



REPUBLIC OF TURKEY  
MINISTRY OF AGRICULTURE  
AND FORESTRY



REPUBLIC OF TURKEY  
MINISTRY OF TREASURY AND FINANCE

# TARSIUM®

*insurance of agriculture*



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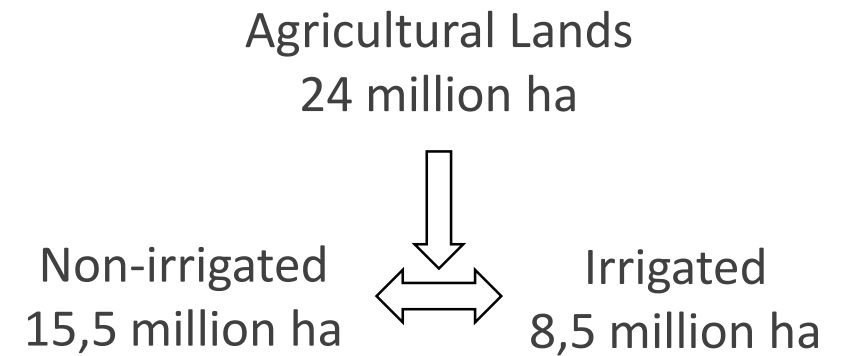
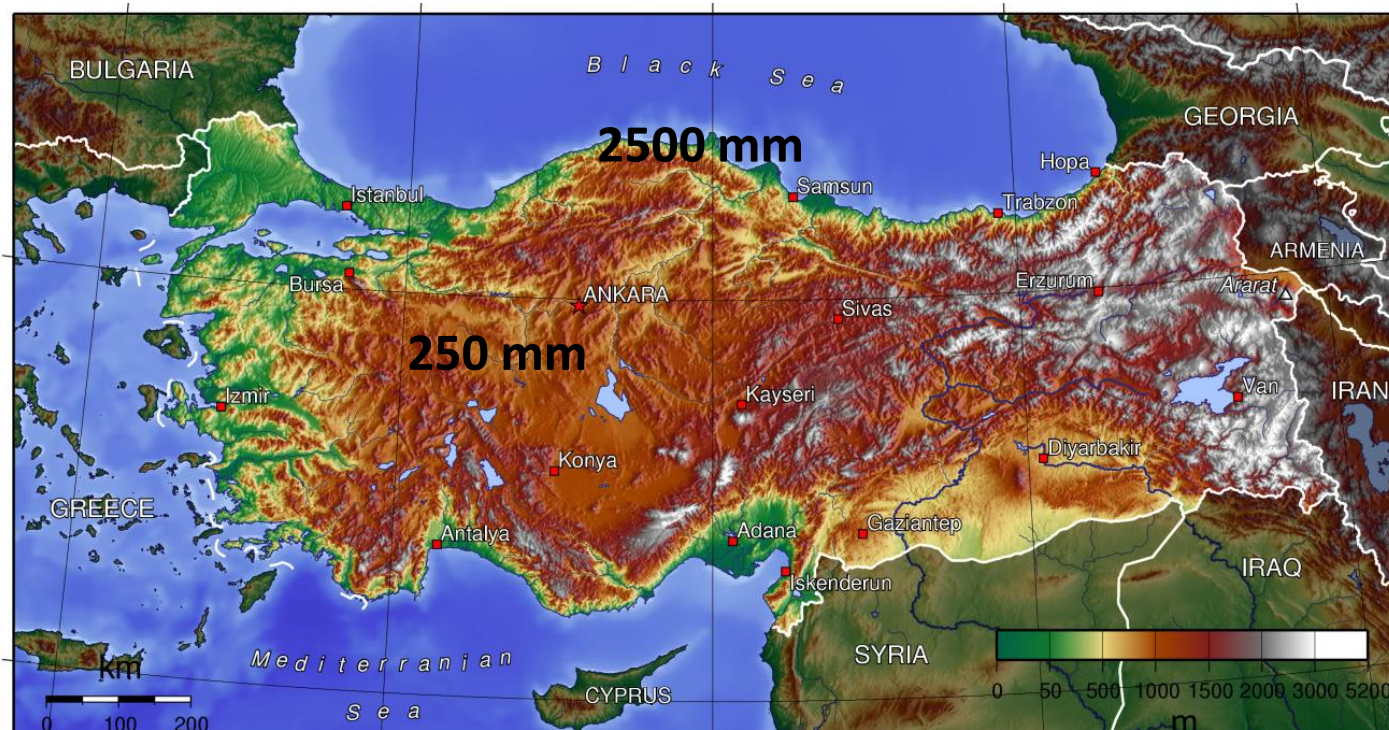
## Overview of Turkish Agriculture

