



UNDERSTANDING AGRICULTURE INSURANCE UNDER THE PDM

Toll-Free line
0800300021

Plot 1, Vale Road,
Naguru, Kampala

WHAT STANDS IN THE WAY OF ACHIEVING THE PDM MISSION?

• RISK

- Some of the notable risks include: loss of and damage of the crops and livestock due to drought, excessive rainfall, fire, floods, windstorms, hail, lightning, uncontrollable pests, and diseases.



Tomato garden hit by drought



Maize garden hit by a heavy flood



WHAT IS A RISK?

- Uncertainty as to the outcome of an event when two or more possibilities exist.

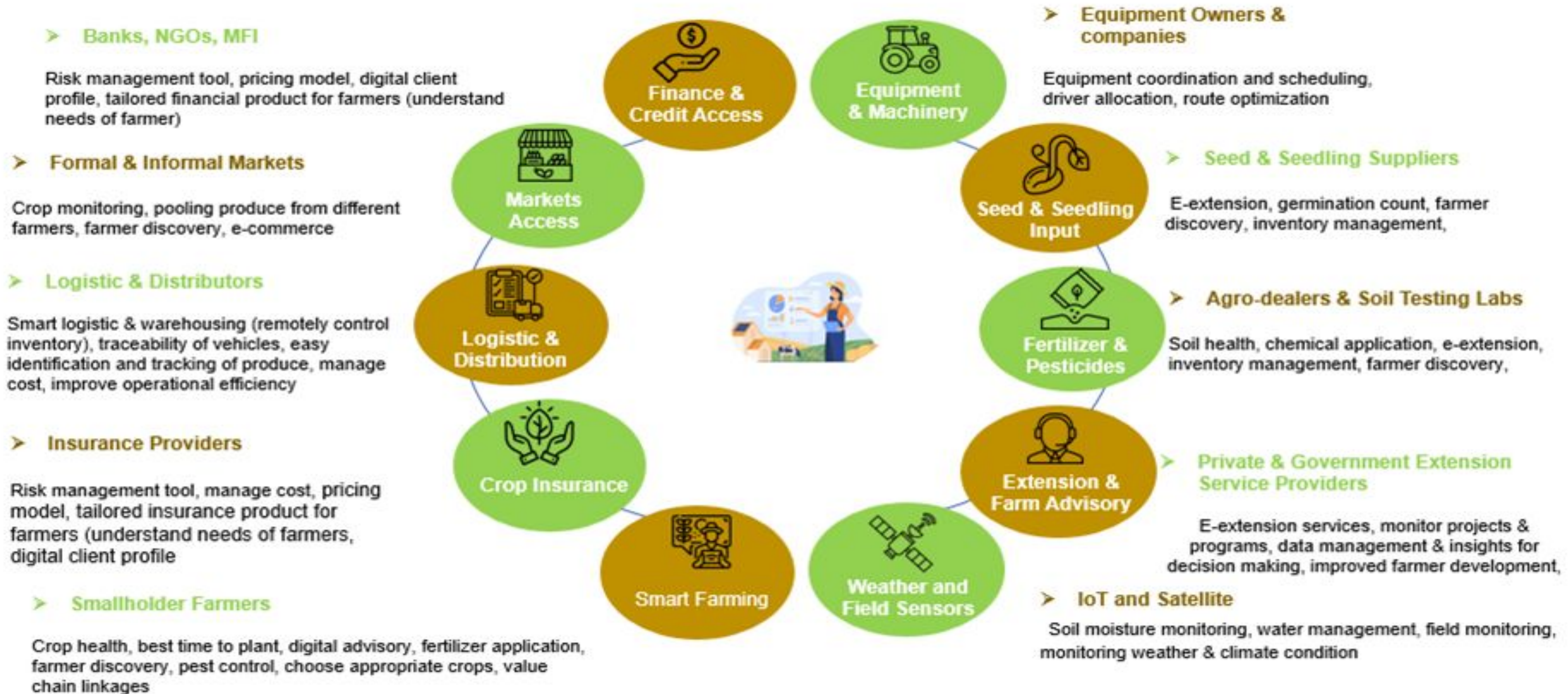


RISK MANAGEMENT

Life is generally risky. There are five basic ways to deal with risk. Think of the acronym SARRT;

- **Sharing** – pooling the risk with a variety of other people who share the same risk
- **Avoidance** – removing the possible cause of a loss
- **Retention** – keeping all or part of the financial risk of loss
- **Reduction** – reducing the chance of loss with safety techniques
- **Transfer** – the most commonly used tool is insurance which means transferring the risk to a third party.

