

Research on the Development Path of Agricultural Insurance under the Rural Revitalization Strategy

Wen Cheng^{1,*}, Zhuo Chen¹, Huan Mei¹, Zejiang Zhou²

¹School of Finance, Anhui University of Finance and Economics, Bengbu, Anhui, China;

²School of Economics, Anhui University of Finance and Economics, Bengbu, Anhui, China.

*Corresponding Author: 2849392938@qq.com

Abstract

Firstly, the paper analyzes the mechanism of rural revitalization strategy and agricultural insurance, the connotation and development process of agricultural insurance. Secondly, it analyzes the current situation of agricultural insurance development under the rural revitalization strategy. Thirdly, the paper analyzes the problems of agricultural insurance under the rural revitalization strategy. Finally, we put forward the development countermeasures of agricultural insurance under the rural revitalization strategy.

Keywords

Agricultural insurance; "Three rural"; Rural revitalization.

1. Introduction

In the new era, the General Secretary stressed the need to build a new socialist countryside in China. The implementation of the rural revitalization strategy provides a new direction for rural construction in China. However, solving the "three rural" problems can promote the development of rural economy, and is also the top priority of implementing the rural revitalization strategy. As a policy-based means of supporting agriculture, agricultural insurance can effectively avoid agricultural production risks and ensure farmers' income. Since the national promotion of agricultural insurance, agricultural insurance has been gradually popularized throughout the country. Better development of agricultural insurance under the rural revitalization strategy has become a new round of thinking.

In view of the problems related to the development of agricultural insurance in China, the research of domestic scholars mainly focuses on the following four aspects.

With regard to farmers' willingness to participate in agricultural insurance and influencing factors, Nie Rong and others demonstrated that there is a positive relationship between farmers' willingness to participate in agricultural insurance and other factors from the frequent occurrence of agricultural disasters, cultivated land area and agricultural income, while there is a negative relationship between risk preference, family debt and other factors. Zheng Chunji and others demonstrated that the unsound insurance system and complex insurance clauses will reduce farmers' intention to participate in insurance.

Scholars also have different emphases on the different effects of agricultural insurance on economic effects. Fu Xiaopeng and others believe that agricultural insurance can promote the specialization of crop planting, reduce the volatility of agricultural income and improve the production welfare of farmers. Shi Wenxiang and others tested the threshold of agricultural insurance by analyzing the panel data of 31 provinces and regions in China. Only when the farmers' income exceeds a certain amount, the positive effect of agricultural insurance on farmers' income is obvious. Tan Zhenghang and others analyzed the differences in China's

agricultural insurance poverty alleviation, such as the inability to accurately identify the target, and the inability to accurately subsidize the insurance economy.

Compared with China's agricultural insurance, the forms of agricultural insurance in developed countries are different. The United States implements a two-way financial subsidy mechanism, that is, it supports the agricultural insurance system with the main participation of non-governmental organizations and reinsurance support as the core; Japan has established and continuously improved the agricultural insurance system of the common system and developed agricultural industrialization; Canada adopts the form of cooperation, and the federal and provincial governments jointly provide financial subsidies, with a high underwriting rate.

The high-quality development of agricultural insurance ensures the support of farmers' income and promotes the implementation of rural strategies. Yang Linjuan and others planned high-quality development path of agricultural insurance from both supply and demand based on the development example of agricultural insurance in Gansu Province, insurance companies innovated insurance types, trained agricultural insurance talents, increased investment, and the government standardized order to create a good development atmosphere of agricultural insurance.

2. The Role Mechanism of Rural Revitalization Strategy and Agricultural Insurance

2.1. Rural revitalization strategy to promote the development of agricultural insurance

As a national policy strategy, the implementation of the rural revitalization strategy points out the policy direction for the development of agricultural insurance. In the important documents issued by the central government in recent years, the role of agricultural insurance is more or less involved in the "three rural" issues. In the No. 1 document issued by the central government in January 2021, it was pointed out that agricultural insurance, as an indispensable part of the rural financial system, played an important role in promoting rural revitalization and accelerating agricultural modernization.