- ✓ Total Population: 83,6 Million
- ✓ Rural Population: 6 Million (7%)
- ✓ Number of Farmers: 4,7 Million
- ✓ GDP of Agriculture: 45 Billions USD (6,6%)
- ✓ Agricultural Export: 20,7 Billion USD
- ✓ Total Agricultural Area: 24 Million ha
- ✓ Avg. Size of Farm: 6 ha

In terms of agricultural economy, TURKEY ranks 2nd in Europe and 11 in the World.



# Overview of Turkish Agriculture



# Disasters are increasing and their costs growing in agricultural sector



## Chronology

### 1957: Private Agricultural Insurance

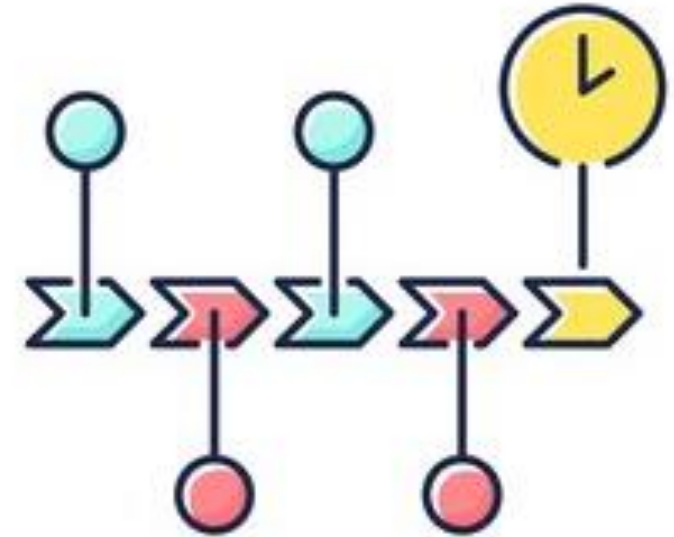
1957: Crop – Hail Insurance

1960: Cattle Insurance

1984: Poultry Insurance

1990: Aquaculture Insurance

### 2006: State Supported Agricultural Insurance (PPP)



## Why a Pool System?



## Success factors of the Turkish Agricultural Insurance Pool System

Farmers trust the system

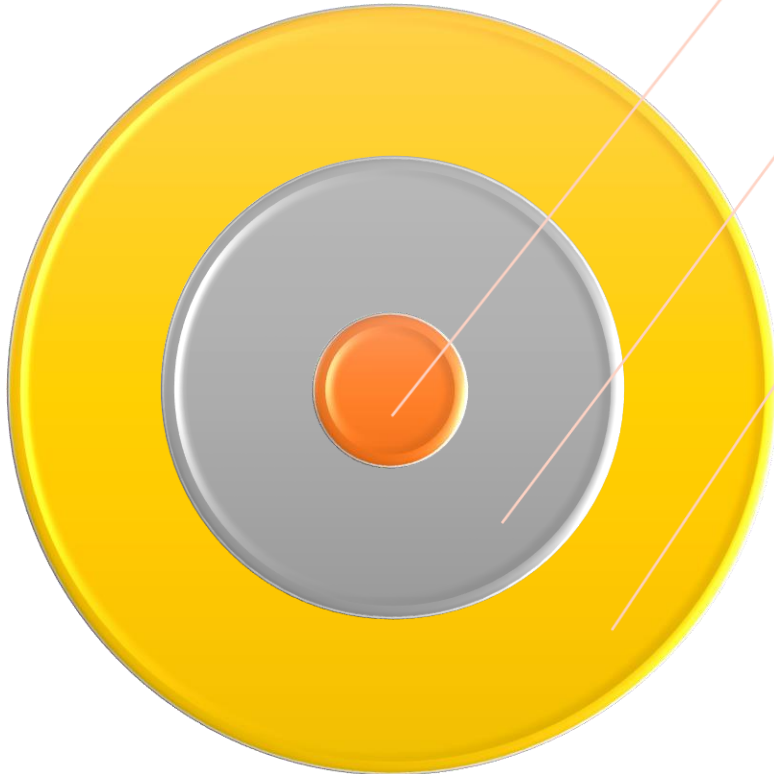
- ✓ High/increasing penetration rate,
- ✓ They are active and participate of the technical discussions ,
- ✓ They feel the system as THEIR system

