

# Study on Practical Problems of Agricultural Automobile Insurance

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**Abstract:** *In this paper, the author will start from the necessity of agricultural vehicle insurance system construction, analysis of the current situation of China's agricultural vehicle insurance problems, analysis of the existing problems, put forward additional insurance network, promote the participation of commercial insurance companies and other suggestions.*

**Keywords:** *Agricultural vehicles, Insurance problem, Strategy research*

## **1. The Necessity of Building Agricultural Vehicle Insurance System**

### ***1.1. Agricultural Vehicles Have Greater Safety Risks***

Since the development of China's traffic management system, the construction of ordinary motor vehicles in traffic laws, insurance policies and driver access system has been relatively perfect.

The situation of illegal and unlicensed motor vehicles on the roads has been effectively curbed, and the road operation has been stabilized. Agricultural vehicles refer to vehicles that are used mainly in farmland and other agricultural production sites for the convenience of agricultural production. This part of agricultural vehicles in the process of operation there are greater safety risks. To be specific, there are the following aspects. Most agricultural vehicle activity in more developed rural areas of agricultural production in our country, because of the limitation of objective conditions of our country's rural areas most farm vehicles are unlicensed unlicensed status, agricultural vehicles since producers to purchase without the relevant organs of registration registration work, most of the agricultural vehicle drivers also failed to obtain a corresponding qualification of agricultural vehicle driving. This kind of operation without license will aggravate the agricultural vehicle drivers disregard the traffic laws and road safety, overload, illegal driving, do not obey the traffic rules and other situations appear in an endless stream, so this situation also brings some safety risks to the normal road traffic operation. Secondly, the main working environment of agricultural vehicles is the field. In this environment, long-term work and operation will lead to agricultural vehicles vulnerable to mechanical failures due to poor road conditions. Mechanical failures will bring greater safety risks to operators and nearby producers and increase the possibility of accidental injuries. Finally, in rural areas of China, there is often insufficient publicity on the relevant strategies and safety guarantee of agricultural vehicles, which leads to the failure of agricultural vehicle operators to form a certain sense of safety and responsibility. The weak awareness has also become a major incentive for the increase of agricultural vehicle accident rate. According to the statistics of relevant departments in China, the accident rate of agricultural vehicles in rural areas of China has been increasing year after year, and the accident caused by the casualty rate is high, the economic loss is relatively huge.

Statistical report shows that in China's agricultural vehicle accidents, the main position is the accident caused by operating errors. In addition, the failure of agricultural vehicles to undergo annual safety checks at the required time has also become a major cause of accidents.

### ***1.2. Helping Stabilize the Order of Agricultural Production***

Promoting agricultural vehicles to participate in the insurance is the inevitable requirement of stabilizing agricultural production activities. Specifically, it can be discussed from two aspects.

On the one hand, it is conducive to reducing the risk of agricultural production. Compared with other industries, agricultural producers in rural areas have weaker ability to resist risks due to the limitation of objective conditions. Agricultural producers generally lower income, if in the case of agricultural vehicle accident caused serious personal injury and property damage, agricultural producers often find ourselves in a very passive position, even a agricultural vehicles cause accident can make a family as the unit of agricultural producers to use all his savings into the treatment or compensation. If the agricultural vehicle operator has the agricultural vehicle related operation insurance, it can fully protect against the loss caused by the accident. Therefore, the establishment and improvement of agricultural vehicle insurance system in China is conducive to enhance the ability of agricultural producers to resist risks, so as to further stabilize agricultural production. On the other hand, the implementation of the insurance system can promote the legal registration of agricultural vehicles in accordance with the regulations, which is conducive to further creating an atmosphere for the legal registration of agricultural vehicles and maintaining the order of traffic and road transportation and related operations.