The implementation of the rural revitalization strategy has innovated the traditional agricultural insurance model and adjusted the reform of the system. The rural revitalization strategy fully integrates agriculture, catering industry, tourism and other industries, and actively develops rural characteristic industries. With the deepening of integration, a number of new agricultural business entities such as family farms and leading enterprises have emerged, and new insurance needs have emerged according to the times, thus promoting the innovation of agricultural insurance product structure. The coverage of agricultural insurance has been broadened. In a series of processes such as modern agricultural planting and harvesting, more and more modern agricultural machinery and equipment need to be equipped. At the same time, many use risks or natural risks have been increased, such as equipment failure or human operation errors. These may cause farmers to have new opportunities to be included in the scope of agricultural insurance after implementing the rural revitalization strategy, and effectively increase the business of agricultural insurance.

2.2. Agricultural insurance provides guarantee for the implementation of rural revitalization strategy

Agricultural insurance has stabilized farmers' income. When losses occur in agricultural production and operation activities, the government or financial institutions can directly provide subsidies, but for farmers with large losses, direct subsidies can no longer solve substantive problems. However, agricultural insurance itself has a leverage effect, and can obtain additional benefits through investment after absorbing premiums. The insurance

company's own effect provides sufficient protection for farmers and guarantees a certain amount of funds.

While stabilizing a certain amount of economic income, agricultural insurance also plays a role in poverty alleviation, dispersing risks, guiding funds to poor areas, achieving a certain effect of targeted poverty alleviation, and improving the scientific nature of poverty alleviation. Because farmers have a certain post-disaster security and the idea of encouraging farmers to expand the planting scale, the chain effect is triggered, and the local characteristic industries are expanded, and the regional characteristic resources are fully utilized to mobilize the enthusiasm and initiative of farmers.

3. Connotation and Development of Agricultural Insurance

Agricultural insurance is a new type of insurance. The main guarantee items are the economic compensation provided by the insurance organization to the insured to help the recovery of agricultural conditions after the disaster, if the insured suffers losses from agricultural production and operation caused by natural disasters or accidents during a series of production processes such as planting, forestry, animal husbandry and fishery. Agricultural insurance has made up for farmers' production losses, stabilized farmers' income, and promoted the development of rural economy as a policy tool to benefit farmers. This way, which is different from the direct subsidy of the government, has its own leverage and can more effectively reduce the economic losses of farmers. It is recognized and protected by the WTO and effectively solves the "three rural" problems in China.

China's agricultural insurance was first put forward in 2004, and its initial stage was far behind that of the major developed countries in the West. In the No. 1 central document of 2004, it was stated that China should speed up the construction and development of the agricultural insurance system. In 2007, China again proposed to improve the agricultural insurance system. Since then, the state began to allocate funds for special financial subsidies, and the local government actively cooperated with the corresponding financial funds. So far, the outline of China's agricultural insurance has been put on line, officially kicked off, and entered the stage of rapid development.

The sign that China has initially established a relatively sound agricultural insurance system is the promulgation of the Agricultural Insurance Regulations in 2012. Later, No. 1 central document was issued continuously to guide the work of "agriculture, rural areas and farmers". Under the guidance of specific documents and relevant policies, the scale of agricultural insurance in China has been expanding. In 2019, China issued the Guiding Opinions on Accelerating the High-quality Development of Agricultural Insurance, marking that agricultural insurance began to effectively serve the rural revitalization strategy, and China entered a new era of agricultural insurance.

In recent years, China's agricultural insurance has developed well, benefiting from the strong support of the national government and corresponding financial subsidies; Insurance companies operate well, operate and innovate insurance types according to law, and strive to meet more needs of farmers; Farmers' willingness to participate in voluntary insurance increased.