The State trust the system

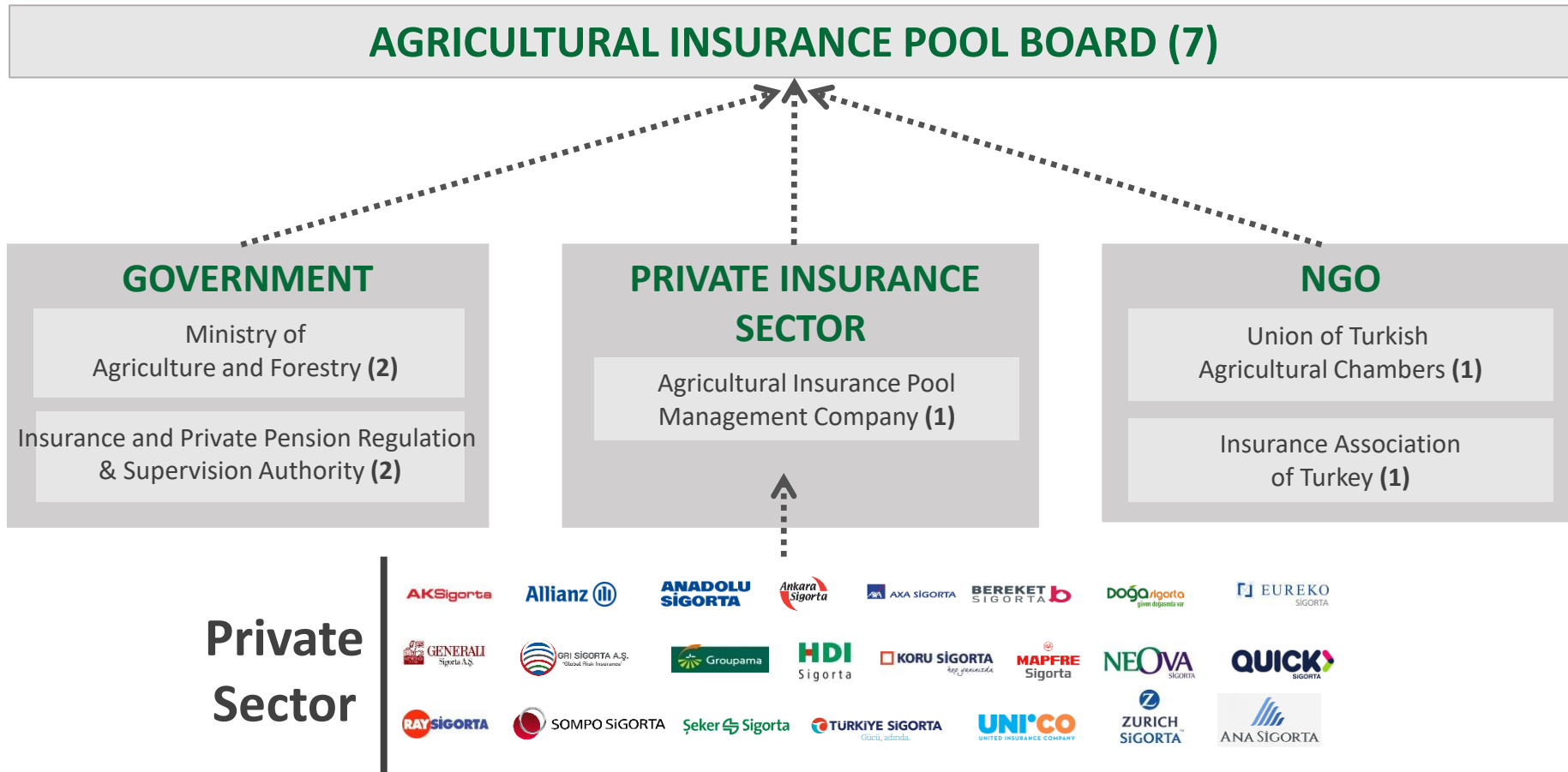
- ✓ Budget for subsidies is sustained
- ✓ Participation is sustained
- ✓ No ad-hoc payments (no needed)

Insurance & Reinsurance Companies trust the system

- ✓ They offer capacity
- ✓ Distribute the policies
- ✓ Give feed-back from farmers to the system



# Corporate Structure of the System





# Management Company

## Joint Stock Company

A joint stock company which was jointly established by the insurance companies.

