

Crop Insurance and Aquaculture

Crop Insurance Systems, Inc.

February 26, 2014

A little history of Crop Insurance



1939 -1981

Crop insurance begins as an experiment.

Can crop insurance manage the financial consequences of crop losses?

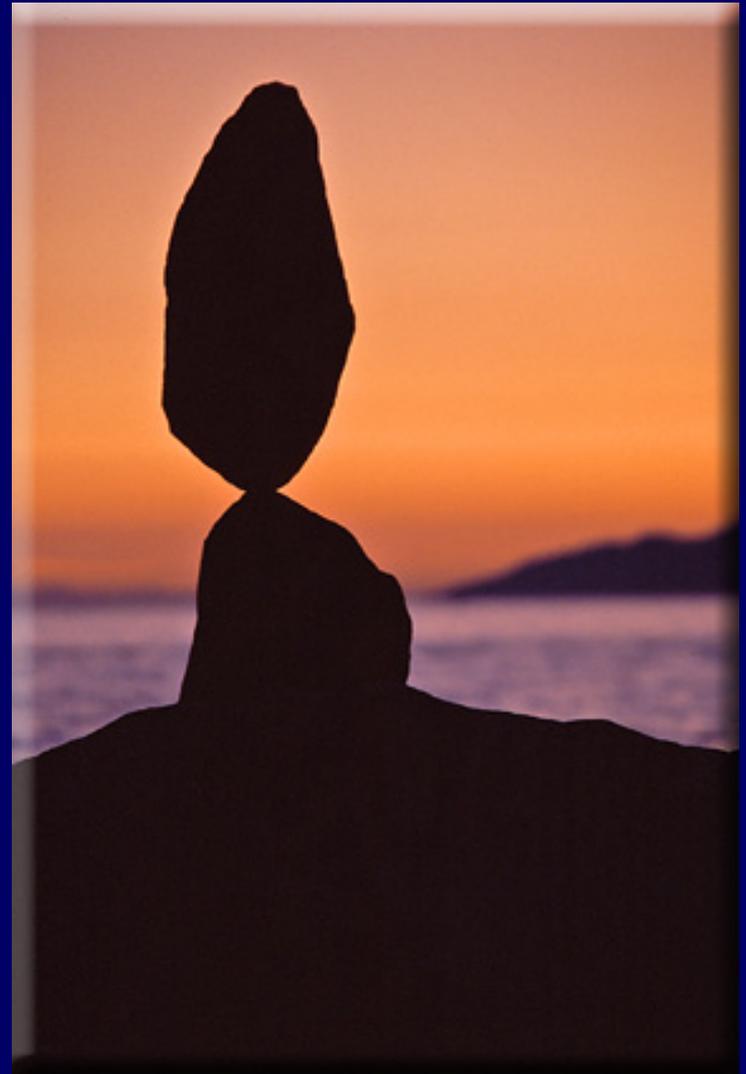


In 1981 crop insurance becomes a national program. The private sector is brought in to increase program participation.

Primary Purpose of Crop Insurance

Budgeting tool

- Allows the government to predict expenditures for crop disasters.
- Provides farmers with a counter measure against production and or revenue losses.





In 2000 The private sector becomes the exclusive developer of insurance products.

In 2005 Crop Insurance Systems is formed to help farmers solve their insurance problems.

Congress

Enacts Crop Insurance Legislation

Secretary of Agriculture

(Administers Crop Insurance Program)

RMA

(Insurance
Professionals)

Ins. Companies

(Insurance
Professionals)

Farmers

(Policyholders)

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Crop Insurance Systems

(Insurance Professionals)

