



INDEX BASED LIVESTOCK INSURANCE



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LIVESTOCK RISK INSURANCE SALES REPORT 2013

PROJECT IMPLEMENTATION UNIT

**ULAANBAATAR
2013**



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1. List of performances for LRI sales season 2013

In accordance with the “Amended and Restated Development Credit Agreement” for IBLIP signed between the Government of Mongolia (GoM) and International Development Association, “Project Implementation Manual”, and IBLIP work plan, the following activities have been completed under the LRI sales 2013:

Table1. LRI sales process 2013

Date	Activities
Sep-Dec 2012	<ul style="list-style-type: none"> • Modifications for the LRI sales season 2013 were identified; • IBLIP MIS 2013 was upgraded; • Insurers for the LRI sales 2013 were selected, including Bodi Daatgal, Mongol Daatgal, Monre Daatgal, Practical Daatgal, and Tenger Daatgal that participated in the LRI sales 2012 and newly Nomin Daatgal and MIG Daatgal companies. • Sales plan 2013 was developed; • IBLI MIS 2012 was closed, sales database 2012 was locked; • Experience exchange training for best insurance agents of Bodi Daatgal, Mongol Daatgal, Tenger Daatgal, Practical Daatgal, and Monre Daatgal companies was organized; • Interest Ratemaking Agreement for LRI reserve pool 2012 was signed with the State bank and Golomt Bank.
Jan-Feb 2013	<ul style="list-style-type: none"> • Information of the handbook, “LRI principles and operations” for trainers of the insurers, soum officers, insurance agents, and local administrations was updated; • “Handbook for “Livestock Risk Insurance” and “Handbook for Insurance Agents” were published and distributed to the insurance agents and stakeholders; • “Lunar Calendar 2013” for herders involved in the LRI in 2012 was published and distributed to herders; • Survey on “Herder group livestock Risk Insurance” product proposed to insure livestock of herder group started.
March	<ul style="list-style-type: none"> • LRI premium rates for the sales season 2013 were determined; • LRI policy was revised; • A form of the LRI transaction sheet for the LRI sales season 2013 was developed, published, and distributed to the insurers; • The PIU and FRC gave a test to certify agents to sell LRI and general insurance. A total of 2252 insurance agents for the LRI sales season 2013 were selected and certified by the FRC; • Training for trainers of the insurers was organized; • A decision on piloting “Group livestock Risk Insurance” product, proposed to insure livestock of herder group, in six soums of Zavkhan aimag was made. A group insurance policy, transaction sheet, and premium rates were developed.



April	<ul style="list-style-type: none">• LRI sales season 2013 started;• The published LRI commercial materials, such as poster, brochure, booklet for insurers, and newspaper were printed and distributed;• For the purpose of providing an opportunity to herders who are willing to participate in the LRI and decreasing delivery costs of insurance agents, IBLIP call center (9100-0770, 98070770) received feedbacks of herders. The feedbacks were reported to the PIU aimag branches and insurance agents;• IBLI MIS 2013 was reviewed and accepted;• The PIU obliged its aimag branches to send weekly sales data in order to promote the LRI sales season 2013, to improve the quality of sales data, and to strengthen supervision of the PIU at sales process. Thus, the LRI sales data was sent to the stakeholders in due time.
May	<ul style="list-style-type: none">• IBLI Cooperation Agreement was signed with the insurers participating in the project;• The insurers participating in the LRI sales 2013 deposited IBLI IFPs into the LIIP account.• LRI sales registry software was installed at PSs of 21 aimag branches of the insurers 21 and their headquarters. The software training was conducted;• Training on IBLI for Vice Governors and LVBU officers of all soums was conducted in regards to newly appointed soum administrations;• The PIU aimag branches worked in soums to promote the LRI sales 2013 and supervise the sales process.
June	<ul style="list-style-type: none">• Semi-annual livestock census 2013 was conducted jointly by the NSO in 21 aimags, by using the sample survey methodology.
July	<ul style="list-style-type: none">• Semi-annual livestock census 2013 and Sample survey report data were consolidated;• Indemnities for the herders covered by the LRI in 2012 were calculated on the IBLI MIS;• Sales database of local branches of the insurers was locked and the MIS was closed;• Arrangement of depositing LRI premium income started.
Aug	<ul style="list-style-type: none">• LRI sales season 2013 was closed;• Under the LRI policy, payouts for the herders covered by the LRI in 2012 was started via Khan Bank;• Sales database of the PIU aimag branches was imported.
Sep-Oct	<ul style="list-style-type: none">• Payouts (100%) for the herders covered by the LRI in 2012 under the LRI policy were completed via Khan Bank;• Adjustment of the LRI sales 2013 with the insurers participating in the project and estimation of actual IBLI participation fee are in process.