## 16 Regional Offices

Operations are carried out with 16 Regional Directorates.



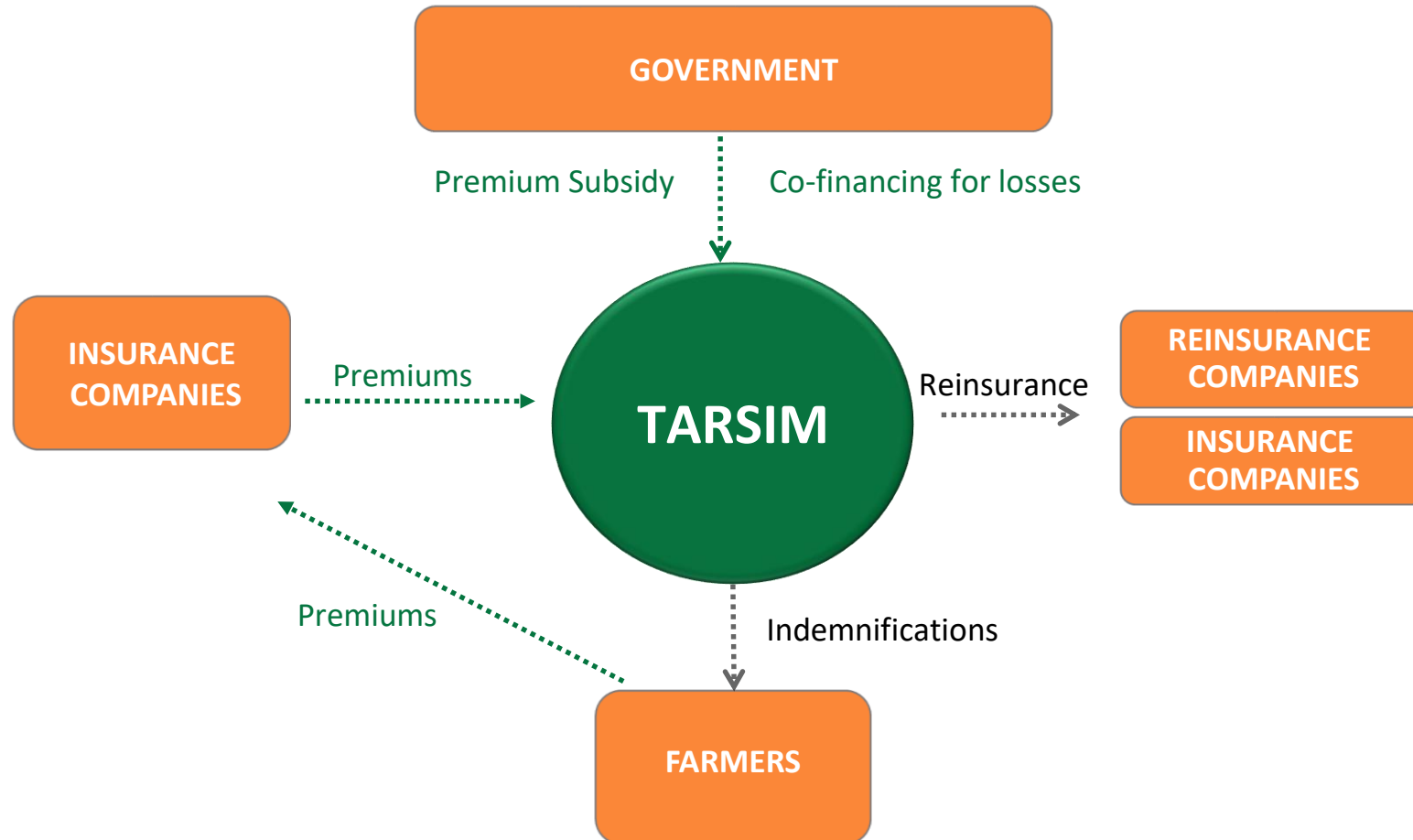
## Insurance Principles and Techniques

All works and operations of the Agricultural Insurance Pool are carried out by this company according to insurance principles and techniques.

