

## Introduction

Farming is big business whether you are operating on a commercial scale or small scale. The main activities are based on crops and livestock. At the beginning of each season the farmer invests in the crops that will be harvested. The investment needs to be protected until the harvest is sold to avoid financial loss. This also applies to livestock from the time that the farmer takes possession of it. The farm infrastructure backs up all the activities on the farm. The infrastructure, including manpower, motor vehicles, machinery, equipment, tools and buildings, needs to be in a sound condition and also needs to be protected against losses.

The perils that are insured against may be man-made or natural. The perils are unpredictable and the extent of their impact is not known. In the event of a loss the farmer should be in a position to replace or restore the infrastructure to useful condition. The farmer should also be in a position to recover the capital that has been invested in a crop and repay outstanding loans, if any. The farmer can also replace and restock livestock.

In the event of the insured event/s happening, the farmer would be paid the amount of the cover that has been taken out. It is important not to underinsure and at the same over-insurance is also not desirable.

This protection will bring peace of mind to you the farmer as it ensures that farming operations continue unabated.

## Crop Insurance

Crop Insurance protects the farmer against financial losses from perils or incidences that can ravage and destroy your crops. Normally this insurance covers the crop from the time of planting (including storage) to the sales floors, buyers' warehouses and depots.

The perils or incidences insured against include:-

- Hailstorms and windstorms.
- Fire. Critical for tobacco during the curing process.
- Accidental damage.
- Theft in transit.

There are also some specialized crop insurance products which are available in the insurance market. Such specialized products include Tobacco Field to Floor Insurance and Tobacco Hail and Windstorm Insurance.

## Advantages

Some of the financial advantages include:-

- Recoup the financial loss.
- Repay loans taken out to invest in the crops, e.g. loans for inputs.

***NB: The above is for information purposes only. Please consult your insurance company or insurance broker for details and information and assistance.***

***The information was compiled from online sources (local insurance company websites) and product literature on insurance products that are available in the Zimbabwean insurance market.***