II. LRI sales 2013

2.1 LRI sales outcomes

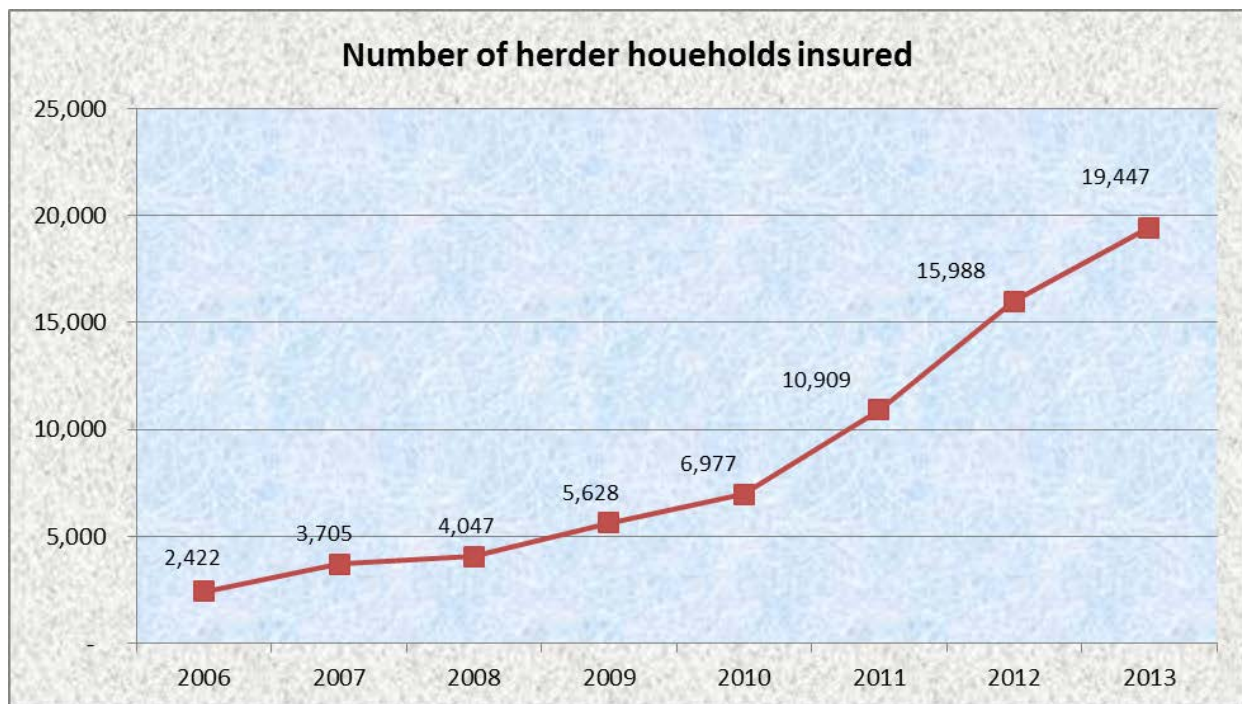
During the 8th LRI sales season in 330 soums of 21 aimags and UB 9 districts (starting on April 1, 2013 and finishing on June 30, 2013), the insurers participating in the project, such as Bodi Daatgal, Mongol Daatgal, Mongol Daatgal, Tenger Daatgal, Practical Daatgal, Mig Daatgal, and Monre Daatgal signed the “LRI policy” with **19,447 herders**, made sales of **MNT 1.8 billion**, and invested **MNT 1.2 million** into the LIIP account.

Sales income increased by MNT 302.4 million (20.2%), the number of herder take up (insured) increased by 3,459 herders (21.6%) compared to the LRI sales 2012. During the LRI sales season 2013, 1097 out of 2,252 licensed insurance agents of the 7 insurers worked actively; meanwhile, 13.6% of total herder households participated in the LRI.

The total LRI premium income contributes 0.01% of GDP in Mongolia and 2.3% of gross total insurance premiums at the insurance industry.

The number of herder households that purchased the LRI product and premium income have been increasing steadily since 2006. From 2006 to 2013, nearly 70000 (with duplicated records) herder households took part in the LRI sales. Figure 1 and 2 show the number of herder households that purchased the LRI and the growth of premium income.

Figure1. Number of herder households that purchased the LRI product¹



¹ The number of herder households insured and sales income in 2006-2009 have been considered as the number of herder households covered by the BIP and DRP and total income of the BIP and DRP.



Figure2. Total premium income /in million MNT/²



The total premium income and number of herder households insured for 2013 shown in Table 2 are various depending on the geographical dispersion, risk rates, and the number of herder households. The number of herder households insured is higher in the western aimags.