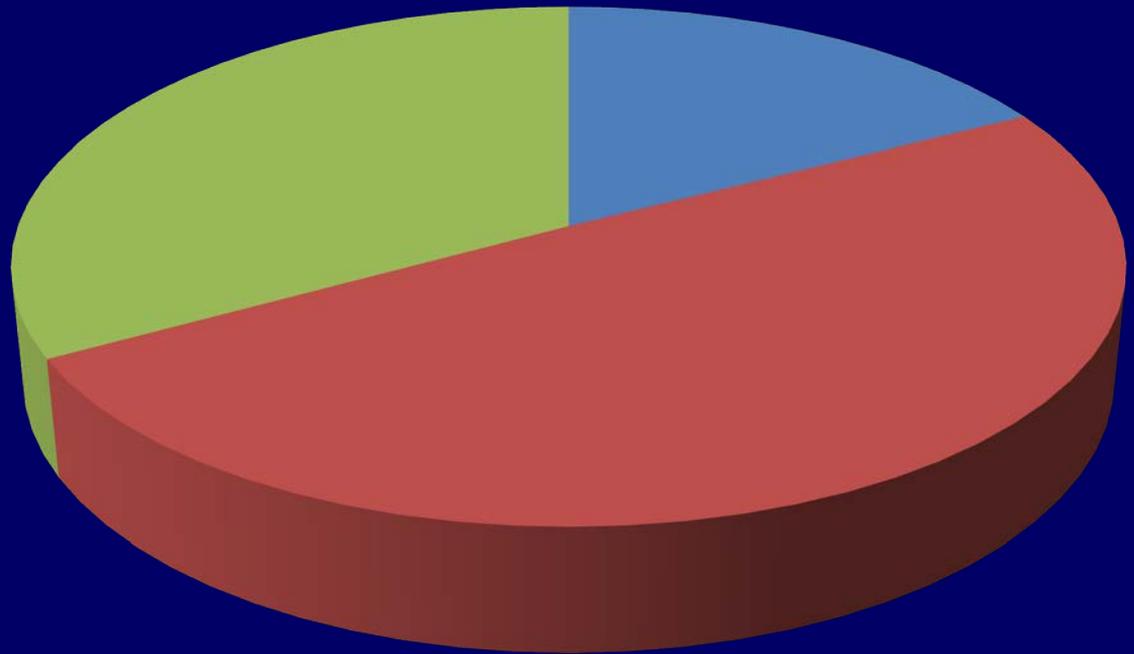
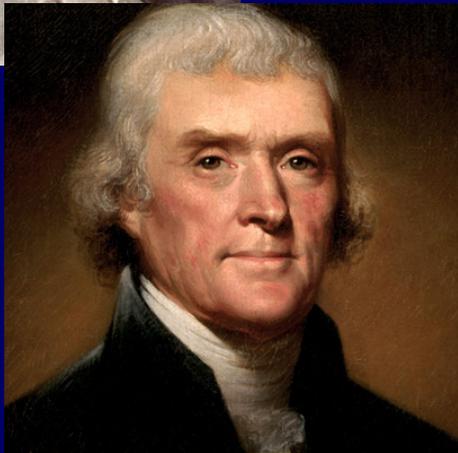
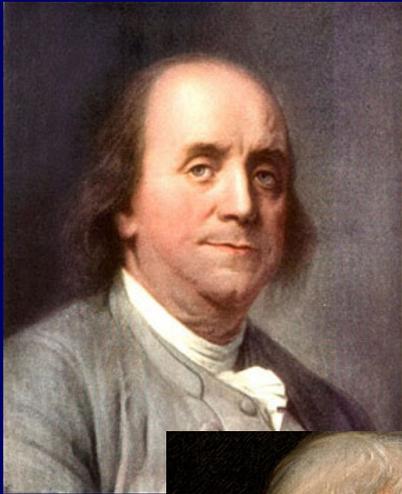
What does the insurance protect against?



**Vibrio
vulnificus**



Why Federal Crop Insurance?



■ Administration ■ Subsidy
■ Your Premium

Insurance Models

Area wide Insurance

Yield/acre

Revenue/acre

Vegetative Cover

Rainfall

Production Based

Individual Insurance

Yield /acre

Revenue/acre

Inventory Based

Individual insurance programs require



- An accurate system that can:
 - Set an insurance amount.
 - Identify when losses have occurred and the amount of the loss.

Insurance Development Problem

- How to set the correct insurance amount.
- How to identify when losses occur and how large the loss is.
- How much the insurance should cost.

