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Professor Nebojša Š. Žarković, PhD¹

BOOK REVIEW

INSURANCE OF CROP PRODUCTION

Author: Bruno Toskano

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A book i.e. monograph of Bruno Toskano entitled *Insurance of Crop Production* has been recently released. As indicated in the subtitle, it covers the risks, insurance terms and conditions, and loss assessment. Mr Bruno Toskano, a renowned Serbian expert with decades of experience in the field of agricultural insurance, is employed in the leading insurance company in Serbia - Dunav Insurance Company. This is his third book which shows his research in the field of insurance of crops and fruit. The fact that books dedicated to individual insurance lines are rare in Serbia adds further importance to his work.

The monograph *Insurance of Crop Production* is written very clearly and comprehensibly. The novices in this insurance line will find it helpful, whereas long-term practitioners in the area of insurance of crops and fruit can use it as a valuable quick reference guide. Since the coverage of arable land by insurance protection in Serbia is extremely low, this book will raise the awareness among farmers of the importance to take out insurance. It will certainly find its rightful place among other users, such as journalists or students of undergraduate, master and doctoral studies. This means that its contribution goes beyond the underwriting of crop production and that the book has a wider social significance.

This valuable work contains a whole series of colour images, charts and tables with a large number of useful data and explanations on nearly 700 pages. For the purposes of a ten-year research that preceded the publishing of this book, some 120 relevant and modern Serbian and foreign sources were used. The book *Insurance of Crop Production* consists of seven chapters.

¹ Megatrend University, Belgrade
E-mail: nzarkovic@sbb.rs.

The first chapter (pages 1–2) is entitled *Insurance and Crop Production*. This is, in fact, an Introduction which briefly highlights the main data on farming, arable land in Serbia, the volume and value of agricultural and food production in Serbia and its share in the Serbian exports. In this chapter, the author gives due consideration to the necessity and significance of insurance against perils which largely affect crop production in an open and unprotected area. In addition, the importance of cooperation between the Government and insurance companies is emphasized, since the insurance coverage protects food production as a key factor in the survival of population.

In the second section of the book (pages 3-88), natural hazards, are analysed as the risks involved in the insurance of crop production. Particular consideration is given to the agricultural risk management, its identification, assessment, overcoming of the adverse effects, and finally risk control and sharing. Starting from the number of perils that accompany agricultural activities, the author separately analysed standard and additional risks.

When it comes to standard risks, hail certainly comes first. It is pointed out that it represents a type of atmospheric precipitation, that is, natural disaster that generally represents a common insurance risk. Hail appears suddenly, usually in a smaller area. Based on the frequency and severity of consequences, it is certainly the most common risk in the insurance of crops and fruit (although it can cause serious damage to buildings and motor vehicles). It causes mechanical injuries to crops: impacts, tearing off, breaking down and splitting of plant parts. In some cases, a disease may break out as a result of hail, and develop in the damaged plant tissue. All such damages are insurable. Other standard risks covered in the book are rain, dew, fire and lightning, which also have their place in insurance protection.

The book *Insurance and Crop Production* explores spring and autumn frosts, low winter temperatures, storms, floods, and climate changes as additional risks. The last mentioned additional risk is considered on almost 20 pages, and for a good reason. Namely, as the author rightly points out, climate change is the most important risk that insurance companies will face in the future. As already demonstrated in previous years, drought will certainly be the most adverse effect of climate change in the Serbian region.

The next, most extensive chapter (pages 89-488) includes the analysis of insurance terms and conditions as a set of provisions governing relationships (rights and obligations) between the policyholder or the insured and the insurer. For easier reference, the general terms and conditions were first analysed (pages 91-188). Subsequently, special insurance terms and conditions were placed in the focus (pages 189-488).

The following elements of the general insurance terms and conditions of crop production were explored: the subject matter of insurance, insured perils,

insurance terms and conditions, the obligation to insure all crops and fruit of the same kind, sum insured, insurance premium, the inspection of the insured crops and fruit, insured event, changes during the cover period.

The identification and assessment of loss and calculation of insurance indemnity was rightly the subject of the most extensive analysis. The cases and illustrative examples of determining indemnity and calculating deductibles were provided separately for those insured events that occurred on the entire area of the plot and those occurred in one part thereof. Additionally, by providing examples of analytical methods used for hail loss assessment, the author separately explains the respective procedures applicable when the crop damage affecting one plot is even or uneven.

The study of special insurance terms and conditions is covered on almost 300 book pages, since the subject of the author's analysis were all such conditions offered by Serbian insurers (23 of them). The analysis also includes the provisions laid out in the special terms and conditions for insurance of tobacco, plant stock, sugar beet, wheat, seed corn, fruit trees and grape vines until bearing fruit, ending with special terms and conditions for insurance of forests.

The fourth chapter of the book (pages 489-567) includes the latest findings in the area of climate change management and its impact on crop production. In that context, special attention was paid to new insurance contracts that are based on climate indicators such as precipitations, temperature fluctuations, or wind force. The author correctly concludes that insurance based on climate change indicators should not be limited to the use of a single indicator.

In the next section of the book (pages 568-596), attention is focused on agrometeorology and anti-hail protection. The role of agrometeorology is emphasized as a part of biometeorology the knowledge of which is used in farming. A lot of space is also dedicated to the anti-hail protection as an important measure used to prevent harmful events to crops and fruit occurred due to hail. The beginnings of anti-hail protection date back to the nineteenth century, and today, this protection is implemented by using various physical and chemical means against hail-bearing or ice-bearing clouds in order to prevent icefalls, especially in the summer time.

Second to the last chapter of the monograph (pages 597-620) includes the analysis of crop production insurance in Serbia in the ten-year period 2006-2015. It provides comprehensive data on total insured areas, total sum insured, total insurance premium, average premium per hectare, average premium rates, total losses, total damaged areas, average damage per hectare, and claims rate i.e. technical result. At the end of this section, a well-founded conclusion was reached on the insurance of crop production in Serbia and the measures for its improvement.

The last chapter of this section (pages 621-686) includes the analysis of a number of indicators relating to crop production insurance by individual cultures.

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This part of the research includes 29 types of crops and fruit the insurance of which attracts the attention of farmers in Serbia and accounts for about 95 percent of the areas covered by insurance.

In view of the above, I wholeheartedly recommend the book of Mr Bruno Toskano *Insurance of Crop Production* to all types of practitioners in this area i.e. all those generally engaging in insurance, irrespective of their particular field of work.

Translated by: Zorica Simović