Table2. Number of herder households that purchased the LRI, total insured value, and premium amount (2013)

No	Aimags	Herder households insured	Total insured livestock value	Premium paid by herders
1	Arkhangai	2,896	3,296,763,617	151,374,333
2	Bayan-Ulgii	514	1,968,970,932	40,780,782
3	Bayankhongor	3,603	5,845,690,803	385,732,428
4	Bulgan	469	1,436,887,451	45,676,314
5	Govi-Altai	1,332	2,530,416,521	139,463,070
6	Govisumber	116	489,221,296	15,209,665
7	Darkhan-Uul	60	455,520,712	9,658,548
8	Dornogovi	804	3,818,161,261	86,108,873
9	Dornod	571	2,688,840,879	64,608,071
10	Dundgovi	353	1,391,096,655	66,793,469
11	Zavkhan	1,334	1,844,671,568	103,467,794
12	Orkhon	80	149,938,135	5,480,375
13	Uvurkhangai	549	689,716,818	36,363,222
14	Umnugovi	664	2,495,189,512	72,742,590
15	Sukhbaatar	635	2,748,337,558	106,896,983
16	Selenge	423	741,992,256	18,492,547
17	Tuv	723	1,687,390,445	60,697,623
18	Uvs	2,646	4,562,780,932	225,421,069
19	Khovd	485	2,236,433,133	65,496,708
20	Khuvsgul	382	616,468,483	19,713,044
21	Khentii	808	2,510,951,006	79,006,661
	Total	19,447	44,205,439,972	1,799,184,171

² The number of herder households insured and sales income in 2006-2009 have been considered as the number of herder households covered by the BIP and DRP and total income of the BIP and DRP.



As of 2013, 19,447 herder households (13,5%) out of total 144,512 herder households from 21 aimags voluntarily took part in the LRI. 3,609 herders (the largest volume) of Bayankhongor aimag covered by the LRI contributes 34,5% of the total herder households in the aimag /**Figure 3**/. The highest amount of premium (MNT 385,7 million) paid by herders of Bayankhongor aimag makes 21,4% of the total premium income. The number of insured herder households from Bayankhongor, Uvs, and Khentii aimags involved in the project in 2006 is higher than the insured number of other aimags. It represents that herders have interests to get this insurance product and remain to be insured.

Figure3. Ratio of herder households insured to herder households of aimags

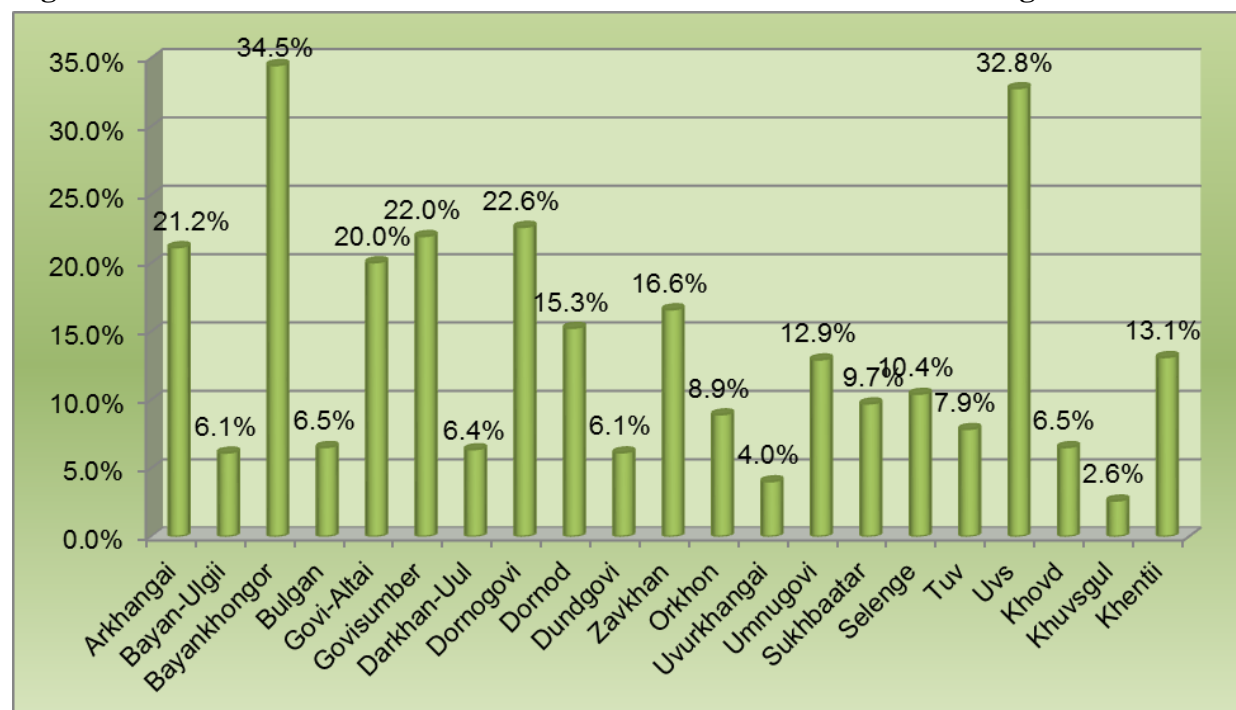


Table3. Number of livestock insured (by aimag vs. livestock species)

