

GOVERNMENT OF MEGHALAYA
Directorate of Agriculture

PRADHAN MANTRI FASAL BIMA YOJNA
KHARIF 2017 & Rabi 2017-2018 SEASON

NOTIFICATION

NO.AGRI/ME-232/2016-17/PT/311

Shillong the 12th July, 2017

Govt. of India has launched PradhanMantriFasalBimaYojna for implementation from Kharif 2017 & Rabi 2017-2018 season and Govt. of Meghalaya in the 'State Level Coordination Committee on Crop Insurance (SLCCCI)' held on 12th July, 2017, has decided to implement the scheme in the state for Kharif 2017 season & Rabi 2017-2018 season on the following conditions:

I. IMPLEMENTING AGENCY (INSURANCE COMPANY)

District wise Implementing Agency (IA)/ Insurance Company is given in **Annexure-I**.

II. CROPS COVERED

The scheme would cover selected crops viz. **Ahu Paddy, Sali Paddy, Maize, Ginger, Turmeric and Kharif Potato, Cauliflower, Cabbage, Tomato & Soyabean Crops** for Kharif 2017 and **Boro/Spring Paddy, Rape seed & Mustard, Potato, Gram & Arhar crops** for Rabi 2017-2018 in selected areas of the 11 districts of Meghalaya.

District wise crops notified during Kharif 2017 and Rabi 2017-2018 are given in **Annexure-II**.

III. AREAS COVERED

The scheme will be implemented at BLOCK (Community Development Block) level with unit of Insurance as BLOCK i.e. each BLOCK will be considered as one unit for the purpose of Crop Cutting Experiments (CCE).

Crop-wise and District-wise List Notified areas (Blocks/District) during Kharif-2017 & Rabi 2017-2018 season are given in **Annexure - III**.

IV. FARMERS COVERED

The Scheme is available to all farmers growing the notified crops in the notified areas including sharecropper and tenant farmers. However farmers need to have insurable interest for the notified/insured crop.

Compulsory Component:

All farmers availing Seasonal Agricultural Operations (SAO) loans from Financial Institutions (i.e. loanee farmers) for the notified crops would be covered compulsorily.

Any loan eligible for compulsory coverage under PMFBY, if not covered will be deemed to be self insured by the concerned financial institute and claim in the event of loss shall be borne by the financial institution.

Voluntary Component:

Coverage is also available to non-loanee farmers on optional basis.

Non-loanee farmers are required to submit necessary documentary evidence of land records prevailing in the State (Records of Right (RoR), Land possession Certificate (LPC) etc.), Certificate from Village Headman and / or applicable contract / agreement details (in case of sharecroppers /tenant farmers).

V. RISKS COVERED AND EXCLUSION:

Following stages of the crop and risks leading to crop loss are covered under the scheme:

- a. **Prevented Sowing/ Planting Risk:** Insured area is prevented from sowing/ planting due to deficit rainfall or adverse seasonal conditions.
- b. **Standing Crop (Sowing to Harvesting):** Comprehensive risk insurance is provided to cover yield losses due to non-preventable risks, viz. Drought, Dry spells, Flood, Inundation, Pests and Diseases, Landslides, Natural Fire and Lightening, Storm, Hailstorm, Cyclone, Typhoon, Tempest, Hurricane and Tornado.

- c. **Post-Harvest Losses:** coverage is available only up to a maximum period of two weeks from harvesting for those crops which are allowed to dry in cut and spread condition in the field after harvesting against specific perils of cyclone and cyclonic rains and unseasonal rains.
- d. **Localized Calamities:** Loss/ damage resulting from occurrence of identified localized risks of hailstorm, landslide, and Inundation affecting isolated farms in the notified area.

General Exclusions: Losses arising out of war and nuclear risks, malicious damage and other preventable risks shall be excluded.

VI. INDEMNITY LEVEL (IL) and THRESHOLD YIELD (TY)

Threshold Yield (TY) shall be the benchmark yield level at which Insurance protection shall be given to all the insure farmers in an insurance unit.

