

Crop Insurance & Climate Change

How Microinsurance can Build Resilience and Capacity



ABOUT PULA

PULA is reimagining agricultural insurance in Africa and Asia. We provide **accessible, scalable insurance solutions for smallholder farmers** by bundling insurance with the inputs farmers already use like seed and fertilizer.

We use technology like satellite imaging in addition to farm level yield data to determine insurance payouts. We also **collect and analyze farmer data** to better help our partners understand the needs of farmers.

OUR REACH



9 Countries in Asia
& Africa

812 000
farmers served in
2018

14 partners
(public + private
sector)

9 insurers and
5 reinsurers

More than 1 Mil USD Payouts
(at Sustainable claims ratios)

GERMINATION AND YIELD INSURANCE INCREASE FOOD SECURITY

GERMINATION COVER

- Covers against drought risk at germination
- Allows farmers to replant and still harvest **the same season**

YIELD COVER

- Covers against **drought, FAW, Floods, Cyclone** and all risks that effect yields systemically
- Farm management risk is excluded.
- Yields based on real field measurements.



REVENUE INSURANCE

1) YIELD COVER

- Protecting farmers against systemic risks impacting potential yield of their crop



2) PRICE COVER

- Protecting farmers against systemic risks impacting potential yield of their crop



Productive impact of insurance

8 studies found an improvement in agricultural production due to microinsurance

Higher investments and outputs were found in **China, Ethiopia, India and Ghana**

In China, insurance was responsible for

27%

higher investment in cross-bred pigs among policyholders

(Chen et al., 2013)

In Ghana, insured farmers increased expenditure on

fertilizer by **24%**

and the area of land

cultivated by **17%**

(Karlan et al., 2012)



PRODUCT PAYOUTS & MITIGATING CLIMATE CHANGE RISK



**Catherine Bertha Chitamyia,
age 25, Masaita District
Zambia**

“I have a farm with my mother and it has been source of our livelihood.

I planted the insured seed on my farm as a trial for the farmers in my area. This first attempt was not good and felt disappointed when there was drought. Now I have been compensated on the initial loss.”



CLIMATE CHANGE & BUILDING RESILIENCE

Breaking the cycle of impoverishment due to adverse weather allows for long term capacity building and resilience to climate change via Insurance

Insurance acts as a bridge across poor weather:

Reducing inefficient consumption of savings and capital is critical to **building the wealth of our farmers.**

Good weather years drive wealth accumulation and growth

Insurance should not pose a significant financial burden, allowing for **growth in good years.**

Seamless and automated insurance policies

We use bundling and automated systems to ensure **hassle-free coverage and payouts.**



Collectively, we build resilience to climate change in our farmers

SUCCESS FACTORS & CHALLENGES MOVING FORWARD

**Undisputed, quick
payouts to farmers
when they need it most**

**Effective operational
execution**

**Farmer engagement via
technology platforms**

SUCCESS FACTORS

**Data availability (and the
difficulty collecting it)**

**Consistent government
support, politics**

**Different technical,
logistical hurdles for each
market and crop**

CHALLENGES

THANK YOU