

Cover provided by agricultural insurance is extended

The purpose of agricultural insurance in Colombia is to protect agricultural investments financed with credit resources from the national agricultural credit system or the producer's own resources. It anticipates the overheads necessary for production and selling to domestic and foreign markets, together with the integrated development of the primary economic sector. Insurance incentivizes and protects food production, is an instrument for raising the rural sector's economic development and in general terms is a strategy to support the country's overall development.

Bearing in mind that in Colombia agricultural insurance used only to provide cover for actual loss, that is, indemnity payments only covered production costs, the Agriculture and Rural Development Ministry has decided to change these specifications so that they also cover damages caused by natural and biological risks beyond the control of the policy holder, insured party or beneficiary, that affect agricultural activities, and including the acknowledgment of loss of profit, provided that this is expressly specified in the corresponding insurance contract.