue a Decision on implementation of policies to support the agriculture insurance in the coming time.
- Raised awareness about agricultural insurance of farmers and insurancers.
- To built the new Decree about Agriculture insurance
- To set up a budget for Agriculture insurance
- Policy issues to consider: Required vs voluntary? Support level / Role of the State? Insurance company?...



Thank you for your attention!