4. Current Situation of Agricultural Insurance Development under the Rural Revitalization Strategy

4.1. Continuous improvement of agricultural insurance system

Since the construction and improvement of the agricultural insurance system in China, the country has successively issued a series of documents related to the rural revitalization strategy.

The documents also put forward policy guidance on how to develop agricultural insurance, emphasized the institutional attributes and policy status of agricultural insurance, and put forward a series of hopes, laying a policy foundation for the development of agricultural insurance. Local provinces have cooperated with national policies to pilot various types of agricultural insurance and increased the number of pilot agricultural insurance varieties to achieve the effect of improving the multi-level agricultural insurance system.

4.2. The effect of state subsidies has been increasing

Solving the "three rural issues" is a crucial part of rural revitalization. According to the fact and experience, agricultural insurance can disperse the risk of a considerable part of farmers' income. The state also strongly supports the development of agricultural insurance. The subsidy varieties have been extended from the initial five varieties of planting to 16 varieties of three major agricultural products, namely, planting, aquaculture and forestry. They basically cover the main food and bulk agricultural products related to the livelihood of the people. The scope of insurance subsidies also covers the whole country. Thanks to the support of the state, agricultural insurance has developed rapidly throughout the country.

4.3. Increasing share of insurance companies

According to the statistics of China's agricultural insurance related data, the scale of agricultural insurance premiums is also showing an upward trend year by year, with an increase of more than 40 billion yuan from 2009 to 2018. In 2016, agricultural insurance became the second insurance type in the insurance premium market, second only to motor vehicle insurance. In 2018, small farmers were also included in the insurance coverage. This kind of insurance that sincerely serves farmers was recognized by more people and increased the coverage of agricultural insurance. It can be seen from this that agricultural insurance really serves the people, and its inclusiveness is increasingly accepted by more and more people.

5. Problems in Agricultural Insurance under the Rural Revitalization Strategy

5.1. The grass-roots service network is not developed enough

At present, many rural grassroots work and related facilities and hardware are not perfect, and few companies operating agricultural insurance are willing to take the initiative to investigate the installation quantity and quality of relevant facilities at the grass-roots level, or the entry is not deep enough. In short, the leading agricultural insurance companies are unable to grasp the specific information of farmers, resulting in the "last mile" of agricultural insurance service hard conditions are not smooth. First, the agricultural insurance infrastructure is not perfect, and there is a lack of information sharing platform between subjects. For example, the insurance company cannot know the real situation of farmers' planting, the exact area of crops and other basic data; In addition, the work of insurance companies underwriting claims needs to be standardized. The nature and causes of emergencies affect the loss assessment procedures of insurance companies. Without standardized confirmation standards, there will be great disputes between the two parties. The information confirmation of insurance companies underwriting completely depends on the company's staff, which will consume huge manpower and material resources, and there will be consequences of inaccurate information.

5.2. The insurance system is not perfect

At present, China's agricultural producers mainly form the coexistence of two main bodies, including small farmers and new agricultural operators. These two main bodies are different in terms of production scale, production mode, modernization degree and types of agricultural insurance required. However, the existing types of agricultural insurance products and services

cannot meet the needs of both parties, which will inevitably lead to the failure of comprehensive promotion of agricultural insurance. In addition, at present, the coverage of agricultural insurance products in China is unevenly distributed and the level of different regions is different, which has a certain impediment to the development of local characteristic advantageous products, and the ability to settle claims is also different, which further leads to differences in the development of agricultural insurance in the process of land separation.

5.3. The premium subsidy mechanism has not been improved

The premium subsidy mechanism of agricultural insurance in China is still insufficient. For example, the central government mainly invests a certain amount of agricultural insurance in bulk agricultural products, while local governments want to protect local agricultural products with local characteristics. However, in reality, the subsidy types are often single, and the subsidy levels for different regions and different agricultural entities are different. The regional subsidy differences may further cause economic differences. Secondly, the scope of premium subsidies is small, and the number of varieties covered is small. The preferential policies begin to decrease with the development of the economy.

