



PARTNER PROFILES



CENTER FOR AGRICULTURE AND RURAL DEVELOPMENT INSURANCE (CARD) INC.

Philippines

GLOBAL INDEX
INSURANCE FACILITY

FUNDED BY



Market started	Product in process of design - goal is to launch in 2015
Clients	Center for Agriculture and Rural Development (CARD) Inc., and CARD Pioneer Microinsurance Inc. (the Joint Venture between CARD and Pioneer Insurance).
Partners	Insurer: CARD Pioneer Microinsurance Inc. (Joint Venture between CARD and Pioneer Insurance) Delivery Channel: Center for Agriculture and Rural Development (CARD) Inc.
Products	Development and deployment of insurance (both index and indemnity) products to address typhoon related risks faced by both lenders and farmers
Insured Perils	Mainly Typhoon
Total Insurance Portfolio	Product in process of design
Insurance Payouts	(N/A)
Average Cost of Insurance	Product in process of design
Development Impact	The project aims to assist the new Joint Venture (JV) insurance company formed by CARD and Pioneer Insurance (CARD Pioneer Microinsurance Inc.) in the development and deployment of insurance products to address typhoon-related risks faced by both lenders and farmers. It will also strengthen their technical and financial capability to administer the insurance products and help remove the constraints of credit expansion to farmers.
Background	<p>The Philippines is highly dependent on the agribusiness sector, which provides employment for over one-third of its 40 million workforce. Despite its significance, the agri-sector continues to experience declining productivity and competitiveness. One of the factors impeding productivity is weak investment in the sector due to risks from natural calamities such as typhoons.</p> <p>The Philippines ranks as the 3rd most disaster prone country in the world, experiencing an average of 20 typhoons a year – with Haiyan (local name Yolanda) being the most powerful of recent typhoons. Lack of appropriate risk management measures in the market has discouraged agricultural investment, further hindering economic growth. Poverty levels among farmers are three times higher compared with those in other sectors. Many lenders are unwilling to extend much needed credit to this sector without risk mitigating measures.</p>
Project Description	The objectives are to create an index-based portfolio insurance product (to insure the agri-loan portfolio of CARD Inc.), and provide advisory services for an indemnity insurance product (insuring losses suffered by CARD agri-borrowers) – as well as build their capacity to administer the insurance products. The project will also provide advice/trainings for the effective management and administration of the products within CARD's agri-lending operations.
Success Factors	N/A, product in process of design
Challenges	The project will explore incorporating both wind speed and rainfall in product design to better address basis risk.
Opportunities	CARD is the largest micro-finance institution in the country, with 1.8 million clients. The project will contribute to CARD's efforts to increase lending to farmers via an improvement in the risk profile of agricultural borrowers.
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