No	Aimag	Sheep	Goat	Cattle	Horse	Camel	Total
1	Arkhangai	318265	121877	59151	34641	321	534255
2	Bayan-Ulgii	33644	34113	3173	1977	157	73064
3	Bayankhongor	120436	457834	28459	8006	329	615064
4	Bulgan	34990	19509	9909	3314	39	67761
5	Govi-Altai	44671	174052	1365	1025	1732	222845
6	Govisumber	4581	18016	592	480	0	23669
7	Darkhan-Uul	1996	1314	973	163	0	4446
8	Dornogovi	23721	96736	8135	2331	420	131343
9	Dornod	48079	34694	7566	5154	131	95624
10	Dundgovi	24462	41799	2431	4392	75	73159
11	Zavkhan	195915	124952	5293	2140	111	328411
12	Orkhon	7188	3410	1333	263	0	12194
13	Uvurkhangai	51561	53513	1558	3952	26	110610
14	Umnugovi	12495	120350	785	1604	1052	136286
15	Sukhbaatar	85790	76646	16970	10497	127	190030
16	Selenge	24224	9207	10251	376	0	44058



17	Tuv	94428	52415	10432	12465	127	169867
18	Uvs	178784	207983	8746	3799	170	399482
19	Khovd	35486	43134	1074	740	130	80564
20	Khuvsgul	8695	8938	5692	727	12	24064
21	Khentii	59184	64907	19663	10473	148	154375
		1,408,595	1,765,399	203,551	108,519	5,107	3,491,171

A total of 3,491,171 livestock covered by the LRI in 2013 contributes 8.5% of 40.9 million of livestock in Mongolia. 40.3% of the insured livestock accounts for sheep, 50.6% for goats, 5.8% for cattle, 3.1% for horses, and 0.1% for camels /Table3/. The insured livestock species are mostly sheep and goats, which depends on their high vulnerability at risks, or livestock numbers. However, values of the insured livestock species are lower.

The average premium paid by a herder household, MNT 93,618 in 2012 declined to 92,517 in 2013. It is related to the risen market prices and premium rates, but also procurement capacity of herders, which is lower than last year. The average premium paid by a herder household was the highest (MNT189, 217) in Dundgovi aimag.

The average sales per insurance agent, amounted in MNT 1.6 million, decreased by MNT 200,000.

Table4. Average sales number per insurance agent, premium income, and average premium paid by a herder household (2013, by aimag)

No	Aimag	Number of insurance agents that sold the insurance	Average sales number per insurance agent	Average premium income for insurance agent /in MNT/	Average premium paid by a herder /in MNT/
1	Arkhangai	118	25	1,282,833	52,270
2	Bayan-Ulgii	30	17	1,359,359	79,340
3	Bayankhongor	138	26	2,795,163	107,059
4	Bulgan	36	13	1,268,787	97,391
5	Govi-Altai	83	16	1,680,278	104,702
6	Govisumber	8	15	1,901,208	131,118
7	Darkhan-Uul	11	5	878,050	160,976
8	Dornogovi	37	22	2,327,267	107,101
9	Dornod	37	15	1,746,164	113,149
10	Dundgovi	44	8	1,518,033	189,217
11	Zavkhan	112	12	923,820	77,562
12	Orkhon	7	11	782,911	68,505
13	Uvurkhangai	47	12	773,686	66,235
14	Umnugovi	41	16	1,774,210	109,552
15	Sukhbaatar	52	12	2,055,711	168,342
16	Selenge	21	20	880,597	43,718
17	Tuv	64	11	948,400	83,952
18	Uvs	72	37	3,130,848	85,193
19	Khovd	52	9	1,259,552	135,045
20	Khuvsgul	25	15	788,522	51,605
21	Khentii	60	13	1,316,778	97,781
	Total	1096	18	1,641,591	92,517



2.1. Herder group LRI

Herder group LRI, proposed to insure livestock of herder group, was piloted newly in Tsagaanchuluut, Tsgaankhairkhan, Ider, Telmen, Numrug, and Tsetsen-Uul soums of Zavkhan aimag during the sales season 2013. The PIU has arranged the relevant trainings and promotions.

Livestock belonging to a total of 80 herder households or 4-herder group has been valued in MNT 38,1 million and insured in MNT 2 million by the herder group LRI. It contributes 6.3% of 64-herder group in the 6 soums. 11,252 livestock has been insured, of which 7,443 were sheep, 3,382 goats, 252 cattle, and 175 horses. Budget in the participation pool for herder group has not been defined yet. Few herders have taken in part in this insurance due to the following reasons:

-A decision to insure livestock of herder group is made at a meeting for the group; members of the group are not aware of the group insurance; because livestock belonging to herders of some groups has been covered by the LRI, the herders had no interest in the group insurance.

