MARINE FISHERIES INSURANCE: EXPERIENCES AND PLANS FROM BANGLADESH

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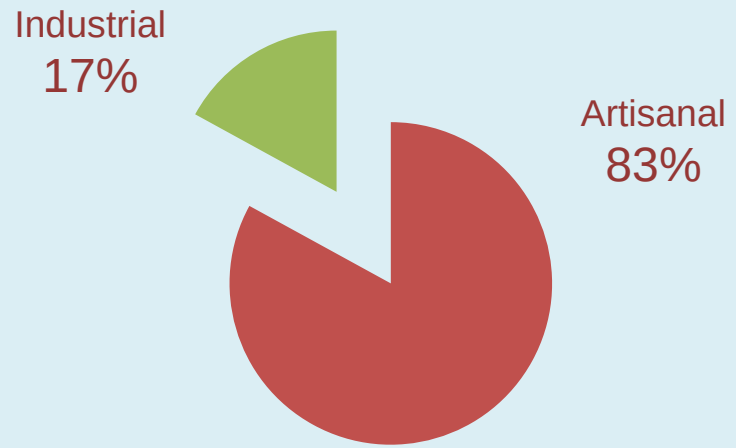
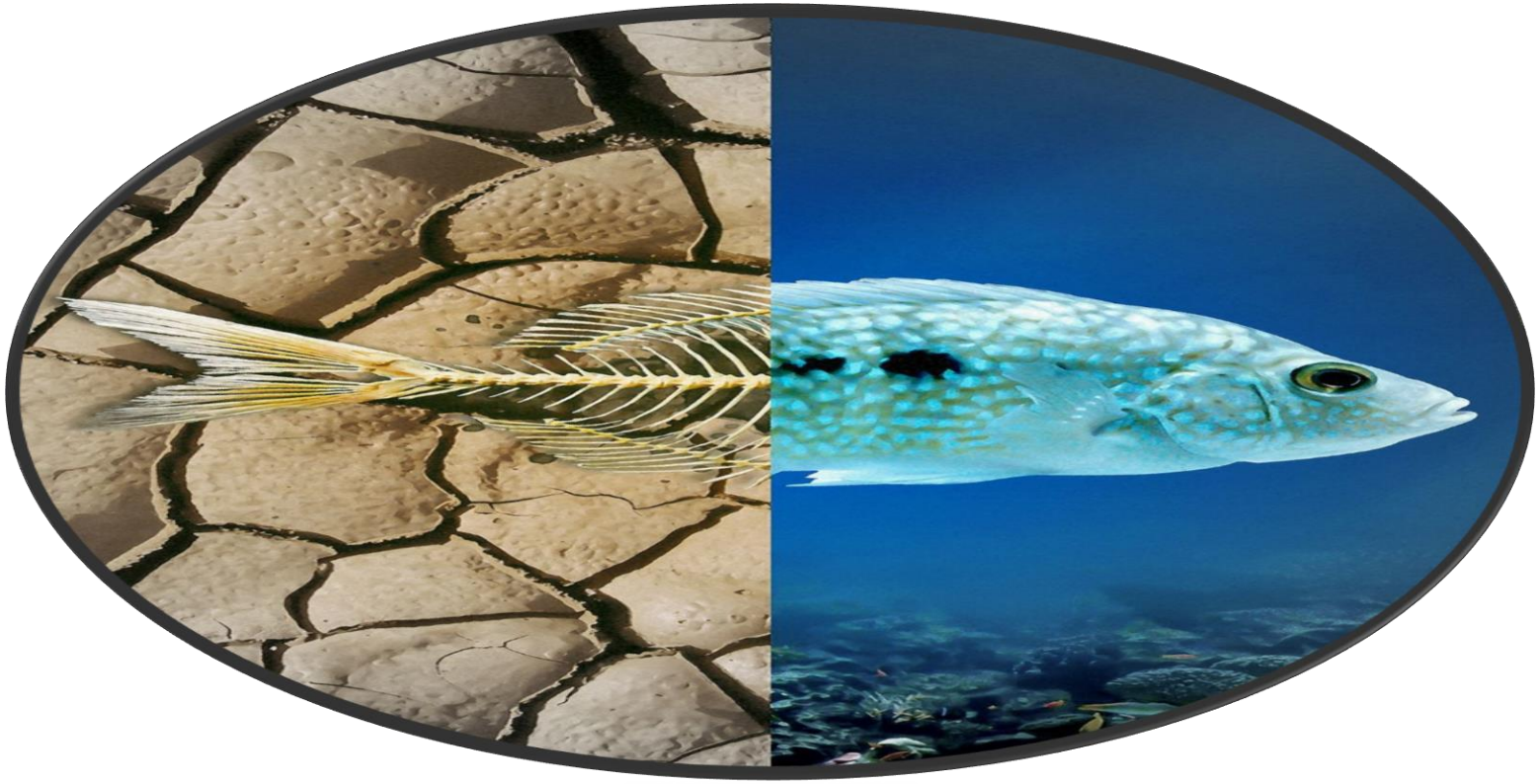
MARINE FISHERIES IN BANGLADESH

