



AGRICULTURAL CROP INSURANCE

**FINANCIAL PROVISIONS AND
CAPABILITIES OF THE STATE AND EU
BUDGET AS REGARDS SUPPORTING
THE AGRICULTURE INSURANCE
SYSTEM**

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[Purpose of crop insurance]

- Insurance is the most useful tool of good risk management in crisis situations

[National legislation]

- Act of 7 July 2005 on agricultural crop and livestock insurance (Dz. U. No 150, item 1249, as amended)
- Act of 22 May 2003 on compulsory insurance, Insurance Guarantee Fund and Polish Motor Insurers' Bureau (Dz. U. No 124, item 1152, as amended)

[Community legislation]

- Community guidelines for state aid in the agriculture and forestry sector 2007 - 2013 (OJ C 319 of 2006) - Chapter V
- Commission Regulation (EC) No 1857/2006 of 15 December 2006 on the application of Articles 87 and 88 of the Treaty to State aid to small and medium-sized enterprises active in the production of agricultural products and amending Regulation (EC) No 70/2001 (OJ L 358 of 2006) – Article 12

[Community legislation]

- Council Regulation (EC) No 73/2009 of 19 January 2009 establishing common rules for direct support schemes for farmers under the common agricultural policy and establishing certain support schemes for farmers, amending Regulations (EC) No 1290/2005, (EC) No 247/2006, (EC) No 378/2007 and repealing Regulation (EC) No 1782/2003 (OJ L 30) – Articles 69 and 70

[Subsidies to insurance – Community limits]

- Large enterprises and enterprises active in the processing and marketing of agricultural products are excluded from the aid
- Subsidised insurance may not be available in one insurance company or one group of companies only

[Aid intensity]

- **80 %** of contribution in the case of insurance against losses caused by unfavourable atmospheric conditions comparable to natural disasters
- **50 %** of contribution in the case of insurance against losses caused by:
 - unfavourable atmospheric conditions
 - animal or plant diseases or pest infestations

Definition of unfavourable atmospheric conditions comparable to natural disasters

Weather conditions, such as: frost, hail, ice, rain or drought, which cause losses exceeding 30 % of the farmer's average annual production for the previous three years or the average for three years determined based on data from the previous five years, excluding the highest and the lowest value.

State budget subsidies to agricultural crop and livestock insurance

* EUR 1 = PLN 3.9

Year	Allocated in the Budget Act (EUR million*)	Used (EUR million*)
<i>2006</i>	14.1	2.5
<i>2007</i>	53.9	8.1
<i>2008</i>	139.7	38.4
<i>2009</i>	38.5	33.4
<i>2010</i>	76.9	

Insurance policies purchased by farmers with budget subsidy

Year	Number of policies - in total	Agricultural crop insurance policies	Livestock insurance policies	Area of agricultural crops insured (ha)
2006	11,056	10,738	318	311,740
2007	28,828	28,412	416	575,029
2008	87,370	87,150	220	1,832,036
2009	144,328	144,080	1,248	2,808,105

Cash flows in agriculture related to property and personal insurance in 2006 – 2008 in PLN million based on IERiGŻ data

Year	Property and personal insurance contributions	Property and personal insurance claims	Balance
2006	417	153	264
2007	486	319	167
2008	524	315	209

[DIRECTIONS OF CHANGES]

- The state budget contribution to compensations by means of a reasecuration system covering, apart from drought, the other risks specified in the Act of 2005
- Using the Community budget in line with the rules which will be applicable after 2013