2.2. LRI Special purpose loan (SPL) vs. loan discounted

Khan bank annually issues “LRI SPL” that can provide an opportunity of micro loan to herders who are cashless, but desired to insure their livestock. From April 1 to June 30,2013, the LRI SPL jointly offered by the PIU and the Khan bank via 330 soum branches of the bank and issued the premium loan of MNT 10,831,315.00 to 48 herders from 8 aimags.

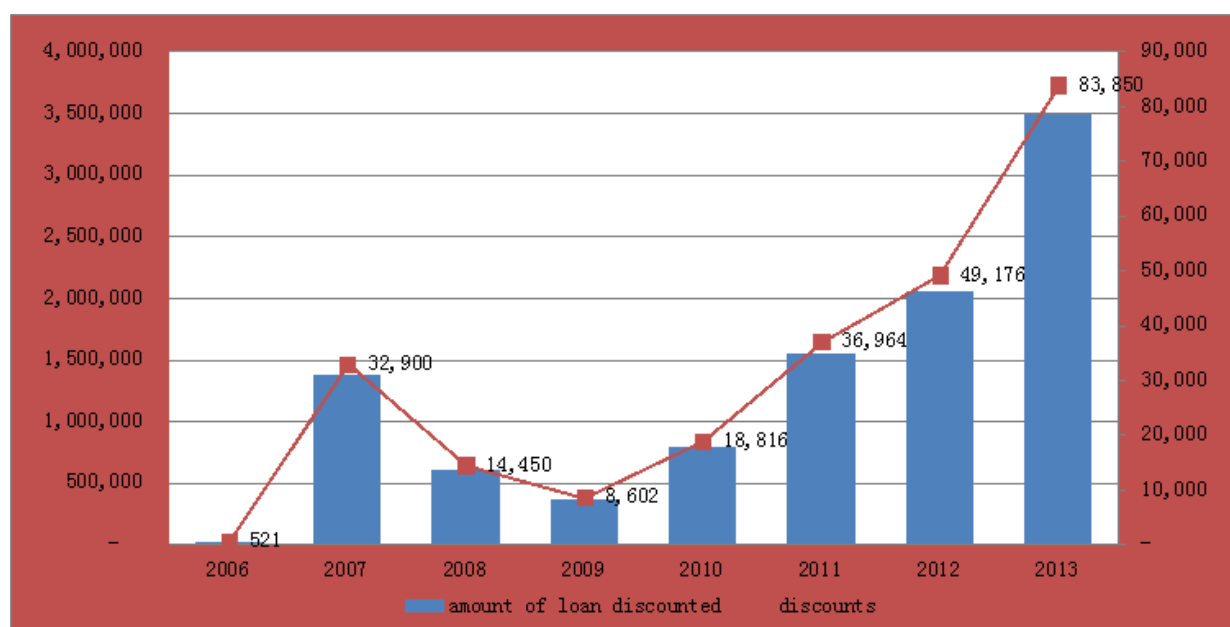
Table5. Number of herders who took herder loan, amount of the loan

No	Aimag	Number of herders who took LRI SPL	Loan from Khan bank	LRI Risk loaded premium (RLP)	Admin costs of insurers
1	Arkhangai	1	400,000	266,666.67	133,333.33
2	Bayankhongor	2	619,571	413,047.33	206,523.67
3	Bulgan	11	2,439,820	1,626,546.67	813,273.33
4	Govi-Altai	2	252,880	168,586.67	84,293.33
5	Dornod	16	3,409,200	2,272,800.00	1,136,400.00
6	Dundgovi	7	1,507,700	1,005,133.33	502,566.67
7	Khuvsgul	1	292,000	194,666.67	97,333.33
8	Khentii	8	1,910,144	1,273,429.33	636,714.67
Total		48	10,831,315.00	7,220,876.67	3,610,438.33

**Table6. Amount of herder loan (discounted) for 2013, number of borrowers***/up to August 2013/*

No	Aimags	Total loan for 2013	
		Number of borrowers	Loan (in MNT)
1	Bayankhongor	438	1,191,686,000
2	Sukhbaatar	122	506,300,000
3	Uvs	92	206,000,000
4	Khentii	192	825,000,000
5	Govi-Altai	1	2,000,000
6	Selenge	10	40,100,000
7	Khovd	2	4,000,000
8	Dornod	13	58,605,0000
9	Khuvsgul	1	5,000,000
10	Dundgovi	34	141,200,000
11	Dornogovi	87	373,108,000
12	Arkhangai	52	137,150,000
13	Govisumber	1	3,000,000
Total		1045	3,493,749,000

The Khan Bank has been offering discounts for the herder loan /0.2 points of monthly interest rate lower than other loans in a soum/ to herders involved in the LRI. In past 8 years, nearly 4230 herders took loan of MNT 10.2 billion with discounts of MNT 245.3 million.

