

Claims Process:

1. Wide Spread Calamities: If 'Actual Yield' (AY) per hectare of insured crop for the insurance unit (calculated on basis of requisite number of CCEs) in insured season, falls short of specified 'Threshold Yield' (TY), all insured farmers growing that crop in the defined area are deemed to have suffered shortfall of similar magnitude in yield. PMFBY seeks to provide coverage against such contingency.

'Claim' shall be calculated at IU level as per the following formula:

$$\frac{(\text{Threshold Yield} - \text{Actual Yield})}{\text{Threshold Yield}} \times \text{Sum Insured}$$

Threshold Yield

Where Threshold Yield (TY) for a crop in a notified insurance unit is the average yield of best 5 years from past seven years of that season multiplied by applicable Indemnity Level for that crop

2. Payment of Claims due to Mid-Season Adversity :

Insurance cover will be provided to the farmers to provide immediate relief in case of adverse seasonal conditions during the crop season viz. floods, prolonged dry spells, severe drought etc., wherein expected yield during the season is likely to be less than 50% of Normal Yield.

Eligibility Criteria: All notified IUs would be eligible for "ON ACCOUNT" payment only if the expected Yield of the affected crop during the season is less than 50% of Normal Yield.

The quantum of likely losses and the amount of 'on-account' payment shall be decided based on the joint survey by Insurance Company and State Govt. officials.

Only those farmers would be eligible for financial support under this cover who have paid the premium / the premium has been debited from their account before the damage notification by the State Govt. for invoking this provision for compensation. Banks must ensure to debit farmers premium within 15 days from sanction/renewal of KCC/crop loan to provide benefit of this add on products , failing which banks will be liable to meet the claim liabilities of uncovered eligible famers.

Amount payable would be 25% of the likely claims, subject to adjustment against final claims.

If adversity occurs within 15 days before the normal harvest time, this provision will not be invoked. Then the losses will not qualify under this provision.

Proxy-Indicators: Indicators to be used for loss intimation could be rainfall data, other weather data, satellite imagery, drought assessment reports of MNCFC and crop condition reports by district level/ State Govt. officials, supported by media report and field photographs. The State's notification should also spell out all the necessary details in this regard.

Loss assessment procedure:

Joint Committee of State Govt. and the Insurer for assessment of crop damage have to be formed and notified before start of the crop season by the SLCCCI for each district.

This Joint Committee shall decide the eligibility for On-Account payment based on the weather data (available AWS notified by the Govt.)/long term average rainfall data/satellite

imagery supported by estimated yield losses at notified IU level. Loss intimation order has to be issued within 7days from the adverse seasonal event.

Based on the above report, a joint inspection of the affected area maybe done by Insurance Company along with State Govt officials for ground truthing using mobile phone App and arrive at the extent of loss.

Information/ Services of MNCFC, ISRO or SRSC may also be utilized for determination of extent of loss, using satellite data, for On Account payout.

If the expected loss of the affected crop is more than 50% of the normal yield for the Notified Insurance Unit, On-Account payment would be payable.

On-Account payment would be calculated as per following formula:

$$\frac{(\text{Threshold Yield}-\text{Estimated Yield})}{\text{Threshold Yield}} \times \text{Sum Insured} \times 25\%$$

Timeframe for loss assessment and submission of report:

An order will be issued by Nodal Dept. of State Govt. defining eligibility of On Account payment with details of affected IUs within 7 days from the occurrence of adverse seasonal event.

Loss assessment report at the affected insurance unit level has to be completed by the Joint Committee within 15 days from occurrence of the adverse seasonal event.

Conditions:

Mere disbursement/ sanction of loan without receipt/ debit of premium before the notification of calamity would not make a farmer eligible for the claim.

The On-Account payment would be disbursed by the Insurance Company without waiting for the receipt of final share of Govt. subsidy (Second Instalment)

On Account payment would be paid to all eligible insured farmers within one month of the notification invoking this provision by the State Govt. and subject to receipt of loss assessment report from State Govt..

These claims would be adjusted against the end season area approach yield based claims.

Bank would remit farmers' premium to Insurance Company, with farmers list, within 7 days of intimation of loss under this section, if not uploaded earlier on Portal. However, this option must be exercised as a last recourse with proper justification.

