Underwriting

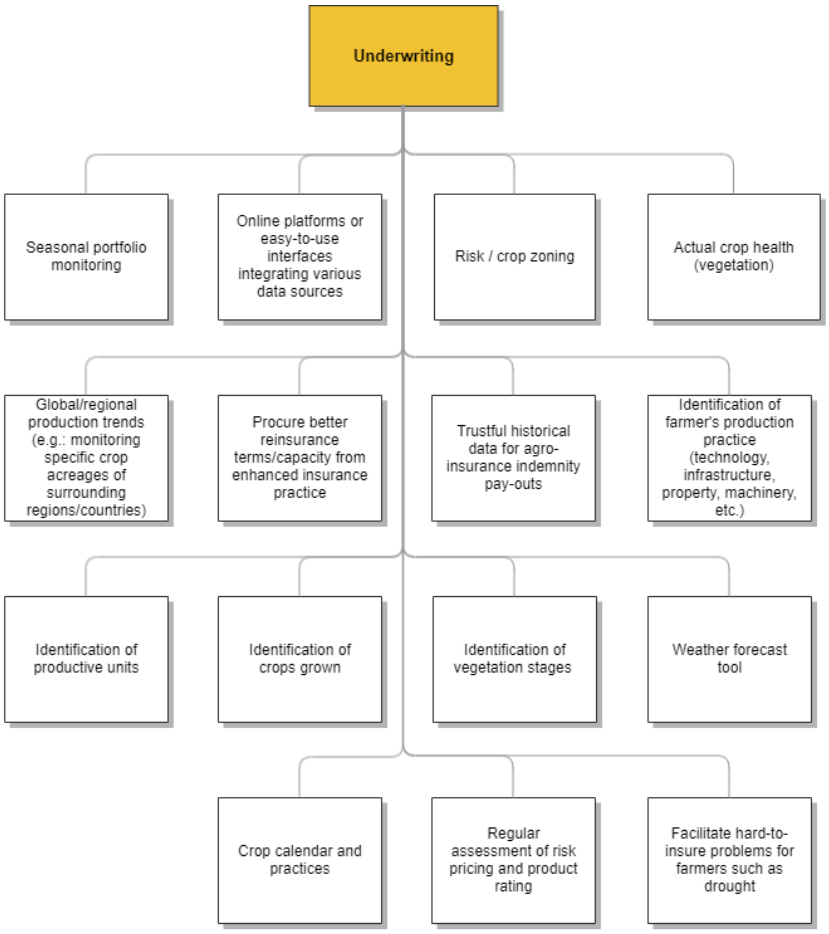
Description of business process

Selecting or rating perils for insurance purposes. Underwriting activities include (but not limited to):

Activities

Portfolio management and performance monitoring (clients / crops / risks)	Insurance Company's crop/risk portfolio is managed by insurance underwriters. Underwriters maintain and develop their portfolio of clients, crops and risk in the given country or region based on the strategic goals and business KPIs of the company.
Risk acceptance (assessment)	Risk acceptance is the main function of an underwriter. It is the task of an underwriter assess the client's property (crop) insurability prior to signing the insurance policy paperwork providing insurance coverage.
Client / Crop / Risks analysis	Each crop/risk brought by the client for insurance requires proper analysis for insurability and price match for the client profile and defined risk zone for crop location. Underwriter decides on the final premium rate /sum, based on guidelines and applicable underwriting limit for approval of risk portfolio for insurance. Variety of factors may influence the increase or decrease of the final premium rate for the farmer's policy: location in specific risk zone, agricultural technology adherence, available facilities and infrastructure (e. g.: irrigation), etc.
Products' conditions, pricing and coverage options reviews	It is one of the key functions of an underwriter to conduct product review after each season. Based on the review, the premium rates adjustments may be applied, or insurance coverage options may be modified. Proper modifications should be based on the product's performance in past seasons.

Challenges


Underwriting
Seasonal portfolio monitoring
Online platforms or easy-to-use interfaces integrating various data sources
Risk / crop zoning
Actual crop health (vegetation)
Global/regional production trends (e.g.: monitoring specific crop acreages of surrounding regions/countries)
Procure better reinsurance terms/capacity from enhanced insurance practice
Trustful historical data for agro-insurance indemnity pay-outs
Identification of farmer's production practice (technology, infrastructure, property, machinery, etc.)
Identification of productive units
Identification of crops grown
Identification of vegetation stages
Weather forecast tool
Crop calendar and practices
Regular assessment of risk pricing and product rating
Facilitate hard-to-insure problems for farmers such as drought