- Dual sector. Largely small-scale and artisanal fishery and industrial trawlers
- Major fisheries are hilsa, shrimp, pomfrets
- Achieved steady growth 2-3%
- Second major activity in coastal areas after agriculture in terms of employment



PROFILE	
EEZ (SQ. KM)	1,18,813
INDUSTRIAL FISHING VESSELS	263
ARTISANAL AND MECHANIZED FISHING VESSELS	34,000
NUMBER OF MARINE FISHERS	0.512 million
PRODUCTION (2020-21)	0.68 mmt
CYCLONES RISK	1891- 2015: 89 cyclones. 47% Cyclonic Storms; 53% Severe Cyclonic Storms. Average one cyclone each year.
FISHING DAYS LOST	Significantly

CLIMATE CHANGE: IMPACT ON COASTAL FISHERIES



EFFECTS ON COASTAL AREA IN BANGLADESH

The main impacts of climate change on coastal area are-

- Sea level rise
- Reduction of freshwater availability by salinity intrusion
- Increasing cyclone frequency
- Decreasing brackish water fish production

RECENT NATURAL DISASTERS STATISTICS OF BANGLADESH

- Bangladesh lost a whopping BDT179,198.8 crore due to 11 natural disasters between 2015-2020, according to the Bangladesh Bureau of Statistics (BBS)
- Floods alone accounted for 57% of the total financial losses caused by natural disasters in the last six years

