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CROP INSURANCE MARKET IN HUNGARY

Abstract:

This study makes a review of the agricultural risks management systems in Hungary with a special focus on agricultural insurances. We present the different types of agricultural insurances and analyse the structure of crop insurance market in Hungary.

The weather risks (example hail, drought, frost etc.) are the most significant uncertainty for agriculture enterprises. These risk are managed with agriculture insurance by the companies. Because of high fee of insurance the enterprises insure themselves only for hail generally. In order to reduce the cost of insurance, Hungarian Government use the establishment of a solidarity fund system and also the supporting system of insurance payment ex-post – in accordance with Common Agricultural Policy. Based on the rate of the aid there are 4 types of crop insurances on the market (the maximum level of this subsidy is 65 % of the insurance fee).

We analyse in this study the market share of Hungarian agriculture insurance with the main focus on subsidized insurance market.

Keywords:

crop insurance, agricultural risks management, subsidized insurance

JEL Classification: G22, H25, Q14