6. Development Countermeasures of Agricultural Insurance under the Rural Revitalization Strategy

6.1. Establish a sound agricultural insurance system

At present, China is at a critical stage of agricultural transformation. Compared with the traditional farmers' low efficiency and small scale, the new agricultural operators have higher risk awareness, large scale, technical specialization, and more need to carry out insurance risk management. Establish multi-level agricultural insurance, aiming at the different needs of small farmers and new agricultural operators, establish a multi-level agricultural insurance model, which not only provides basic risk protection for small farmers, but also provides multifaceted risk protection for new agricultural operators. The source of premium can be shared by financial institutions, governments and producers to provide funds for farmers' post-disaster recovery. Gradually expand the coverage of bulk agricultural products insurance, encourage local governments to develop characteristic agricultural products insurance, and create brand benefits.

6.2. Improve the service quality at the grass-roots level

Agricultural insurance fundamentally disperses the risk of farmers and quickly recovers the post-disaster agricultural situation. Therefore, the development of agricultural insurance should truly enter the households. First of all, we should strengthen the construction of the grass-roots service network of agricultural insurance to ensure that the people, insurance institutions, government and other aspects can share the first-time information such as the planting status. With the continuous expansion of business, we can finally achieve the full coverage of the service network at the county or municipal level. Secondly, it is necessary to ensure the efficiency and quality of the claim settlement work, and standardize the operation, so as to carry out the claim settlement work in a timely manner after the event.

6.3. Innovative agricultural insurance technology

In recent years, with the rapid development of the Internet and the progress of science and technology such as big data and cloud computing, smart agriculture has emerged at the historic moment, and these emerging technologies have also been continuously applied to all aspects of modern agricultural production. Modern agricultural precision operation and precision management enabled by science and technology have greatly promoted agricultural development. First of all, agricultural insurance institutions can obtain and apply data through

modern means, obtain farmers' risk information, improve agricultural risk detection system, and gradually realize data management. Secondly, the government can introduce satellite remote sensing, unmanned aerial vehicles and other technologies into agricultural insurance institutions, continuously improve the detection accuracy, meet customer needs in many ways, expand the insurance coverage, and improve the efficiency of insurance claims.

6.4. Improve risk dispersion mechanism

In view of the problem of insufficient risk reserves after agricultural insurance encounters major disaster risks, the government should make an indicative opinion, which can be subsidized by local governments and the central government. At the same time, insurance companies can also actively attract the support of social funds. We will accelerate the construction of an agricultural risk dispersion mechanism featuring multi-participation, risk sharing and multi-level dispersion.

6.5. Improve the scientific nature of claims settlement

Agricultural insurance regulations are the first factor when farmers sign contracts, and insurance claims are the most important thing for farmers after planting accidents, which is related to post-disaster agricultural recovery. First of all, differential subsidies can be implemented. For farmers who need subsidies, dynamic adjustment should be implemented according to local economic conditions and policy conditions to encourage the extension of premium to local characteristic bulk agricultural products. Gradually expand the scope of financial subsidies and gradually include various products in the subsidy catalogue. Finally, strengthen the implementation of preferential policies. For farmers in special areas, value-added tax or stamp tax can be reduced, and farmers are encouraged to implement preferential policies without compensation.

7. Conclusion

In implementing the rural revitalization strategy, comprehensively deepening the development of agricultural insurance not only ensures the income of farmers, but also promotes the development of China's agricultural economy. In the context of rural revitalization, the development of China's agricultural insurance should combine the actual needs of farmers, respond to national policies, make timely adjustments, properly solve the problems of pre-existing agricultural insurance, and disperse the risks in the process of agricultural production, which is of great positive significance for promoting the development of agricultural insurance, and also conducive to ensuring the steady implementation of China's rural revitalization strategy.

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