RESEARCH ARTICLE | JULY 01 2014

Multiple-peril crop insurance: successes and challenges ≒

Barry Barnett

+ Author & Article Information

Agricultural Finance Review (2014) 74 (2): 200-216.

https://doi.org/10.1108/AFR-11-2013-0040

Purpose

– The purpose of this paper is to examine international experience with multiple-peril crop insurance (MPCI). Named peril crop insurance is available in most countries but MPCI is less common. While named peril insurance is widely successful, MPCI has a checkered history. In most cases, MPCI actuarial experience has been poor and large premium subsidies have been required to incentivize purchasing.

Design/methodology/approach

– International experience with MPCI is reviewed with a particular focus on the USA which has the largest MPCI program in the world. Rationales for government involvement in facilitating MPCI offers are examined and future challenges are explored.

Findings

– In most cases, MPCI actuarial experience has been poor and large premium subsidies have been required to incentivize purchasing. MPCI purchasing has increased dramatically in recent years but so have government expenditures to support MPCI programs. Significant challenges remain with providing cost-effective MPCI coverage for crop farmers.

Originality/value

 While previous articles have reviewed MPCI in the USA, this paper also considers experiences in other countries. Future challenges and research needs are described.

Keywords: Risk, Crop insurance

© Emerald Group Publishing Limited

Don't already have an account? Register Client Account Email address / Username **Password** Reset password Register 竝 **Access through your institution** Purchased this content as a guest? Enter your email address to restore access. **Email Address** Pay-Per-View Access €35.00 Ħ Buy This Article Rental This article is also available for rental through DeepDyve.

We use cookies to optimize site functionality and targeting cookies to give you the best possible experience. Your experience, your choice. Learn more here: <u>Visit our cookie policy page</u>

Sign in