Prevented / Failed Sowing and Prevented Planting / Germination Claims

Insurance cover will be provided to farmers in case of widespread incidence of eligible risks affecting crops in more than 75% of area sown in a notified unit at early stage, but not later than 15 days from cut off date for enrolment, leading to total loss of crop or the farmers are not in a position to either sow or transplant the crop.

Eligibility Criteria:

Notified IUs will be eligible for “Prevented Sowing/ Planting” pay-out only if more than 75% of Crop wise normal sown area for notified crop in the IU remained unsown/prevented sowing/germination failure during sowing period due to occurrence of widespread incidence of eligible risks.

The provision is invoked by the State Govt. through notification based on the proxy Indicators. Insurance Companies may also provide input to the State in this regard with substantial evidence for consideration within the stipulated time so that claim of Insurance Companies may be verified by them. If Insurance Company makes such a case then State Govt. is bound to get it examined within a stipulated time of 7 days and in case State Govt. thinks that Prevented Sowing is not made out then they should inform Insurance Companies giving cogent reasons for the same.

Only those farmers would be eligible for financial support under this cover who have paid the premium / the premium has been debited from their account before the damage notification by the State Govt. for invoking this provision for compensation. Banks must ensure to debit farmers premium within 15 days from sanction/renewal of KCC/crop loan to provide benefit of this add on products , failing which banks will be liable to meet the claim liabilities of uncovered eligible farmers.

The State Govt. would notify crop wise and agro-climatic zone or district wise cut-off dates by which, this provision could be invoked but this notification should not be later than 15 days from cut off date for enrolment of farmer.

Loss assessment procedure

State Govt. would declare a notified IU as having suffered Prevented or Failed Sowing/Planting conditions with approximate areas in percentage of the unit.

The lump sum payout under this cover would be 25% of the sum insured and the insurance cover will be terminated

The cover will be available for major crops only.

Mere disbursement/ sanction of loan without receipt/ debit of premium before the notification of calamity won't make a farmer eligible for claim.

This provision would be needed to be notified within 15 days of the cut-off date of enrolment by the State Govt., beyond which if invoked, no claim would be payable.

Insurance Cover would terminate for the affected crop in a Notified Insurance Unit once a claim under this section is invoked and the affected Insurance Unit/ Crop would not be eligible for area yield based claim calculated at the end of the season.

Once this provision is invoked, no fresh enrolment of farmers for the affected notified crops and areas would be done.

Once exigency is invoked it applies to all the insured farmers in the Notified Insurance Unit for a given crop, including for those whose crop survived.

Bank would remit farmers' premium to Insurance Company, with loanee farmers list, within 7 days of intimation of loss under this section, if not uploaded earlier on Portal. However, this option must be exercised as last recourse with proper justification.

3. Post-Harvest Losses due to unseasonal rains etc

Provision has been made for assessment of yield loss on individual plot basis in case of occurrence of hailstorm, cyclone, cyclonic rains and unseasonal rains resulting in damage to harvested crop lying in the field in 'cut and spread' / small bundled condition for drying upto maximum period of two weeks(14 days) from harvesting , for sole purpose of drying. For the purpose of indemnification of post harvest crop losses, unseasonal rains shall be triggered when the excess rainfall is more than 20% over long period average over the month for that district subject to confirmation of the damage in the Joint survey to be conducted by concerned State Govt. and Insurance Company

Eligibility criteria:

Available to all insured farmers, at farm unit level, affected by above mentioned perils in a Notified Insurance Unit growing notified crops for which insurance have been availed.

Available for all crops damaged by specified perils, which are left in the field after harvesting in " cut and spread condition"/small bundled conditions for drying upto a period of 14 days from harvest. State Govt. shall also notify the normal harvesting period of each crop.

Loss assessment procedure:

Time and method of reporting the loss/claims

- Immediate intimation (within 72 hours) by the insured farmer to any one as detailed in para 21.4.3.2 below.
- Intimation must contain details of survey number-wise insured crop and acreage affected.
- Premium payment verification to be done from portal and in case of need, may be verified from the bank and bank shall provide the payment verification within next 48 hours of receipt of such request.