Figure4. Loan discounted and discount*/in MNT million/*

The PIU is highly interested in cooperating with the Khan Bank and other commercial banks further. Accordingly, upon the proposal to the State Bank, in September 2013, the bank signed in the Cooperation Agreement for offering herder loan discounts (by 0.2 units of monthly interest rate) to herders involved in the LRI. Therefore, the PIU has been studying on a delivery



of the LRI product via commercial banks and a new product to be jointly developed by banks and insurers.

III. Sales outcomes of Insurers

Sales outcomes of the insurers: a total of 19,447 herder households have participated in the LRI, of that 29.9% is accounted for Mongol Daatgal, 25.2% Bodi Daatgal, 19.9% Tenger Daatgal, 16.8% Practical Daatgal, 6.2% MIG Daatgal, 1.5% Monre Daatgal, and 0.5% Nomin Daatgal respectfully. The insurers participating lately in the IBLIP including, MIG Daatgal, Monre Daatgal, and Nomin Daatgal shares 8.2% of the total insurance sales.

Table7. Sales numbers of insurers (2013, by aimag)

N\o	Aimag	Mongol	Bodi	Tenger	Practical	Monre	Nomin	MIG	Total:
1	Arkhangai	610	565	724	437			560	2,896
2	Bayan-Ulgii	167	243	54	50				514
3	Bayankhongor	1,098	1,001	708	602		60	134	3,603
4	Bulgan	186	213	1	69				469
5	Govi-Altai	468	346	259	195			64	1,332
6	Govisumber	116							116
7	Darkhan-Uul	27	19		8	6			60
8	Dornogovi	193	425		186				804
9	Dornod	91	115	209	156				571
10	Dundgovi	251	67		12	23			353
11	Zavkhan	365	290	454	98			127	1,334
12	Orkhon	11	17		31	21			80
13	Uvurkhangai	179	57	98	179		15	21	549
14	Umnugovi	535	33		96				664
15	Sukhbaatar	294	130	137	74				635
16	Selenge	187	231		5				423
17	Tuv	105	137		352		24	105	723
18	Uvs	623	552	544	541	234		152	2,646
19	Khovd	118	92	199	66	10			485
20	Khuvsgul	45	223	72	9			33	382
21	Khentii	148	142	410	108				808
	Grand Total	5,817	4,898	3,869	3,274	294	99	1,196	19,447

In LRI sales 2013, the total sales was amounted in MNT 1.8 billion, of which Mongol Daatgal accounts for 33.8%, Bodi Daatgal 26.6%, Tenger Daatgal 18.0%, Practical Daatgal 14.8, and Monre Daatgal 1.3%. The insurers that newly participated in the project including, Mongol Daatgal shares 4,9% of sales and Nomin Daatgal shares 0,6%. LRI sales income for 2013 per insurer is the following:



Figure5. Premium income rates of insurers

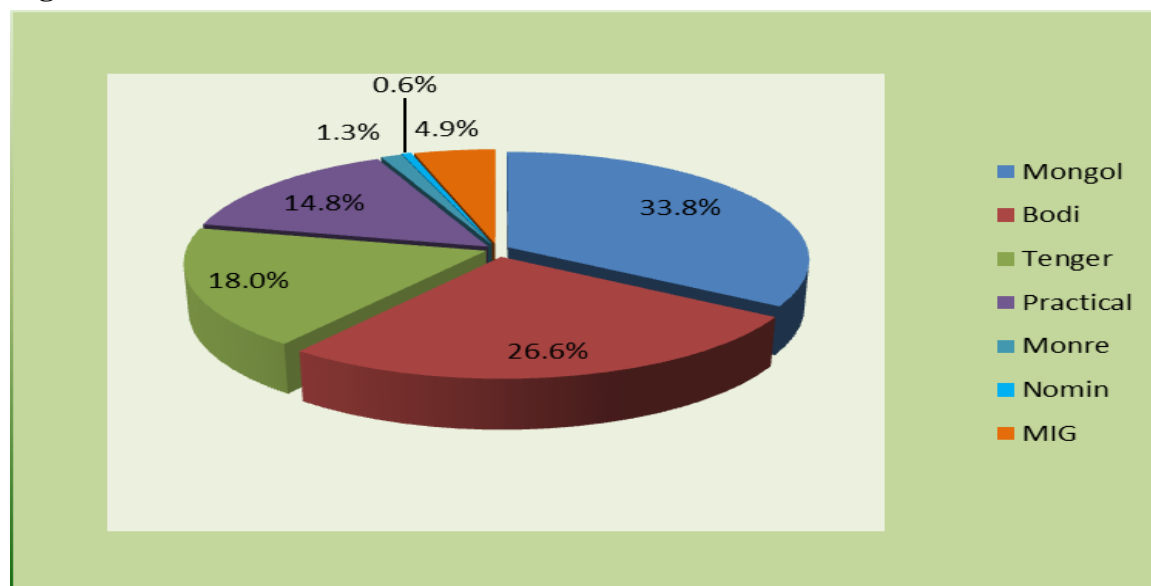


Table8. LRI premium income of insurers (2013, by aimag)