## Regulation, Operation, Publicity

Development of insurance product, underwriting procedures and principles, actuarial studies, reporting, training and assignment of loss adjusters, public relations and publicity campaign operations are carried out.

# Risk Transfer Mechanism



# Exemplary Activities of TARSIM in Reconstruction & Rehabilitation and Disaster Risk Reduction

Economic and Social Recovery

## Reconstruction and Rehabilitation from disasters

Indemnification of TARSIM helps economic and social recovery.

## Disaster Prevention and Preparedness:

Technological solutions for disaster prevention and preparedness.

Sharing technical knowledge:  
Meteorological forecast, Cover and support systems against hail risk, wind fan, fogging, sprinkler against frost risk

Fast reaction and accurate loss adjustment are key factors.

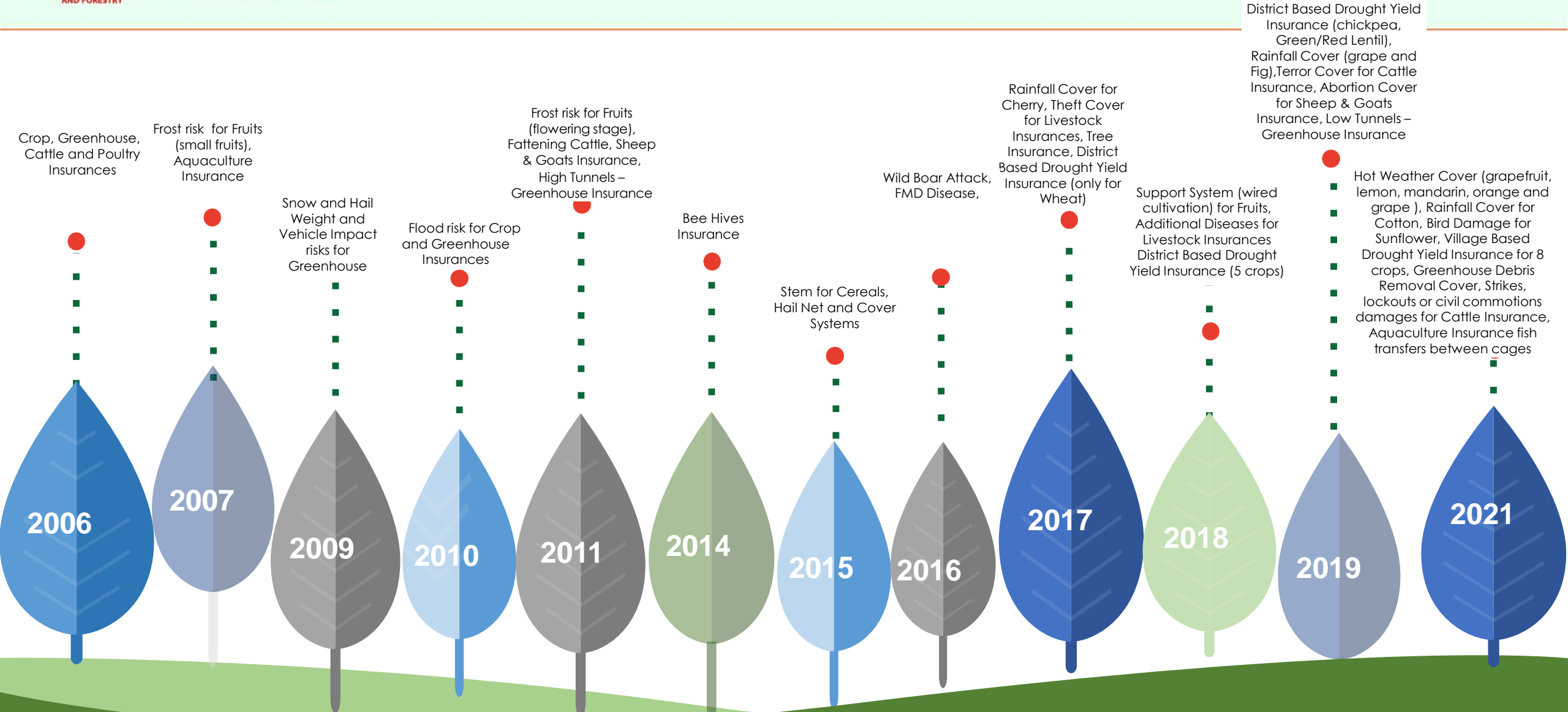
Government premium subsidy distributed by TARSIM increases penetration rates.