Channel of reporting, i.e. Whom to be reported: Intimation may be given within 72 hours by farmer either directly to the insurance company, concerned bank, local agriculture department Govt./district officials or through toll free number (*Centralised dedicated Toll Free Number for claim intimation/ intimations can be redirected within 48 hours to respective Insurance Companies through backend*) to the insurance company or on NCIP. First mode of intimation will be centralised Toll Free Number, followed by the order/loss report issued by concerned officials of district administration to Insurance Company for conducting the individual level investigations The concerned bank/intermediary would verify the insured

details like crop insured, sum insured, premium debited and date of debit & remittance for conducting investigation/assessment.

Documentary evidence required for claim assessment:

Duly filled Claim form along with all relevant documents is necessary for payment of claims. ICs shall complete all formalities for payment of such claims like local newspaper cutting and any other available evidence to substantiate occurrence of loss event and severity of the loss, if any.

Appointment of Loss Assessors by the Insurance Company:

The loss assessors would be appointed by the Insurance Company for assessment of Post-harvest losses (Yield- index Insurance). The loss assessors appointed should possess following experience and qualification:

- Diploma in any subject with minimum 2 years relevant experience /degree in Agri and allied subjects with one year experience).
- Retired Govt. officials of Agriculture/ Horticulture/ Extension Department
- Retired Bank officials with experience of crop loaning or KCC.

The loss would be jointly assessed by a team comprising of loss assessor appointed by the insurer, block level agriculture officer and the concerned farmer

Time frame for loss assessment and submission of report

Appointment of loss assessor within 48 hours from receipt of information

Loss assessment to be completed within next 10 days

Claim settlement/payment to the farmers to be completed in next 15 days (subject to receipt of premium) from loss assessment report.

If the affected area under a notified crop is more than 25% of the total cropped area in a notified insurance unit, all the eligible farmers (who have taken insurance for the notified crop, which has been damaged, and informed about occurrence of calamity in the farm within the stipulated time) in the notified insurance unit would be deemed to have suffered post harvest loss and would be eligible for financial support. Percentage of loss would be arrived at by the Insurance Company through requisite percentage of sample survey as decided by the Joint Committee of the affected area.

If the claim on area approach (based on CCEs) is more than the claims of the Post harvest losses, the difference in the claims will be payable to affected farmers. If claim for Post Harvest is higher, no recovery will be applicable from affected farmers

Conditions:

Mere disbursement/ sanction of loan without receipt/ debit of premium before the occurrence of insured peril would not make a farmer eligible for claim.

When affected area is limited up to 25% of total cropped area in the notified insurance unit, the losses of eligible farmers would be assessed individually provided they have paid premium prior to occurrence of insurance peril

The pay-out under the cover would be disbursed by the Insurance Company only after the receipt of final Govt. share of premium subsidy (second instalment)

The Insurance Company would disburse the claim, if payable, within 15 days of receipt of loss survey report.

If end of season claim based on the yield data is more than the claim under this cover, the balance would be paid at the end of the season under wide spread claims

4. Localized Risks

The Scheme provided for insurance cover at individual farm level to crop losses due to occurrence of localized perils/ calamities viz. Hailstorm, Landslide, Inundation, Cloud burst and Natural fire due to lightening affecting part of a notified unit or a plot.

For the purpose of indemnification of crop losses due to inundation as localised claim, Inundation is a situation where insured field is covered or submerged by water due to rise in water level by rainwater that has fallen naturally from the sky or from an artesian well or flood water locally and where water stays for prolonged period and causes visible damage to the crop.

Eligibility Criteria

Available to all insured farmers, at farm unit level, affected by above mentioned perils in a Notified Insurance Unit growing notified crops for which insurance has been availed

Maximum liability is limited to proportionate Sum Insured of damaged crop's area and the pay-out under this provision would be in proportion to cost of inputs, incurred up to the occurrence of insured peril.

Only those farmers would be eligible for financial support under this cover who have paid the premium/the premium has been debited from their account before occurrence of the insured peril

If the pay out under area approach (based on CCEs data) is more than localized losses, the higher claims of two will be payable to insured farmers.