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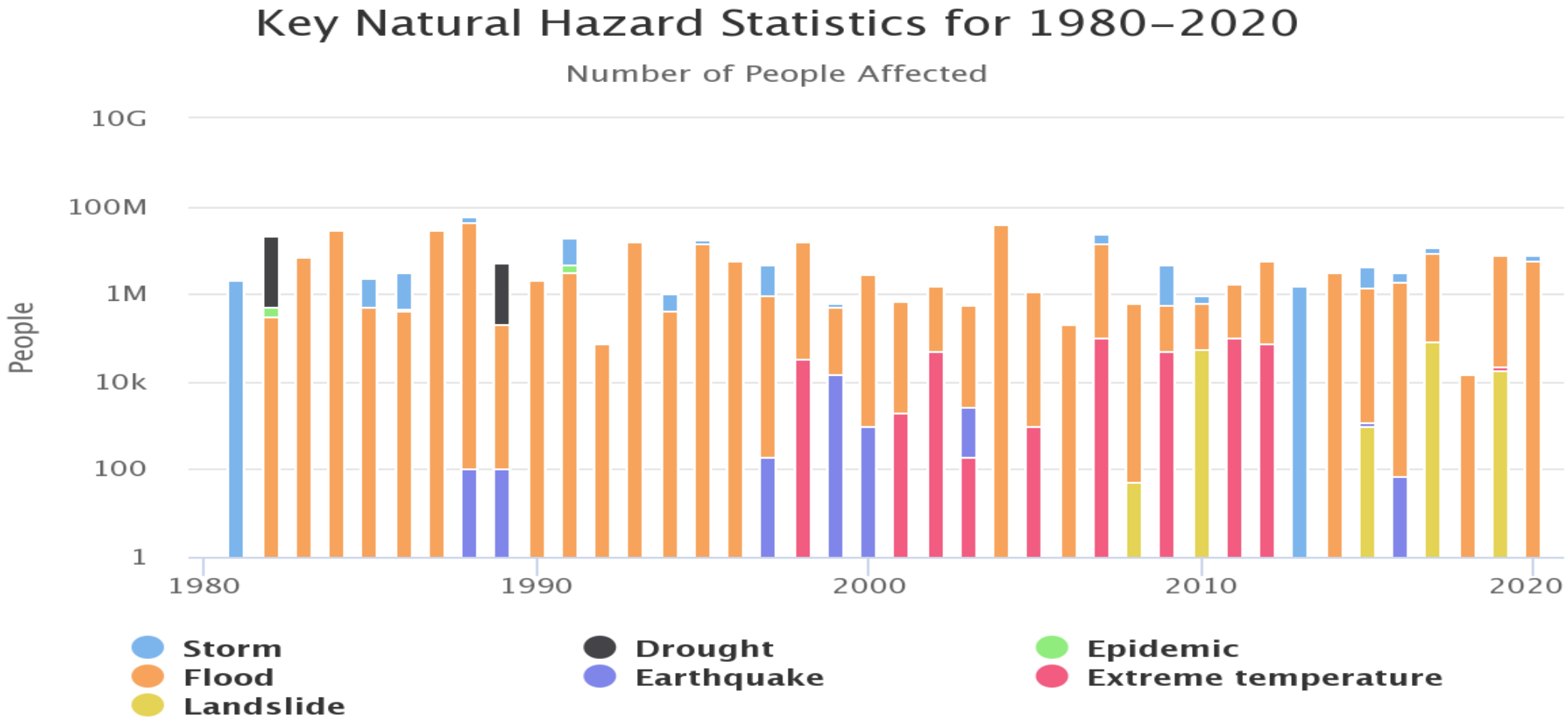

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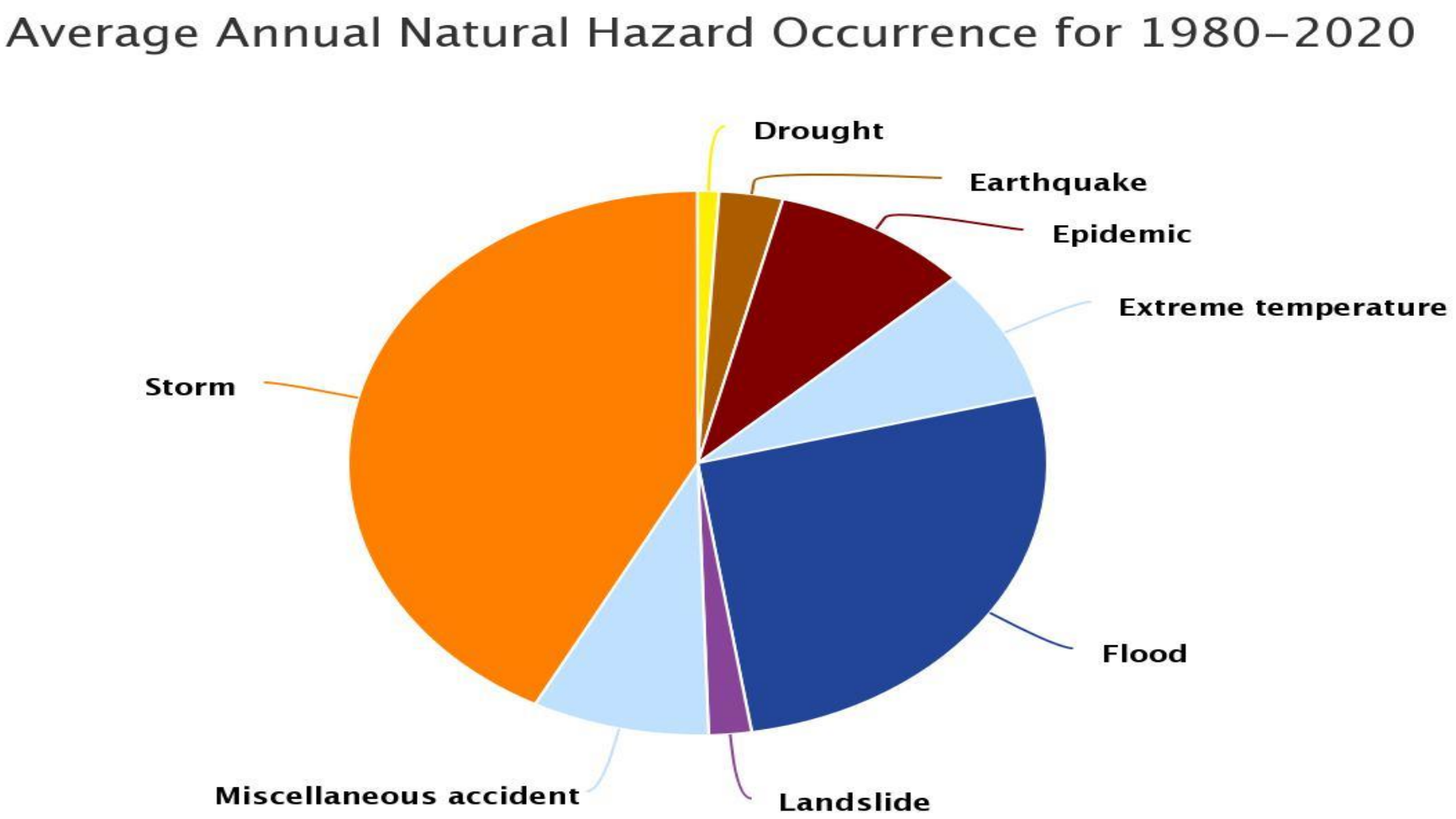