/in MNT million/

No	Aimag	Mongol	Bodi	Tenger	Practical	Monre	Nomin	MIG	Total:
1	Arkhangai	37,956,314	29,554,908	34,984,546	18,452,222			30,426,343	151,374,333
2	Bayan-Ulgii	10,548,832	21,623,741	4,410,540	4,197,669				40,780,782
3	Bayankhongor	108,177,697	128,354,521	64,960,667	65,891,265		4,726,189	13,622,089	385,732,428
4	Bulgan	17,931,131	19,402,488	368,130	7,974,565				45,676,314
5	Govi-Altai	46,732,323	36,831,807	36,010,702	12,000,866			7,887,372	139,463,070
6	Govisumber	15,209,665							15,209,665
7	Darkhan-Uul	3,765,478	4,254,480		1,010,600	627,990			9,658,548
8	Dornogovi	24,028,194	47,520,888		14,559,791				86,108,873
9	Dornod	12,920,768	13,812,744	22,122,942	15,751,616				64,608,071
10	Dundgovi	49,633,094	10,675,035		2,742,666	3,742,674			66,793,469
11	Zavkhan	26,959,010	27,112,293	31,128,513	10,130,589			8,137,389	103,467,794
12	Orkhon	866,655	1,764,771		1,955,788	893,162			5,480,375
13	Uvurkhangai	12,455,036	4,771,613	6,857,477	9,309,529		1,284,969	1,684,598	36,363,222
14	Umnugovi	64,228,634	1,754,653		6,759,302				72,742,590
15	Sukhbaatar	57,218,000	25,915,873	13,519,272	10,243,839				106,896,983
16	Selenge	8,214,805	9,836,702		441,040				18,492,547
17	Tuv	9,523,844	11,590,907		23,998,502		4,632,626	10,951,745	60,697,623
18	Uvs	62,406,340	42,143,624	51,007,012	40,572,068	16,342,006		12,950,019	225,421,069
19	Khovd	16,868,353	16,070,875	22,014,859	9,256,495	1,286,126			65,496,708
20	Khuvsgul	3,543,121	7,184,090	6,229,770	713,967			2,042,097	19,713,044
21	Khentii	18,774,424	18,785,842	31,039,369	10,407,026				79,006,661
	Grand Total	607.96	478.96	324.65	266.37	22.89	10.64	87.70	1,799.18

Compared with the sales of the previous year, the number of herder take up increased by 21.%, premium income increased by 20.2%. Despite either premium income or number of herder take up of Mongol Daatgal and Tenger Daatgal is down, such indexes of Bodi Daatgal



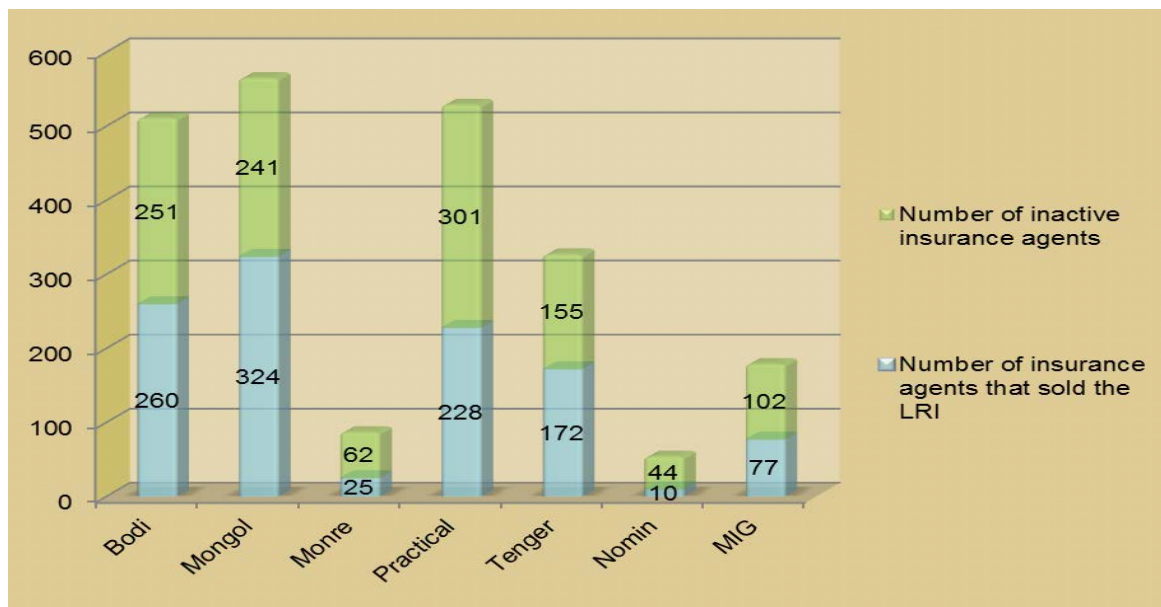
and Practical Daatgal are up respectfully. The number of herder take up of Mongol Daatgal increased, however, its premium income declined.

