



# Insurance for Small-Scale Fishers in Thailand

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# Agricultural Insurance in Thailand



- Agricultural insurance is an effective tool for farmers' risk management as it can ease the burden of the government by building up farmers' financial immunity and protecting them from financial collapse and helping them against the cost of damage from price volatility to natural disasters in a systematic.
- The important of the insurance is to cover for the small scale farmers to insure their livelihood, it is important to know that small scale farmers are a driving force in Thailand's agricultural sector.
- Products of agricultural insurance are mainly supported by the government, focusing priority on crops, such as rice, tapioca, and corn



# Insurance for Small-Scale Fishers in Thailand



- Insurance in the fisheries sector, relevant agencies, have jointly pushed forward the implementation of the insurance system in fisheries activities, both in capture fisheries and aquaculture.
- Thailand is in the process of developing and improving the insurance in accordance with the needs of the insured as well as fairness to all relevant sectors.
- This insurance can be classified into 2 types:
  - 1) An insurance for small scale fishers in capture fisheries
  - 2) An insurance for aquaculture, Vannamei Shrimp farmers as a pilot project

# Insurance for small-scale fishers in capture fisheries



## 1. Insurance policy for small scale fishers in capture fisheries with less than 10 GT fishing boat.

(54,814 fishing boat of less than 10 GT that registered with the Marine Department)

## 2. Voluntary fishers Insurance policy (Micro Insurance)

This insurance cover assured with fishing boats whether less than 10 GT or commercial fishing boats of 10 GT and greater.

- Both types of insurance policies help alleviate the damage from natural disasters for small scale fishers both damage to fishing boats and injury or death of fishers.
- The occurrence of natural disasters and severe weather conditions tends to increase gradually that and there are more possibility of damage of their fishing boats and fishing gear, which are the main equipment for livelihood.
- The small-scale fishers are in risk on losing occupation and have inadequate income which affects their well-being.

# Insurance for small-scale fishers in Thailand: Problems



## **Fishers have limited access to the insurance system.**

- The insurance policy does not fit their needs and it does not cover the foreseeable risks incurred with fishers.
- The fishers have no knowledge of insurance and there is no incentive to buy insurance by themselves because at their perception is that when a disaster occurs, small scale fishers will receive financial aid from relevant government agencies.

## **The insurance premium rates are likely to be higher than other agricultural insurance.**

The reason of why fisheries insurance premium rates are higher than other agricultural insurance is that the capture fisheries are in high-risk level and high costs of damage and more possibility of loss of fishing vessels and fishing gear in the occasion of sea disaster or an accident.



## **The less numbers of fishers .**

The less numbers of fishers or insured person comparing to other agricultural insurance, may be the cause of the less incentive for insurance companies to develop their business plan.

## **The insurance companies .**

- A few insurance companies have knowledge or expertise in the fisheries sector.
- Insurance companies need support information by the government and relevant private sectors. However, data linkage between government and relevant private sectors is still limited.
- Insurance companies have no clear mechanism to assessing the damage and damage causes.



# Insurance for the aquaculture sector



- Thailand is in progress in developing insurance policy for Vannamei shrimp farmers as a pilot for aquaculture sector that provides protection against damage from disasters and shrimp diseases.  
(41,173 Vannamei shrimp farmers registered with the Department of Fisheries)
- Vannamei shrimp farmers are considered a group of farmers who have the potential to buy insurance on their own (Self-Insured).
- The farmers have incentive and wish to implement the insurance system to manage the risks of investing in aquaculture.

## The problems of aquaculture insurance



- Lack of tools for assessing the damage and damage cause by shrimp diseases.
- The insurance company need support and rely on the proving procedure of government agencies in particular Department of Fisheries.



# Insurance for small-scale fishers in Thailand: Way Forward



- Although the government has focused on agricultural insurance as an important policy, the development of fisheries sector insurance, both capture fisheries and aquaculture insurance products have not been able to offer widespread in the dimensions of the dangers to be protected and the dimensions of aquatic species to be protected and claim.
- Currently, the insurance for the fisheries sector in Thailand is only insurance for capture fisheries, which based on individual interest of fishers. Therefore, the cooperation of both the public and private sectors is required to create mechanisms for the implementation of insurance systems in the fisheries sector as follows:

# Insurance for small-scale fishers in Thailand: Way Forward



As follows:

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- Government sectors are encouraging competition among insurance companies to develop a variety of insurance policies to meet the needs of fishers and aquaculture farmers.

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- Developing tools and mechanisms for insurance business operators to prove damage in fishery sector.
- The government may support the linkage of government data for the benefit of assessing damage by company.
- The introduction of innovation or new technology in damage assessment and reduce the cost of management of insurance companies, would lower insurance premium rates that can increase the incentive of farmers and fishers to access insurance.





# THANK YOU

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