Threshold Yield (TY) for a crop in an Insurance Unit shall be based on average yield of last seven years (excluding two years of declared calamity if any), multiplied by the Level of Indemnity of the area.

Crop wise, District wise Indemnity levels are given in Annexure - IV

VII. SUM INSURED /COVERAGE LIMIT

Sum-Insured for both loanee & non-loanee farmers will be same and roughly equal to the Cost of Cultivation.

Crop wise District wise Sum Insured levels fixed are given Annexure - IV

Total Sum-Insured for individual farmer is equal to the Sum Insured per Hectare multiplied by area of the notified crop proposed by the farmer for insurance. "Area under cultivation" shall always be expressed in "hectare".

VIII. PREMIUM RATES AND PREMIUM SUBSIDY

Actuarial Premium Rates (APR) would be charged under PMFBY by Implementing Agency (IA). However, farmers would be paying maximum of 2% (Kharif), 1.5% (Rabi) for Food Crops, Oilseeds, Cereals and millets and 5% for Annual Commercial/ Annual Horticultural crops.

Difference between the actuarial premium rate and rate of insurance charges payable by farmer shall be treated as Rate of Normal Premium subsidy, which shall be shared equally by the Centre and State.

Crop wise, District wise Premium rates are given in Annexure -IV.

IX. SEASONALITY DISCIPLINE AND CUT-OFF DATES

Loaning and acceptance of proposal by Branches/PACS and receipt of Declarations by Implementing Agency (IA) as well as settlement of claims will be as per the Seasonality Discipline given in Annexure-V.

X. PROCEDURE FOR COVERAGE OF FARMERS & NODAL BANKS:

1. Each individual bank branch for Commercial Banks shall act as Nodal branch. SCB/DCCB will be the Nodal Bank for PACs and RRB Head Office will be the Nodal Bank for its branches. The concerned Lead bank and Regional offices/Administrative offices of commercial banks/ RRBs will provide necessary guidelines to concerned bank branches and coordinate with them to ensure that all concerned branches submit the consolidated proposals to insurance companies well within the stipulated cut-off dates and also upload the soft copy of insured details in crop insurance portal. Besides, insurance company may also use the IRDA approved insurance agents/ insurance intermediaries for the coverage of non - loanee farmers only.
2. Declaration/ proposal formats to be submitted by Nodal banks/ Branches shall contain details about Insurance Unit, sum insured per unit, premium per unit, total area insured of the farmers, number and category of farmers covered (small and marginal or other) and number of farmers under other categories (SC/ ST/ others) / Women along with their bank account details etc. (bank /their branches) as per the format envisaged / provided in the crop insurance portal.

Loanee farmers (Compulsory coverage)

3. Whenever banks sanction loan for a notified crop in a notified area, the crop loan amount only to the extent of Scale of Finance for notified crops and acreage of individual notified crops of loanee farmers shall be taken into consideration for compulsory coverage, as per seasonality discipline. Based on seasonality of Crops, banks should separately calculate the eligibility of loan amount for both Kharif and Rabi seasons based on the scale of Finance and declared acreage under notified crops. Disbursing bank branch/ Primary Agriculture Cooperative Society (PACS) will prepare monthly statement of crop-wise and insurance unit-wise details of crop insurance with premium as per the seasonality discipline. Loan disbursing bank branch/ PACS will finance the additional loan towards premium amount payable by farmer for crop insurance.

4. Crop loans through Kisan Credit Cards (KCC) are covered under compulsory coverage and banks shall maintain all back up records and registers relating to compliance with PMFBY and its seasonality discipline and cut-off-date for submitting Declarations in case of normal crop loans. Bank branch will apportion coverage among insurable crops, based on acreage mentioned in loan application or on the basis of actual area sown as declared by the farmer subsequently.
5. Bank branches of Commercial Banks and RRBs/ Nodal bank in case of PACS under its jurisdiction shall consolidate insurance proposals / statements from their bank branch / PACS under its jurisdiction, respectively and forward the same to insurance company along with details of remittance/ RTGS towards insurance premium, in accordance with cut off dates, as specified by SLCCCI for that particular crop and season.

