

Agroseguro's General Shareholders' Meeting approves the accounts for financial year 2023

- The contracting of agricultural insurance has closed with premiums of 930 million euros and an insured production value of 16.748 billion, the highest figures in Agroseguro's history.
- Claims, which also reached an all-time high, grew 56.5% to 1.241 billion. The claims ratio rose to 169%, well above the technical equilibrium.
- In 2023, there were 178,000 agricultural claims recorded – 54% more than in 2022 – forcing the appraisal of 3.5 million hectares, representing 58% of the insured area for all crops.

Madrid, 26 March 2024. Agroseguro's General Shareholders' Meeting held today, 26 March, approved the Annual Report for financial year 2023, which includes the Annual Accounts, the Management Report and the Non-Financial Information Statement, noting the significant growth in contracting and claims on agricultural insurance during the last year.

Contracting

Contracting of combined agricultural insurance ended the year with commercial premiums of 930 million euros, 11.4% more than in the previous year. The value of insured production in 2023 reached an all-time high for the ninth consecutive year, at 16.748 billion,¹ i.e. 2.3% more than in 2022.

Premiums earned (those contracted in 2023, although partly corresponding to 2024 risk) increased 11.4%, to 968 million,² with a clear boost in insurance on productions such as vegetables, fruit trees, arable crops and wine grapes.

Claims

Claims in 2023 grew 56.5% compared to the previous year to 1.241 billion euros, raising the claims ratio for the year over risk premiums to 169%, i.e. well above the technical equilibrium. This is now the fourth consecutive year and is, moreover, a constant since 2012 (with only two exceptions: 2016 and 2020). This has meant that 2023 has become the year with the highest claims in the 43-year history of agricultural insurance.

During 2023, there were 178,000 agricultural claims dealt with – 54% more than in 2022 – forcing the appraisal of 3.5 million hectares, representing 58% of the insured area for all crops. Throughout the past year, all type of extreme climatic phenomena have occurred, but it is worth highlighting the following:

- A severe lack of rainfall, responsible for 496 million euros in compensation for drought, which was particularly damaging to arable crops (425 million), but also with effects on other crops, such as vineyards and olive groves.
- Widespread hail, wind and rain storms, with losses amounting to 375 million euros on a wide range of areas and crops.
- Compensation for frost damage, together with fruit set problems, amounted to 94 million euros.

In addition, 98,000 livestock claims and 1.4 million dead animal collection services were handled in 2023, which, together with agricultural claims, totalled 1.70 million claims in total.

Agroseguro has faced the challenge of having to assess damage to 58% of the insured area in 2023 – the largest area of claims in its history – and has been able to respond to farmers and livestock breeders efficiently and quickly. The professionalism and solvency it demonstrates every year have

¹ This is the closing figure. Production in the year, considering that after the closing, stands at 16.915 billion euros, 3.36% more than in 2022.

² The final figure, including end-of-year production, rises to 1.011 billion, 16% more than in 2022, and the first time that the figure has exceeded 1 billion.

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allowed it to maintain the average payment period for compensation to insured parties with a claim, which is 26 days from the final assessment of the claim in the case of agricultural insurance, and 28 days in the case of livestock insurance.

Result

Resulting from the above, Agroseguro's technical account in 2023 was almost 19 million euros in the red. All insurance groups exceeded the equilibrium ratio, but particularly on the so-called *experimental* lines, which were close to 200%. As a result of this performance, the Consorcio de Compensación de Seguros, the system's reinsurer, has paid out almost 470 million euros of the 1.241 billion euros of claims, with only 59 million euros of reinsurance premium.

Equalisation reserve

The equalisation reserve of the coinsurance table decreased by 41 million euros in 2023, ending the year with an amount of 33.20 million euros, which means that, if the result is repeated in 2024, it would be more than exhausted.

Agroseguro

The Spanish Combined Agrarian Insurance system provides the agricultural sector with cover against damage caused by various types of loss in agricultural and livestock production. Extreme and changeable weather conditions and the damaging effects they have on harvests highlight the advisability of protecting farms with agricultural insurance to deal with these situations.

You can find all Agroseguro's press releases at <https://agroseguro.es/sala-de-prensa/notas-de-prensa>

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