

45 years protecting rural life

Ignacio Machetti, President of Agroseguro

On 17 April 1980, 25 insurance companies came together to form the Spanish Group of Agricultural Insurance Companies. Each one contributed 40,000 pesetas to acquire shares, marking the beginning — perhaps without fully realising it — of a decisive project for Spain's primary sector and rural sector, which for 45 years has operated with the support of the Spanish Combined Agricultural Insurance system. It was a provisional start, but just two months later, the number of co-insurers had already grown to nearly 80, including all major insurance entities and groups — a sign of the sector's remarkable commitment. Today, after numerous corporate mergers and an intense specialisation process, the Group now brings together no fewer than 16 insurance groups.

The founding meeting took place at Agroseguro's first offices on Calle Sagasta in Madrid, in the presence of representatives from the Directorate-General for Insurance, the Insurance Compensation Consortium, and the newly established State Agricultural Insurance Agency (ENESA). This reflected the public-private nature of the Spanish Combined Agricultural Insurance system from the very outset — a structure that has brought solidity and prestige, allowing it over time to become a social institution of unquestionable value and an international benchmark.

Over these 45 years, agricultural insurance has undergone exponential technical development. From its early days — covering only hail and fire in crops like cereals, grapes, apples, tobacco and citrus — to the introduction of comprehensive cereal insurance covering all risks, particularly drought, the system has evolved into a universal product. Today, it protects almost all agricultural and livestock production in Spain against major climatic risks. It has been a dynamic system, with a clear drive for growth and improvement. While at times it has needed to advance with caution — particularly due to worsening weather conditions — its overall effectiveness has been thoroughly demonstrated. Those of us who have had the opportunity to accompany this journey have also taken on the responsibility of managing the system with a long-term vision — avoiding short-term approaches and focusing instead on technical balance and the ability to adapt to the changing needs of our agricultural sector.

The figures speak for themselves. Insured capital has broken records in 35 of the system's 45 years, and has done so consecutively over the past decade — reaching more than €18 billion in insured production value. This represents half of Spain's total agricultural income — a considerable percentage, particularly when compared internationally. Much of this is thanks to strong take-up in key sectors like cereals, fruit, vineyards and vegetables, though there is still room for growth in other crops. In total, nearly 17 million policies have been issued and over €20 billion in premiums collected — 50% of which has been contributed by public bodies (ENESA and regional governments). This public investment has played a vital role in reducing uncertainty for farmers and livestock breeders, who have paid the other 50% and received close to €17 billion in claims compensation. To this, we must add operational and marketing costs — all backed by the essential reinsurance provided by the Insurance Compensation Consortium. Farmers' confidence and loyalty in the system have grown steadily throughout these 45 years, and today, many see it as their most reliable tool for coping with the increasing risks posed by climate change.

Unfortunately, today's climate reality has become the biggest challenge for agricultural insurance. Droughts, frosts and storms have become more frequent and intense over time. Recent growing seasons have been defined by a lack of rainfall, while paradoxically, storm events have become more violent and widespread — capable of devastating entire agricultural regions in just a few hours. The risk of a serious incident affecting their farms is greater than ever for producers working out in the open, and agricultural insurance has become an essential partner in safeguarding their activity — an activity that provides food, employment, and prestige for Spain, and which is also crucial to sustaining our rural areas. Agroseguro has managed 31 million claims over its history, including several particularly severe years — especially 2023, a year we will not easily forget. That year closed with €1.241 billion in claims compensation and damage reported across 60% of all insured land — a record figure caused by a harsh reality: a prolonged and severe drought combined with widespread

hailstorms. It was a combination that put the insurance system under serious strain, while also demonstrating Agroseguro's exceptional management capacity.

But our evolution cannot be measured by numbers alone. Over these 45 years, Agroseguro has kept pace with the insurance sector's rapid innovation and the remarkable technological progress made by Spanish agriculture. We've continually driven digitalisation and technological improvement — without disrupting our co-insurers, their sales networks, or our clients: the farmers and livestock breeders. They have responded positively to our efforts to enhance their experience, provide better policy information, personalise coverage, improve loss assessments, and shorten payout times.

Today, Agroseguro is a modern organisation, continually transforming its processes and looking ahead with enthusiasm and a strong commitment to improvement — because there is always room to improve — drawing on the talent of our people, both internal and external. It is only right to recognise the work and dedication of all the professionals who have accompanied us over these 45 years — our staff, shareholders, and Board members, as well as the personnel of our co-insurers, the public authorities that form part of the system, our assessors, and the brokers. Their commitment, cooperation and experience have been essential in enabling Agroseguro to reach this 45th anniversary with the strength and resolve needed to face the future with confidence.

To all of them — thank you, and happy anniversary.

Ignacio Machetti.

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