Non-loanee farmers (Optional coverage) through Channel partners

6. Farmers desirous of availing insurance shall fill up Proposal Form of the Scheme and submit the same to nearest bank branch or authorized channel partner or insurance intermediaries of insurance company.
7. In case channel partner is a Bank, farmers will submit duly filled up proposal form in the village branch of a Commercial Bank (CB) or Regional Rural Bank (RRB), or PACS (SCB/DCCB) with requisite insurance premium amount. Operating a bank account is essential for such cases. Branch/ PACS officials will assist the farmers in completing the insurance proposal form and provide necessary guidance. While accepting the proposal and premium, Branch/PACS will be responsible for verification of eligible sum insured, applicable premium rate, etc. PACS/ Branches of RRB will thereafter consolidate these particulars and send them directly/ to respective Nodal Banks respectively which will, in turn, submit crop-wise and insurance unit-wise Crop Insurance Declarations in the prescribed format, along with the premium, within the stipulated time, to insurance company. However the bank branches of commercial banks will directly submit the consolidated proposals along with details of insured farmers in the format envisaged in the crop insurance portal within the stipulated time.

8. Non-loanee cultivators could also be serviced directly by any designated agencies, other authorized channel partners or insurance intermediaries, approved by the IRDA for the purpose and they will act as a guide and facilitator wherein they will advise them the benefits and desirability of the Scheme and guide the farmers through procedures; collect requisite premium and remit individual/ consolidated premium to insurance company, accompanied by individual proposal forms and summary details in Declarations/Listing sheet (MIS), provide soft copy to IA and details of each insured farmer and will also upload the data directly to the crop insurance portal.

9. While accepting the Proposal and the premium from aforesaid, designated agents, other authorized channel partner or insurance intermediaries, approved by the IRDA, it shall be the responsibility of Insurance Company or its designated agents to verify insurable interest and collect the land records, particulars of acreage, sum insured, crop sown etc., and applicable contract/ agreement details in case of share croppers / tenant farmers. The designated intermediaries shall remit the premium with consolidated proposals within 7 days. However, it is mandatory that the Non-loanee cultivators serviced by the designated intermediaries should hold a bank account in order to facilitate remittance of the claim, if payable.

Non-loanee Farmers (Optional coverage) - directly to Insurance companies.

10. Non-Loanee farmer may submit insurance proposals personally / through post to insurance company with requisite premium. Non-loanee farmer can also avail insurance through 'online portal' of concerned insurance company or crop insurance portal designed by Government for the purpose. However, it is mandatory that Non-Loanee farmers, personally submitting proposals to insurance company or through crop insurance portal, should have insurable interest and submit necessary documentary evidence as proof as decided by SLCCCI (like print copy of application along with remittance of premium). The insured farmer forfeits the premium and the right to claim (if any) if the material facts furnished in the proposal form are wrong or incorrect.

DOCUMENTS TO BE SUBMITTED BY NON-LOANEE FARMERS:

- i. Filled Farmer Registration Form
 - ii. Filled Proposal form with particulars of acreage, sum insured, crop sown etc.
 - iii. Premium amount in DD favouring "Agriculture Insurance Company of India Ltd."
 - iv. Copy of Bank Pass-Book
 - v. Land documents/Land tax paying receipt
 - vi. Sowing Certificate by Gram Sevak or declaration by Village Head.
11. Insurance companies retain the right to accept or reject insurance proposal(s) in case proposal is incomplete, not accompanied by necessary documentary proof or insurance premium ordinarily, within one month of receipt of proposal by Insurance Companies. If the proposal is rejected the insurance company will refund full collected premium.
 12. Declarations/ proposals received from the Banks/ PACS after the cut-off date shall be summarily rejected and the liability, if any, for such declarations shall rest with the concerned bank. Therefore, the Banks / PACS must not receive any proposal after the cut-off date of coverage. The

is remitted to the insurance company within the stipulated time, failing which they shall be responsible for payment of claims, if any to the farmers. However, any dispute in the matter may be referred to the Department by the concerned State/ Agency.