WHAT DO WE OFFER AS A CONSORTIUM LED BY INSURANCE COMPANIES?



WHAT IS AGRICULTURE INSURANCE?

- Agriculture Insurance is a valuable business risk management approach that provides farmers with financial protection against production losses suffered by farmers because of damage and destruction of their crops and death of livestock.
- The crops covered under insurance include; coffee, cotton, tea, millet, barley, Irish potatoes, cassava, oil seeds, fruit trees, cocoa, bananas, rice, maize, pulses, vegetables and horticulture, livestock, bees, fish, forestry, and plantations.
- The livestock insurance product covers poultry, dairy cattle, pigs, goats, and sheep.



WHY RISK MANAGEMENT & INSURANCE?

- De-risking the PDM agriculture production activities
- Protecting the Parish Revolving Fund

HOW

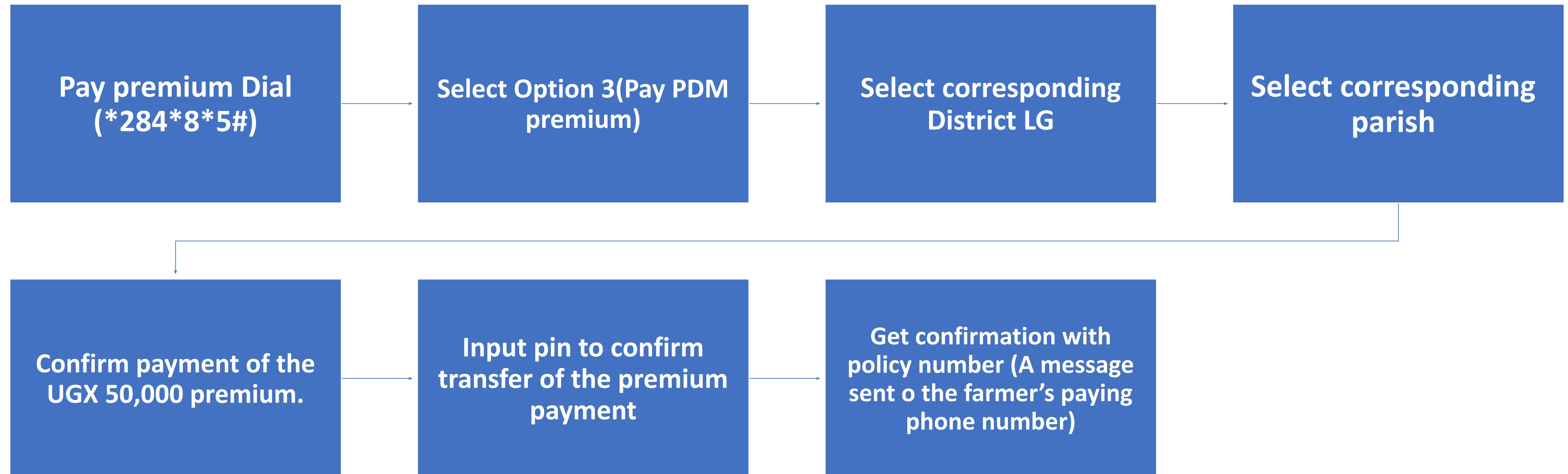
- Fund is insured under the Consortium at a fee of **UGX 50,000** for a period of 2 years.
- Premium payment is meant to be done using our USSD code(***284*8*5#** and or **Wendi Merchant Code via *229#**) when the loan is disbursed.
- Insure the expected yield/income of the farmer or loan amount