If the affected area under a notified crop is more than 25% of the total insured area in a notified insurance unit, all the eligible farmers (who have taken insurance for the notified crop, which has been damaged, and informed about occurrence of calamity in the farm within the stipulated time) in the notified insurance unit would be deemed to have suffered localised loss and would be eligible for financial support.

Percentage of loss would be arrived at by Insurance Company through requisite percentage of sample survey as decided by the Joint Committee of the affected area.

Loss assessment procedure

Time and method of reporting the loss/claims

- Immediate intimation (within 72 hours) by the insured farmer to any one as detailed in Para 21.5.4.2 below.
- Intimation must contain details of survey number-wise insured crop and acreage affected.
- Premium payment verification to be done from portal and in case of need, may be verified from the bank and bank shall provide the payment verification within next 48 hours of receipt of such request.
- Mobile application may be used for reporting incidence of localized risks for intimation of events including longitude/latitude details and pictures using Mobile App to be developed by DAC&FW.

Channel of reporting

Intimation may be given within 72 hours by farmer either directly to the insurance company, concerned bank, local agriculture department Govt./district officials or through toll free number (*Centralised dedicated Toll Free Number for claim intimation/ intimations can be redirected within 48 hours to respective Insurance Companies through backend*) to the insurance company or on NCIP. First mode of intimation will be Centralised Toll Free Number followed by the order/loss report issued by concerned officials of district administration to Insurance Company for conducting the individual level investigations. In case the concerned farmer's details are not available on National Crop Insurance Portal, the concerned bank/intermediary would verify the insured details like crop insured, sum insured, premium debited and date of debit & remittance for conducting investigation/assessment.

Documentary evidence required for claim assessment

Duly filled Claim form along with all relevant documents is necessary for payment of claims. However, if information on all the columns is not readily available, semi-filled form may be sent to the Insurance Company and later within 7 days of the loss, filled form may be submitted.

Evidence of crop loss through capturing pictures using mobile applications

IMD report, Media report, Local Newspaper cutting to substantiate occurrence of loss event and severity of the loss, if any.

Appointment of Loss Assessors by the Insurance Company

The loss assessors would be appointed by the Insurance Company for assessment of losses due to incidence of Localized Risks (Yield -index Insurance). The loss assessors appointed by the Insurance Companies should be in accordance with the IRDAI provisions. The loss assessors appointed should possess following experience and qualification:

- Diploma in any subject with minimum 2 years relevant experience /degree in Agri and allied subjects with one year experience).
- Retired Govt. officials of Agriculture/ Horticulture/ Extension Department having Diploma/B.Sc(Ag.) degree.
- Retired Bank officials with experience of crop loaning or Kisan Credit Card (KCC).

For compliance under the above provisions the Insurance Companies would empanel the suitable loss assessors for using their services as and when required

The loss would be jointly assessed by a team comprising of loss assessor appointed by the insurer, block level agriculture officer and the concerned farmer

Time frame for loss assessment and submission of report

- Appointment of loss assessor within 48 hours.
- Loss assessment to be completed within next 10 days.
- Claim settlement to be completed in next 15 days (subject to receipt of farmers premium)
- Maximum liability would be limited to proportionate Sum Insured of damaged cropped area

Conditions:

Mere disbursement/sanction of loan without receipt/debit of premium before the occurrence of insured peril would not make a farmer eligible for claim.

When affected area is limited upto 25% of total insured area in the notified insurance unit, the losses of eligible farmers would be assessed individually provided they have intimated and paid premium prior to occurrence of insurance peril. Intimation is a pre condition to get benefit for localized claim. Intimation at the time of survey would also be considered

The pay-out under the cover would be disbursed by the Insurance Company only after the receipt of at least advance Govt. share of premium subsidy (1st instalment).

If, at the end of season, based on the yield data, claim is more than the claim under this cover, the balance would be paid at the end of the season under wide spread claims.

Farmers getting enrolled or whose premium is debited after occurrence of insurance peril would not be eligible for financial support under this cover.

Bank would remit farmers' premium to Insurance Company, with farmers list, within 7 days of intimation of loss under this section, if not uploaded earlier on Portal.