The Development Process



Concept
Paper

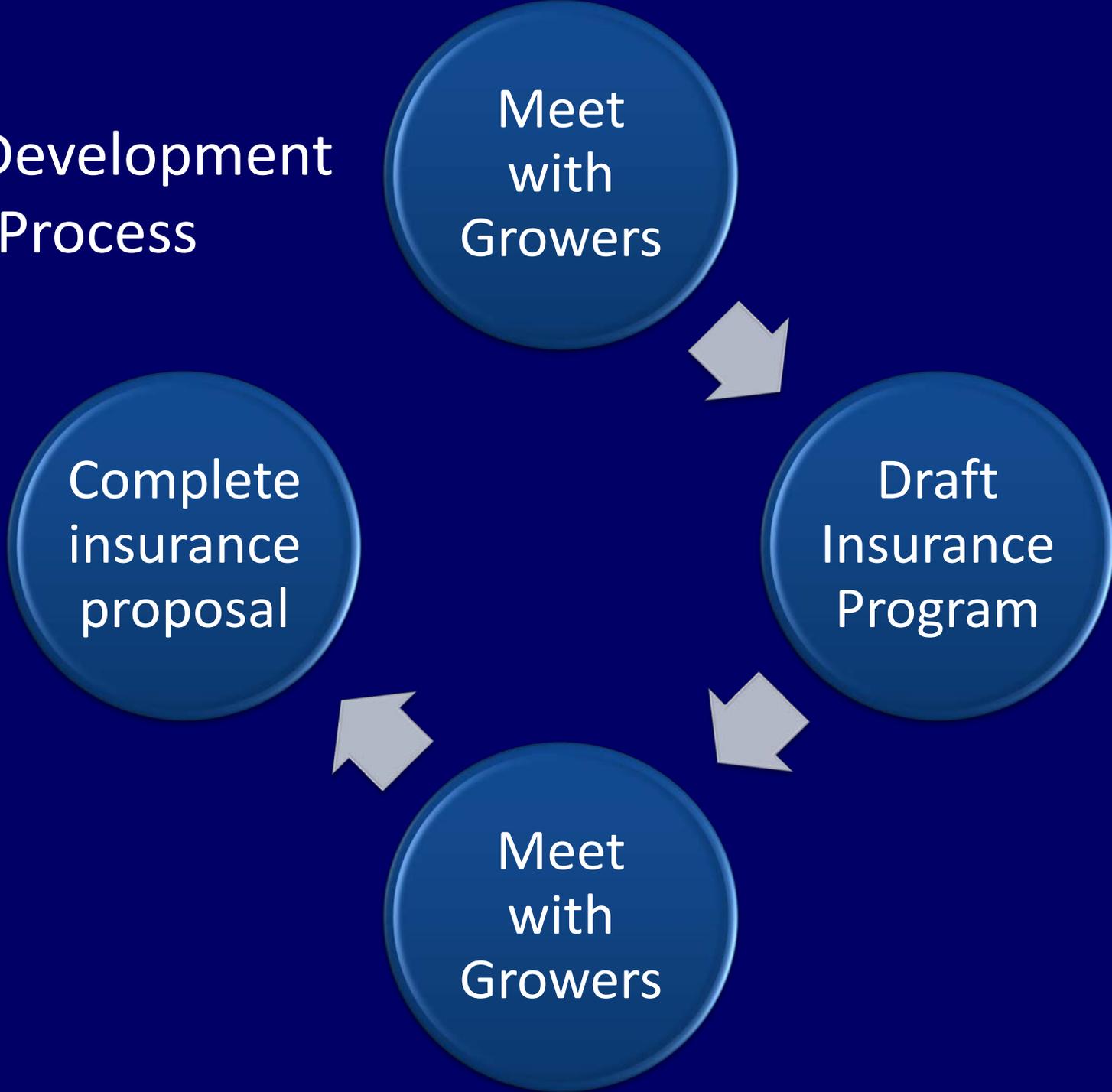
Meeting
with
USDA

Expert
Review

Funding
Meeting
with
USDA

Begin
Develop
ment

The Development Process



The Development Process



The way forward

- Employ Crop Insurance Systems to develop a concept proposal.
- We will work with you to design and submit a crop insurance proposal to USDA.
- We will complete the insurance product in about 6 months.
- The insurance could be available in about 2 years.



GENUINE RISK