13. The concerned branches of banks and Nodal Banks/ DCCBs in case of PACS will also collect the list of individual insured farmers (both loanee and non-loanee) with requisite details like name, father's name, Bank Account number, village, categories - Small and Marginal/ SC/ST/ Women, insured acreage, details of insured land, insured crop(s), sum insured, premium collected, Government subsidy etc. from concerned branch in soft copy also for further reconciliation and send the same to the concerned insurance company within 15 days after final cut-off date for submission of Proposal/ Declaration to insurance company and also upload the same on the crop insurance portal. Standard format for such purpose is enclosed as **Annexure-V**.

14. Insurance companies may also collect the requisite information in respect of non-loanee farmers from the channel partner in same formats. It is the responsibility of the concerned insurance companies to collect/obtain the details of the insured farmers (both loanee and non-loanee) from the bank/financial institutions/ intermediaries/ agents and facilitate the banks to upload the same on crop insurance portal.

15. Insurance Companies may verify and be satisfy themselves about the coverage of farmers/ crops and up-load the same in their websites within a month preferably before approaching the Government to release the final installment of subsidy under the scheme.

XI. ASSESSMENT OF LOSS / SHORTFALL IN YIELD

Wide Spread Calamities (based on season-end yield)

1. The Scheme will operate on the basis of 'Area Approach' i.e., Defined Areas for each notified crop for widespread calamities. State Government Department overseeing conduct of CCEs will submit yield data as per cut-off date decided by SLCCCI, along with results of individual CCEs. Yield data will be furnished to Insurance Company by State Government, in accordance with the cut-off dates fixed, and crops and areas notified, based on total number of CCEs being conducted. The certificate that CCEs data is being submitted based on single series would be furnished along with yield data every season.

2. CCEs shall be undertaken per unit area of insurance per crop, as indicated below:

Sl. No.	Level of Insurance Unit of CCEs	Minimum Sample Size
1	District	24
2	Block (Community Development Block)	16

order to maintain sanctity and

credibility of CCEs as an objective method of yield estimation, the modalities mentioned below will be followed:

- State shall strengthen audit process of conduct of CCEs, with necessary checks and balances. Digitizing the CCE process including geo-coding (providing the latitude and longitude of the CCE location), date/ time-stamping and with photographs (of the CCE plot and CCE activity), is a must for all CCEs. (Refer para 7)
 - States shall maintain 'single series' of CCEs, i.e. the same set of CCEs and Yield estimates are used both for Crop Production estimates and Crop Insurance.
 - The yield estimates at IU level shall be submitted by the State Government within the cut-off date, along with results of individual CCEs to the insurance companies.
 - Insurance company would be given complete access to co-witness the CCEs, as also the digital images of the CCEs and relevant data in the requisite form by the State Government. (as outlined in para XXIV.2.m) A formal letter with the schedule should be given to the IAs sufficiently in advance without fail to help them mobilize the manpower if they so desire.
 - Wherever the yield estimates reported at IU level are abnormally low or high vis-à-vis the general crop condition, the insurance company in consultation with State Government can make use of various products (e.g. Normalized Difference Vegetation Index, etc.) derived from satellite image data or other technologies to confirm the yield estimates. In case of significant differences between these two yield estimates, the matter should be referred to Technical Advisory Committee (TAC) at Centre and its decision shall be final.
4. Use of Mobile Phone Technology to improve Yield-data Quality and Timeliness

To increase the reliability, accuracy and speed of CCE data, it is mandatory to use smart phones / hand-held devices for capturing images, location of the CCE and for online transmission of data on centralized server (e.g. Bhuvan server) would be done for faster compilation of data and quick claim settlement. RST and Drones etc. may also be used for the purpose of increasing accuracy and speed of yield estimation through CCEs.

Assessment of Claims (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 in yield of similar magnitude. PMFBY seeks to provide coverage against such contingency.

'Claim' shall be calculated as per the following formula:

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

Where, threshold yield for a crop in a notified insurance unit is the average yield of past Seven years multiplied by applicable indemnity level for that crop.

