



MEDIA RELEASE

16 April 2015

Ground breaking agreement between two leading crop insurers

Land Bank Insurance SOC LTD (LBIC) has partnered with AgriSekerOnderskrywing (PTY) LTD to provide crop insurance. LBIC is a 100% subsidiary of the Land and Agricultural Development Bank of South Africa (Land Bank), a specialist insurer that offers insurance and risk management solutions solely to the agricultural sector.

The Land Bank has granted loans to the agricultural sector in excess of R36 billion and in most instances, credit would not have been advanced to farmers if they do not have insurance. AgriSeker and LBIC want to leverage these synergies with the Land Bank to enhance the insurance product offering to agricultural sector. LBIC's involvement in insurance dates back to 1954 when it created SAVVEM (Suid Afrikaanse Verband Versekeringsmaatskappy) which has evolved to create two subsidiaries that focus on short term and long term insurance with a combined capital base of approximately R1,5 billion.

AgriSeker Onderskrywing (PTY) LTD which is a specialist underwriter in the crop insurance market was founded by former senior management of the Crop Insurance Business Unit of ABSA Insurance Company. This arrangement ensures that existing clients and brokers of ABSA Crop Insurance Business Unit do not experience any service disruptions during this sensitive stage of the crop cycle.

Critically, the partnership is done with the knowledge and support of current reinsurance fraternity.

Mpumi Tyikwe, MD of LBIC is upbeat about the agreement, and he said, "AgriSeker has a wide distribution network and is able to access farmers throughout the country. The fact that the current team will be managing this account is a bonus to us."

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In Tyikwe's view, the agreement is part of the LBIC's drive to fulfil its mandate by creating innovative insurance solutions and risk management practices. The transaction will also assist LBIC to extend insurance offerings to the emerging farmers that use the insurance as collateral for the production loans they obtain to plant crops.

According to the Group Executive Director of AgriSeker, Bertus Kruger, "through extensive research and external consultations, customers' needs are rapidly changing and the opportunity of offering a 'one stop' Agri risk management service to the entire agricultural value chain is a necessary intervention".

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