

FISHERIES INSURANCE FOR THE SUSTAINABLE DEVELOPMENT OF CAPTURE FISHERIES IN PUTTALAM DISTRICT

R.H.N.A. Rajasinghe¹ and D.A.M. Perera²

¹*Sri Lanka Insurance Corporation Limited, Negambo Branch;* ²*Department of Accountancy, Faculty of Business Studies and Finance, Wayamba University of Sri Lanka, Kuliypitiya, Sri Lanka*

Corresponding author: methsila240@yahoo.com

Capture fisheries in marine area involve considerable risks such as the loss or damage to fishing vessels, equipment and gears as a result of natural disasters. Therefore, fisheries insurance is considered as an important tool in the risk management of capture fisheries industry. This study was designed to explore the importance of fisheries insurance for the sustainable development of capture fisheries industry in Puttalam district of Sri Lanka and to understand the perception of boat owners' and the fishermen towards the fisheries insurance that in practice. Fisheries ministry sources indicate that the Chilaw fishing fleet of Puttalam district consists of about 75 vessels, of which 60 fishing vessels are out-boat type. For this study, 50 fishing vessels owners ($N_1 = 50$) and 40 fishermen ($N_2 = 40$) were randomly selected from the Chilaw fishing fleet. The results indicate that the fisheries insurance plays a significant role in developing the capture fisheries industry in Puttalam district. Yet, the large majority of the respondents indicated that they have no faith in fisheries insurance now in practice and they believe that the government made it compulsory to get rid of their responsibility in safeguarding the life of fishing community. In light of these findings, instead of encouraging vessels owners to purchase insurance solely for legal reasons, a more productive method should be developed to enhance the knowledge of boat owners and introduce "all risks" policy depending on the coverage desired by the individual fishing vessel owner and the costs of the policy coverage offered by insurers.

Keywords: Chilaw harbour, Fisheries insurance, Puttalam district, Sustainable development