



Our Appetite

Target

Non-target

Type of client	Cooperatives, processors, merchants, Agro-holding	Single Peril cover
Geographical area	Eastern Europe: Romania, and Czech Republic	Sanctioned countries, countries in war and similar situation
Type of plants	Spring crops: Corn, sun flower, sugar beet, and potato	
Trigger	Drought based on: - Cumulative rainfall - Soil Moisture Index (SMI) or - Normalized Difference Vegetation Index (NDVI)	
Period of demand	February to May	
Minimum size of location	3500 ha for farms 15000 ha for transformers & cooperative	
Maximum limit / location	€10 million	More than €10 million/ deal
Minimum Premium	€50,000 / deal	Less than €50,000 / deal
Rate on line	5% - 7%	

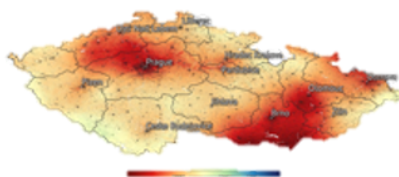
Drought Protection using Soil Moisture Index

1



Client chooses a geographical area and a crop to cover. Together, we predefine the parameters when the coverage shall apply.

2



Using certified satellite data, we monitor the vegetation. As soon as the predefined threshold is met...

3

Soil Moisture Index deviation	Payout [%] of insured value
0 – 10%	0%
10 – 25%	25%
25 – 35%	50%
>35%	100%

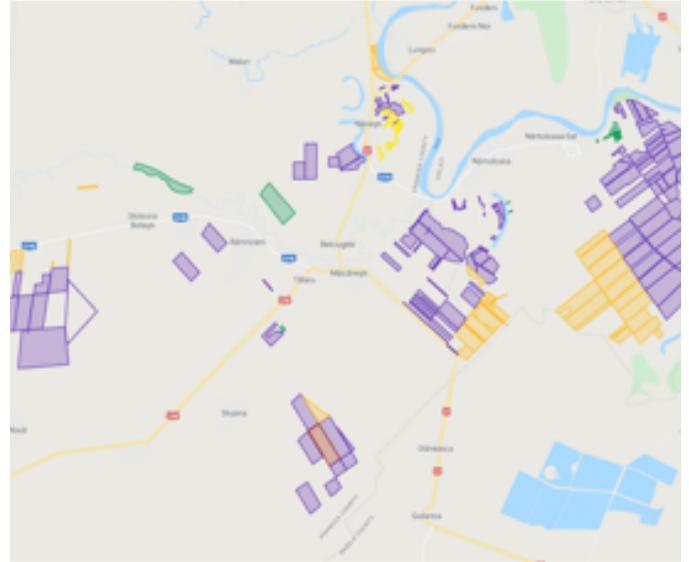
A payout is triggered depending on pre-determined conditions. The amount is pre-defined in the payout table.

Drought Protection using Soil Moisture

Soil Moisture is the water that is directly available for the plant. It is vital for plant growth. When plants cannot access the water they need, growth is reduced, affecting crops and food for livestock, and native biodiversity. Monitoring soil moisture provides the necessary information to adopt and implement strategies to reduce damage due to deficits in precipitation as well as determine approaches to optimize the management of natural ecosystems under the threat of climate change.

Case study: Corn and sunflower producer in Romania

Index	Fields' soil moisture
Crop	Corn and Sunflower
Location	Field location in Vrancea and Brăila county
Risk period	July 1st – September 15 th , 2020
Reference climatology	15-year average
Payout structure	Index = f (Soil Moisture, type of culture, phenological stage)
Trigger / Exit	Trigger: I < -1 / Exit I = -2
Limit	EUR 1 000 000
Net AXA Premium (EUR)	113 386,91
Net AXA Premium (% limit)	11,34%



Why sell this product?

Drought protection offers an alternative to traditional insurance cover. risk for the crops. The current trends with increasing deductibles and premiums in traditional insurance market makes Drought protection an attractive solution to tackle climate risk caused by drought.

FAQ

Is there a deductible?

Not per se, the deductible lies in the trigger chosen

When to propose this product to a client?

February to May

When is the underwriting period?

The underwriting period is 2 months before the start of drought season

What is the trigger?

Drought based on SMI or Rainfall or NDVI

Can I combine this product with traditional insurance product?

Yes.

What data is needed?

Details of the current drought coverage (insured value, deductible, limit, premium), coverage limit requested per site, surface area per site, historical data, and historical losses.

Contact us for more information:

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