Disaster Risk Reduction

## Insurance Lines

- Crop Insurance
  - Village Based Drought Yield Insurance
- Greenhouse Insurance
- Cattle Insurance
- Sheep & Goat Insurance
- Poultry Insurance
- Aquaculture Insurance
- Bee Hives (Apiculture) Insurance



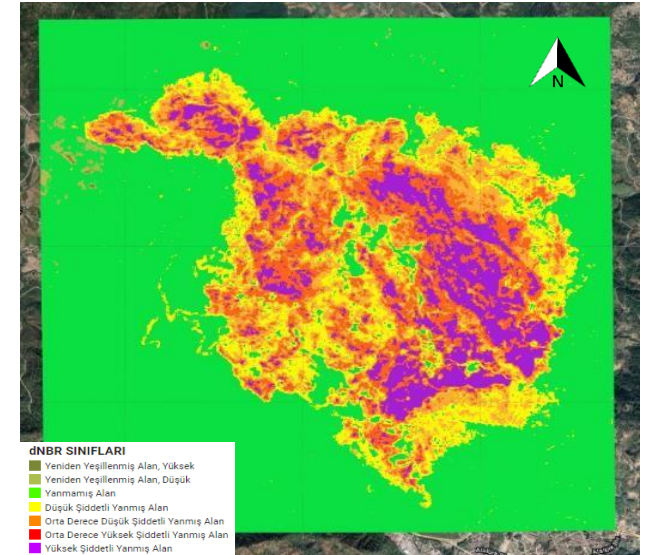
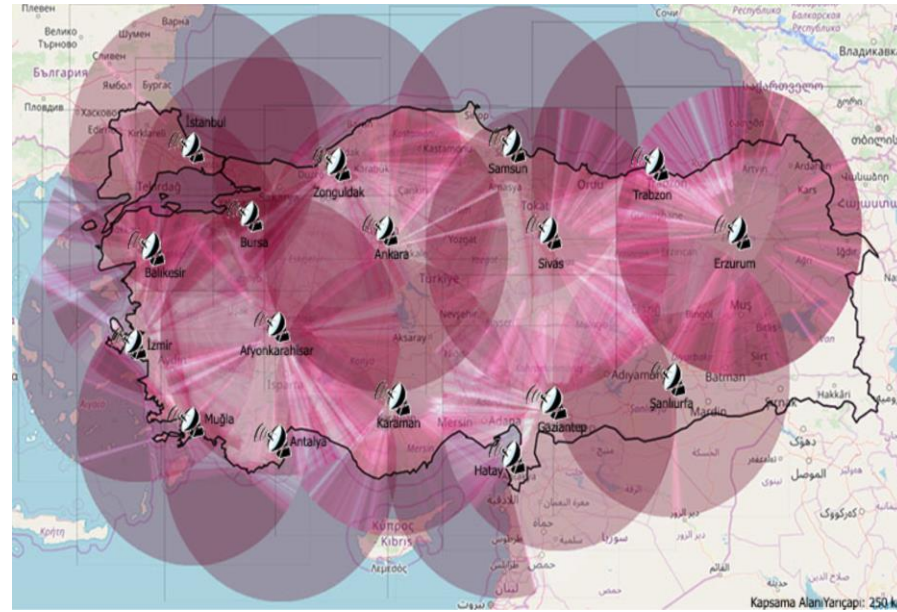
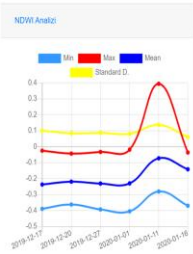
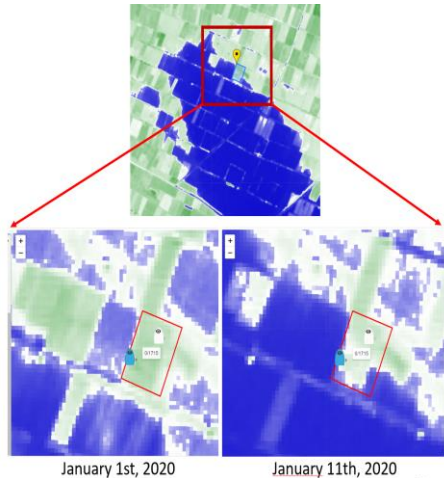