GOVERNMENTAL MEASURES IN RESPECT TO THE FISHERIES SCCTOR

- **Pre-cyclone**
  - Building of Cyclone Shelters
  - Pre-warning
  - Evacuation
- **During Cyclone**
  - Vessel Movement Control

- **Post-cyclone**
  - Rescue Operation
  - Loss and Damage Assessment
  - Compensation
  - Role of NGOS/ CBOS

- **Department of Fisheries (DoF), MoFL started through Fishermen ID Card Project, grants BDT 50,000 for accidental death of registered fishermen.**

CLIMATIC ISSUES & SCENARIOS OF INSURANCE

- Changing profile of cyclone in terms of frequency of occurrence, intensity, area of landfall, and height of storm surge
- Frequency of cyclone occurrence is reducing but intensity is increasing
- Existing insurance policies does not cover cyclone damage
- Modern Industrial trawlers are insured
  - Insurance is required for Bank Loan
  - Crew members are not insured
- Gillnetter and artisanal vessels are not insured
  - No insurance product available
  - Documentation required for insurance not available
  - Not interested
  - Insurance is not required for registration and licensing

PAST EXPERIENCE IN INSURANCE

- **In 2012, the Government of Bangladesh through nationalised insurance agency Jiban Bima Corporation**
- Group Life insurance for fishers (crew members)
  - Personal insurance are costly, so group insurance model with the support of the BOBP-IGO developed
  - Welcomed by fishers and boat owners
  - **The annual per capita premium was BDT1240 (approx. about $ 16) for a sum assured of BDT 200 000 (approx. $ 2500)**
  - **The scheme covers normal death, accidental death and permanent disability**
  - About 2000 fishers enrolled

PAST EXPERIENCE IN INSURANCE *CONT'D*

Problems

- Fully payable by subscriber
- Measures of cost sharing between owner-workers did not work
- A minimum group size of 50 was required
- Setting up of groups was unsuccessful without external support
- Could not be sustained

CHALLENGES TO ENSURE CLIMATE RISK INSURANCE

- Insufficient knowledge and understanding of the climate risk insurance
- Low level of insurance literacy
- Lack of institutional and human capacities to design and implement climate risk transfer mechanisms
- Lack of coordination among the insurers and the relevant government agencies.

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