Table9. Number of herder households insured, ratio of premium income to LRI sales 2012 (by insurer)

No	Insurer	Insured herder households	Sales numbers for 2012	Growth rate	Premium income	Sales for 2012	Growth rate
1	Mongol Daatgal	5817	6142	-5.29%	607,961,718	626,386,079	-2.9%
2	Bodi Daatgal	4898	3228	51.73%	478,961,855	325,154,713	47.3%
3	Tenger Daatgal	3869	4065	-4.82%	324,653,800	339,654,397	-4.4%
4	Practical Daatgal	3274	2305	42.04%	266,309,405	181,767,656	46.5%
5	Monre Daatgal	294	248	18.55%	22,891,958	23,790,282	-3.8%
6	Nomin Daatgal	99			10,643,784		
7	MIG Daatgal	1196			87,701,651		
Total		19447	15988	21.63%	1,799,124,171	1,496,753,128	20.2%

In sales season 2013, 2,252 insurance agents were certified to sell the LRI, of that 1096 insurance agents /260 of Bodi Daatgal, 324 of Mongol Daatgal, 172 of Tenger Daatgal, 228 of Practical Daatgal, 25 of Monre Daatgal, 10 of Nomin Daatgal, and 77 of MIG Daatgal/ were active, however, 1155 were inactive.

Figure6. Number of insurance agents that sold the LRI product vs. the inactive agents (by insurer)





SUMMARY

LRI sales report 2013 the performances of the PIU, the LRI sales outcome, and sales outcomes of the insurers for the sales season 2013. During the sales season 2013, the total of sales was amounted in MNT 1,8 billion, MNT 1,2 billion was deposited into the LIIP account. Sales income increased by MNT 302.4 million (20.2%) and the number of herder take up (insured) increased by 3,459 (21.6%) compared to the LRI sales 2012. The premium income and the number of herder take up are steadily increasing year to year. This represents that herders are interested to get this insurance product, the insurers are able to sell this insurance and take certain portions of risks. Therefore, the IBLI can be sustainable in the future.

LRI sales outcomes in aimags revealed that herders from the aimags involved primarily in the project are not only broadly aware of the IBLIP, but also received LRI payouts. However, herders from the aimags lately involved in the project hardly know about the IBLIP and have less confidence in LRI. Moreover, new aimags involved in the project have few branches of the insurers and insurance agents are not well skilled. The number of herders insured is various depending on climate, the number of herder households and livestock, which has been mostly high in the western aimags.

LRI sales outcomes and the total sales rates of the insurers show that primary insurers for the project, such as Bodi Daatgal, Mongol Daatgal, Practical Daatgal, and Tenger Daatgal contributed 92% of the total sales. It is various depending on the number of branches of an insurer, risk rates in their subordinate aimags, occupations, experiences, and initiatives of insurance agents, and the participation of soum administrations. Therefore, herders repeatedly accessed to the insurers and their agents that insured their livestock initially. Thus, it is essential to build capacity of newly added branches of the insurers and their agents.

Although, the number of herder take up increased, the average premium paid by a herder household declined to MNT 92,517. It is related to the risen market prices and premium rates, but also procurement capacity of herders that was lower than last year.

A total of 3,491,171 livestock covered by the LRI in 2013 contributes 8.5% of 40,9 million of livestock in Mongolia. The insured livestock species are mostly sheep and goats, which depends on their high vulnerability at risk, or livestock numbers. However, values of the insured livestock species are lower.

Group LRI product proposed to insure livestock of herder group during the LRI sales season 2013 has been newly piloted in 6 soums of Zavkhan aimag, in which 4 groups of each soum /a total of 82 herder household/ participated. A decision has been made to exclude the other aimags in this pilot. Therefore, few herders have taken part in this insurance due to the following reasons: members of the group are not aware of the group insurance; because livestock belonging to herders of some groups has been covered by the LRI, the herders had no interest in the group insurance. It is necessary to efficiently organize relevant surveys and trainings to keep implementing this insurance product in the future.

A number of herders have been taking loans from Khan Bank. As of august 2013, a loan discounted of MNT 3,5 billion was issued, which is MNT 1.4 billion higher than the total loan



discounted in 2012. Additionally, the loan discount is up by 70.5%. Accordingly, the PIU has been cooperating with the State Bank under the cooperation agreement signed in September 2013 in order to raise the loan discounted for herders and offer discounts to herders via other commercial banks in rural areas.