# Technological Solutions

With the technological solutions we have integrated, we can calculate the probability of occurrence of some risks in advance and for loss adjustment process.



ing tool

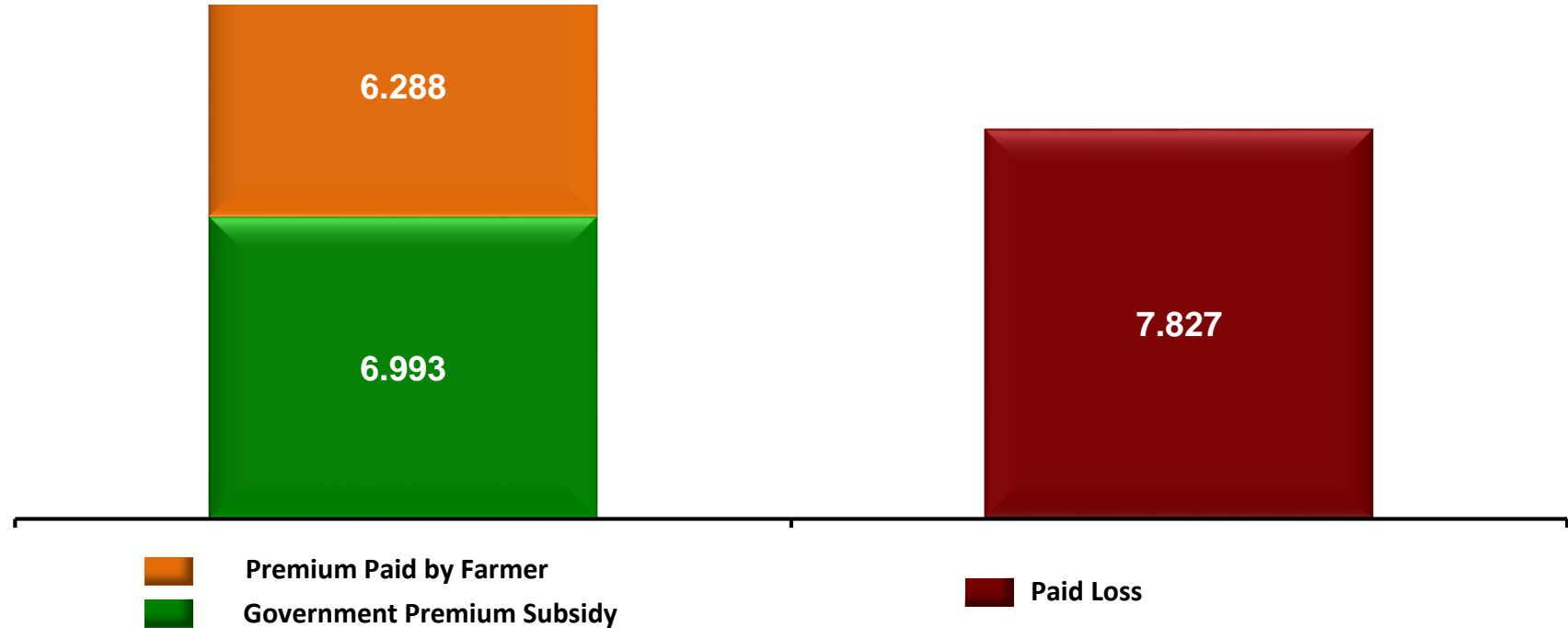


# Results

Within 15 years;

- ✓ Farmers/producers: paid 6,3 billion TL Premium and in return received 7,8 billion TL. (24% more than the Premium),
- ✓ Government: instead of ad-hoc payments, natural disasters are covered with %12 lesser amount.
- ✓ Insurance Sector: Total Premium > Paid Loss

Million TL





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**THANK YOU FOR YOUR ATTENTION...**



## Yasal Uyarı

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