

Study on Sustainable Development of Agricultural Insurance in Jilin Province

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Abstract: Agriculture is not only the largest industry in China, but also the pillar industry in China. The sustainable development of agricultural production is a major issue related to national livelihood and national development. However, the sustainable development of agricultural production needs agricultural insurance to protect farmers' income risk. The rational use of agricultural insurance is a powerful guarantee for farmers' investment in agricultural production. Agricultural insurance is a very important risk management tool in agricultural development. It is of great significance to promote the development of agricultural production and increase farmers' income.

Keywords: Agricultural insurance, Product innovation, Jilin Province

1. Analysis on the Current Situation of Agricultural Insurance in Jilin Province

Jilin Province is located in the middle of Northeast China. It is rich in agricultural resources, fertile soil, and sufficient light and convenient transportation. It is an important commodity grain production base in China. Affected by the climate, Jilin Province is the main flood season in summer every year, with rainstorm and hail. Among them, the drought in the central and western regions is serious, and frost is easy to occur in late autumn and early spring. At present, the agricultural insurance business in Jilin Province is mainly carried out by Anhua agricultural insurance company, AVIC UNITA insurance company and the people's property insurance company of China. Among them, the most representative is Anhua agricultural insurance company, which is a policy agricultural insurance company. Jilin Province has actively launched new insurance pilot projects, and the coverage of insurance products has been expanded to crops with local characteristics such as pepper, ginseng and tobacco leaves, as well as agricultural facilities such as greenhouses.

2. Problems and Causes in the Development of Agricultural Insurance in Jilin Province

2.1 Agricultural Insurance Products cannot meet the Needs of Farmers

With the continuous development of China's agriculture, farmers' demand for insurance products shows a diversified trend. However, the current agricultural insurance varieties do not adapt to the actual demand, and agricultural insurance products can no longer meet the insurance needs of farmers.

First, agricultural insurance products lack pertinence. Regions with different production characteristics have launched the same agricultural insurance products, without in-depth consideration of the special requirements of farmers in various regions for agricultural insurance; the risk disasters faced by agricultural production in different provinces and regions are very different, and the amount of risk loss is also different. The setting of agricultural insurance rates in different regions shall be determined according to the actual risks underwritten locally. However, at present, these factors are rarely considered in the setting of agricultural insurance rate in China, and the simple and general rate setting is unreasonable. For example, in most parts of China, the premium rate for fertile sows is set at about 6%.

Secondly, the current types of agricultural insurance are still limited to planting and aquaculture, and there are few fishery agricultural insurance products. As an important part of agriculture, fishery has higher risks and heavier disasters compared with other industries, and fishermen have more urgent demand for insurance, while agricultural insurance has not developed insurance products related to fishery.

Finally, the risk protection is not extensive enough and the level of loss compensation is not high. For example, the insurance amount of corn in 2007 was 280 yuan / mu, and the rising cost factors such as seeds, chemical fertilizer and labor force were not considered. The field of risk protection is narrow. For example, the existing apple tree insurance only includes hail disasters with low frequency within the scope of risk protection, but does not include major disasters and storms.

2.2 Farmers' Awareness of Insurance is Weak

Recently, the enthusiasm of farmers in Jilin Province to participate in agricultural insurance is not high, and even fewer farmers take the initiative to seek agricultural insurance protection. The reasons are as follows: first, farmers' knowledge level is limited and their education level is generally low. Under the influence of traditional ideas, most farmers have the fluke psychology of "small farmer consciousness" and "relying on heaven". The traditional agricultural planting habits make farmers rely more on their own experience of agricultural natural disasters in agricultural production. Second, from the perspective of demand, farmers' demand from low to high is also divided into physiological demand, security demand, social demand, respect demand and self realization demand. After their income meets their basic production and living expenses, farmers are willing to choose to increase the expenditure of risk aversion means. Therefore, farmers' income level and consumption concept are important reasons affecting whether they buy agricultural insurance.