PRODUCT	What is covered	What is not covered
<p data-bbox="23 146 716 206">Area Yield Index Insurance</p> <p data-bbox="23 318 916 525">It is a comprehensive insurance cover that protects farmers against risks that might affect their harvest.</p>	<p data-bbox="949 159 1982 562">Area Yield Index insurance covers crop losses as a result of drought, excessive rainfall, uncontrollable pests and diseases, floods, windstorms, hail, frost, and/or heat waves.</p>	<p data-bbox="2015 159 3282 562">Farmers are not protected from losses resulting from, poor farm management, terrorism, war, conflict, or animal encroachment. Or losses brought on by other events, like explosions, riots, strikes, and volcanic eruptions.</p>
<p data-bbox="23 699 683 759">Weather index insurance</p> <p data-bbox="23 853 916 1059">This insurance covers losses caused by drought and/or excessive rainfall.</p> <p data-bbox="23 1078 916 1360">Satellite technology is used to monitor daily weather occurrences and at season end estimate the extent of the loss suffered.</p>	<p data-bbox="949 703 1999 984">Farmers are protected from yield loss as a result of physical loss or damage to growing crops directly by drought and/or excessive rainfall.</p>	<p data-bbox="2015 703 3298 1134">Farmers are not protected from losses resulting from damage due to Pests, diseases, flooding, fire, lightning, earthquakes, riots and strikes, explosions, hailstorms, windstorms, landslides, localized storms, and poor farm management practices are not covered.</p>
<p data-bbox="23 1397 533 1457">Livestock Insurance</p> <p data-bbox="23 1547 916 1754">This insurance offers protection against loss as a result of the death of animals.</p>	<p data-bbox="949 1397 1999 1876">Farmers are safeguarded against the loss of livestock due to Fire, Lightning, Flood, Rainstorm, Windstorm, Hailstorm, Snow, Hurricane, Earthquake, Landslides, Diseases, Inundation, Surgical Operation and Impact accidental damage by animals, trees or vehicles, aircraft, or</p>	<p data-bbox="2015 1397 3298 1829">The following are not covered: intentional harm, previous illnesses or accidents, mysterious deaths, unidentified causes of death, mysterious disappearances, inadequate milk production, malnutrition, feed poisoning, infertility, or impotence.</p>

<p>Poultry Insurance</p> <p>This insurance offers protection against the death of birds (layers, kroilers, broilers, and local chicken).</p>	<p>It offers protection against the death of birds due to fire, lightning, floods, rain, hurricanes, earthquakes, landslides, wind, hail, snow, and diseases</p>	<p>The following are not covered: illegal sales, willful misconduct, previous illnesses, injuries, accidents, or unwillingness to act when birds are ill or hurt and/or specifically excluded diseases like Avian Influenza.</p>
<p>Aquaculture Insurance</p> <p>This insurance provides protection against the death of fish.</p>	<p>It offers protection against death or physical loss of fish stock, caused by storms, lightning, tidal waves (tsunami), collision, sudden and unexpected failure of equipment structural components, theft, malicious acts, and physical harm caused by predators or other aquatic organisms (but not by sea lice or other ectoparasites), supercooling, ice damage, and freezing chemical conditions of the water, including upwelling and high water temperature.</p>	<p>It does not offer protection against deaths or loss due to cannibalism, gross negligence, war, a lack of or an abundance of food, feed poisoning, early harvest, secondary infections, intentional killing, or a decline in market value due to a plankton bloom.</p>

Onboarding process flow



ENTRY LEVEL

- **1. Through Financial Inclusion Pillar 3**
- **2. SACCO Level**



What products are offered to these Enterprises?

Weather Based Index Insurance (WBII): (Crops & Apiary)

- Is insurance that protects you from drought and excessive rainfall.

Area yield index insurance: (Crops)

- Area yield index insurance is a cover that insures farmers against yield losses due to natural calamities in a unit area of insurance.

Livestock insurance: (Livestock & Poultry)

- Is insurance of animals against death due to a specified risk.

Aquaculture Insurance; (Fish)

- Is insurance of fish against death due to a specified risk

How to claim incase of a loss?

Weather-Based index Insurance;

- » Monitoring results are received at the end of the season.
- » Yield losses are based on the severity of the risks, insured farmers are automatically compensated to the extent of average loss suffered by all farmers in that parish.

Area yield index Insurance

- » In area yield- index insurance the insurer moves with the farmer along the production chain.
- » If there is loss from the sampled gardens the farmers are automatically compensated to the extent of average loss suffered by the sampled farmers in that Parish.

Livestock insurance

- In this case, the farmer must give the PDM SACCO evidence of the animal's loss or death, such as a police report, letter from the LC1 Chairman attesting to the animal's cause of loss or death.
- The insurer will then be notified by the SACCO, who will dispatch a veterinarian or fisheries official to certify the loss.
- The PDM SACCO will then be compensated for the estimated loss amount.

KAMPALA OFFICE
Plot 1 Vale Road Naguru.
P.O.BOX 4726.
Kampala,Uganda
Tel: 0414 660 800

MBARARA OFFICE
Innovation Village,Rwebikona
Plot 34-38,Fortportal Road,
P.O.BOX 4726,Kampala
Tel: 0414 660 067

MBALE OFFICE
Plot 2-4, Tolosyo Lane
Namakwekwe Estate,
P.O.Box 4726, Kampala
Tel: 0414 660 065

GULU OFFICE
Innovation Village,
Plot 3,Princess road.
Former Smiling Panda,
Opposite Gulu Lands Office.
P.O.BOX 4726, Kampala