## **2. The Current Situation of Agricultural Vehicle Insurance in China**

### ***2.1. The Insurance Product System of the Insurance Company is Not Perfect***

At present, in China's compulsory insurance and commercial insurance system, there are few types of business insurance for agricultural vehicles, and the system of related insurance products is not perfect. Therefore, in order to improve the situation, our country has carried out pilot work in the early twenty-first century. In the pilot cities, agricultural vehicle insurance related insurance products and services have been established and improved. In this mode, related insurance products and services are introduced according to the operation characteristics and mechanical characteristics of agricultural vehicles. Although the insurance product system of insurance companies in several pilot areas in China has been greatly improved compared with the past, as far as the development of agricultural vehicle insurance in the country is concerned, in addition to the pilot areas in other cities, there are still some commercial insurance companies in some cities that do not have special insurance for agricultural vehicles. Therefore, in terms of China's overall situation, agricultural vehicle insurance related products and services still have a great space for improvement and optimization.

### ***2.2. The Number of Agricultural Vehicles Insured is Insufficient***

In the pilot areas, some encouragement and support have been given to the participation of agricultural vehicles in insurance by means of cost subsidies, and some results have been achieved in the pilot areas. However, the actual situation of participation of agricultural vehicles in the pilot areas is still not ideal. Take Shanghai, one of the pilot cities. Shanghai has given certain subsidies after premium to those who actively participate in agricultural vehicle insurance, and this preferential strategy has encouraged agricultural producers to insure all their agricultural vehicles to a certain extent. In other pilot areas, similar premium subsidies have been carried out mostly. As a result, the insurance rate for rural vehicles in the pilot areas increased significantly.

However, in terms of the overall situation of the whole country, there is still no significant progress in the insurance of agricultural vehicles in regions without premium subsidies and other preferential conditions.

## **3. Promotion and Optimization of Agricultural Vehicle Insurance**

### ***3.1. Enhance the Standardization and Perfection of Commercial Insurance Products and Services***

The improvement of China's ordinary motor vehicle insurance participation is accompanied by the improvement and optimization of commercial insurance products and services. Therefore, the consummation of commercial insurance products and services can greatly improve the status of motor vehicle insurance participation. Therefore, China should be aimed at agricultural vehicles to take compulsory insurance and commercial insurance launched special nature of the service, the insurance of product design process, should fully consider the actual situation of agricultural vehicle use and operation, should not only guarantee the agricultural vehicle accident loss can effectively get insurance, and pay attention to the economic costs do not add too much for agricultural producers and burden.

### **3.2. Promoting Commercial Insurance Companies to Participate in Agricultural Vehicle Insurance Competition**

In the process of general motor vehicle insurance practice, commercial insurance companies in all parts of our country have established a complete service system, and can gradually introduce the insurance business of agricultural vehicles based on the construction of such insurance companies. For those eligible to participate in insurance can introduce more favorable conditions for the cost. Therefore, in the initial stage of agricultural vehicle insurance promotion, relevant businesses can be introduced into the current major commercial insurance companies to help improve the coverage rate of agricultural vehicle insurance.

### **3.3. Increase the Number of Insurance Company Branches**

Whether it is a specialized insurance company or a commercial insurance company, it is necessary to increase outlets in rural areas, mainly for the following reasons. First of all, we can increase the publicity of insurance. General agricultural production operators only understand the specific rules of the relevant insurance business will consider whether to participate in the problem of insurance. Therefore, insurance outlets should be increased in the vast rural areas of China, and insurance awareness of agricultural producers should be cultivated by means of salesman promotion and advertisement Posting, so as to increase the popularization rate of agricultural vehicle insurance. On the other hand, the increase of insurance outlets can also provide some convenient conditions for the handling of farmers' insurance business in rural areas and facilitate the development of the business. In addition, the addition of insurance company outlets in rural areas is also conducive to creating an atmosphere for agricultural vehicle insurance in rural areas, creating a virtuous cycle, and finally achieving the goal of increasing the insurance rate of agricultural vehicles and more sustainable and stable agricultural production.

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