2.3 The Operation of Agricultural Insurance Claim Settlement Management is not standardized

On the one hand, some insurance institutions engaged in agricultural insurance business have loose management of agricultural insurance claim settlement business, failed to realize the standardized service operation of claim settlement to farmers, signed a large number of farmers, covering more than one chapter of farmers, making the insured farmers unable to understand the interests of agricultural insurance, and damaging the enthusiasm of farmers to participate in insurance to a certain extent. On the other hand, the degree of loss cannot be determined by sampling survey and expert experience estimation, so it is impossible to accurately measure the degree of loss, and it is impossible to ensure the objectivity and impartiality of the claim settlement results. Agricultural insurance benefits are paid in cash, the underwriting method is not standardized, and the acts of occupying, misappropriating and withholding agricultural insurance benefits occur from time to time. This directly damages the rights and interests of insured farmers and makes them unable to enjoy the timely rainfall and protection brought by agricultural insurance compensation.

3. Specific Measures to Promote the Sustainable Development of Agricultural Insurance in Jilin Province

3.1 Improve the Design of Agricultural Insurance Products

With the continuous development of China's agricultural economy, agricultural insurance products should also keep pace with the times, adapt to the changes and requirements of the times, and launch more insurance products more suitable for farmers' needs.

First of all, China has a vast territory, with great differences in climate and land conditions in various regions, different varieties of agricultural products, and different disaster scales and probabilities of agricultural products covered by agricultural insurance. Therefore, the possibility and scale of insurance companies' compensation for disaster losses are also different. Each region shall launch characteristic agricultural insurance products in combination with the characteristics of local agricultural operation and growth, and determine the set insurance rate in combination with the frequency of disasters and the degree of losses, that is, all provinces and regions shall formulate reasonable insurance types and rates according to their respective crop conditions and risk levels. For example, the characteristic Yield Insurance launched by Hainan Province has changed from traditional cost insurance to yield insurance, which provides a bottom for farmers' planting yield and a higher degree of protection for planting risk. Second, expand the agricultural production fields involved in agricultural insurance, and develop all-round agricultural insurance varieties including forestry, animal husbandry and fishery according to the actual needs of farmers, so that farmers have more choices when purchasing agricultural insurance products. Finally, with the continuous change of agricultural production, insurance institutions should take the initiative to develop agricultural insurance products with different risk guarantee levels and broaden the risk guarantee scope of agricultural insurance.

3.2 The Innovation of Agricultural Insurance Products is a Combination of Opportunities and Challenges

Although innovative products are flexible and diverse, they lack unity and standardization, which brings great difficulties to government supervision. The development of insurance market is inseparable from the promotion of "invisible hand" of market economy. However, due to the quasi publicity of agricultural insurance products and the fact that most innovative agricultural insurance products mainly rely on policy insurance, innovation is inseparable from government financial subsidies. If the developed new products lack the financial support of the local government, it will directly lead to the high cost of agricultural insurance, the development value is not obvious enough, and cannot be introduced to the market with mature products. Therefore, the research and development of new insurance products should not only focus on agricultural products, but also vigorously develop surrounding industries. For example, according to the weather, materials, agricultural machinery and equipment, financial credit of agricultural products, food safety of agricultural products and other aspects closely related to agriculture, diversify the forms of new insurance products, meet different demand groups and expand the production field.

3.3 Strengthen the Publicity of Agricultural Insurance

Farmers' weak awareness of insurance restricts the development of agricultural insurance in China. It is necessary to strengthen the publicity and education of agricultural insurance in the whole country, especially in the vast rural areas, so that farmers can truly understand the significance of agricultural insurance in their production and life, gradually improve farmers' awareness of insurance, and promote the healthy and sustainable development of agricultural insurance. In terms of the publicity content of agricultural insurance, it is necessary to clarify the process and practice of agricultural insurance business to the insured farmers, so that the farmers can understand how to apply for agricultural insurance, which agricultural products can participate in agricultural insurance, and what risk losses the insurance companies will solve, so as to make the farmers realize the protection that agricultural insurance can bring to them and make the farmers trust agricultural insurance; In terms of publicity methods, governments at all levels focus on mass media such as radio, television, newspapers and the Internet to do a good job in the publicity and popularization of agricultural insurance knowledge; All insurance institutions should make good use of the grass-roots service platform, set up special publicity groups to publicize around rural farmers, guide farmers to voluntarily participate in insurance through the explanation of typical claim settlement cases, and promote the transformation of farmers from relying on government relief to self-protection.

Based on the Project

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