XII. ON ACCOUNT PAYMENT OF CLAIMS DUE TO MID-SEASON ADVERSITY

It is proposed to provide immediate relief to insured farmers 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 Threshold yield.

a) Eligibility Criteria:

- i. All notified Insurance Units would be eligible for "ON ACCOUNT" payment only if the expected yield of the affected crop during the season is less than 50% of threshold yield.
- ii. The provision is invoked by the State Government through damage notification based on the proxy indicators.
- iii. The provision could be invoked for a specific crop or group of crops in Notified Insurance Unit, depending on fulfilment of laid down conditions.
- iv. Insurance company may decide the quantum of likely losses and the amount of 'on account' payment based on the joint survey of Insurance Company and state government officials.
- v. Only those farmers would be eligible for financial support under this cover who has paid the premium / the premium has been debited from their account before the damage notification by the state government invoking this provision for compensation.
- vi. Maximum amount payable would be 25% of the likely claims, subject to adjustment against final claims.
- vii. If adversity occurs within 15 days before the normal harvest time, this provision will not be invoked.

b) Proxy Indicators:

Indicators to be used for loss intimation would be rainfall data, temperature and relative humidity data, satellite imagery and crop condition reports by district level state government officials, supported by media reports.

c) Loss assessment procedure:

- i. Joint committee of State Government and the insurance company, for assessment of crop damage, would be formed and notified before start of the crop season for each district.
- ii. This Joint Committee shall decide the eligibility for on-account payment based on the weather data (available AWS notified by the Government) / long term average rainfall data/satellite imagery supported by estimated yield losses at notified Insurance unit level and the extent of loss.
- iii. Information/ Services of Mahalanobis National Crop Forecast Centre (MNCFC) may also be utilized for determination of extent of loss for on- Account payout.
- iv. If the expected loss of the affected crop is more than 50% of the threshold yield for the Notified Insurance Unit, on-account payment would be payable.
- v. On-account payment would be calculated as per following formula:

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

d) Time frame for loss assessment and submission of report:

- i. An order will be issued by State Government defining eligibility of on account payment with details of damaged Insurance Units within 7 days from the occurrence of adverse seasonal event.
- ii. 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.

e) Conditions:

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

XIII. PREVENTED / FAILED SOWING AND PREVENTED PLANTING / GERMINATION CLAIMS

It is proposed to provide insurance cover to farmers in case of widespread incidence of eligible risks (para IV.1.a) affecting crops in more than 75% of area sown in a notified unit at early stage leading to total loss of crop or the farmers are not in a position to either sow or transplant the crop. Lump sum pay-out under this cover would be limited to 25% of the sum insured and the insurance cover will be terminated.

a) Eligibility Criteria:

- i. The State Government would provide Notified Insurance Unit and crop wise normal area sown at the beginning of the season within 15 days.
- ii. Notified Insurance Units will be eligible for "Prevented Sowing / Planting" pay-out only if more than 75% of Crop Sown Area for notified crop remained unsown due to occurrence of any of the above perils.
- iii. Only those farmers would be eligible for financial support under this cover who has paid the premium / the premium has been debited from their account before the notification by the state government invoking this provision for compensation.

b) Proxy Indicators:

Indicators like rainfall data, other weather data, satellite imagery and crop condition reports by district level agricultural officer, media reports and area sown data released by State Government.

c) Loss assessment procedure:

- i. State Government would declare a Notified Insurance Unit as having suffered Prevented or Failed Sowing/ Planting conditions with approximate areas in percentage of the unit.
- ii. Lump sum pay-out under this cover would be limited to 25% of the sum insured and the insurance cover will be terminated.

d) Conditions:

- i. The cover will be available for major crops only.
- ii. Mere disbursement/ sanction of loan without receipt/ debit of premium before the notification of calamity won't make a farmer eligible for claim.
- iii. The insurance company would disburse the claim within 30 days of the State's order / notification invoking the event of the insured risk provided the data on estimated area sown have been received from State Government.
- iv. The pay-out under the cover would be disbursed by the insurance company only after the receipt of Government share of premium subsidy.
- v. 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.
- vi. Once this provision is invoked, no fresh enrolment of farmers for the affected notified crops and areas would be done.
- vii. 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.

The state govt. would continue to provide area sown and yield data based on CCEs conducted in such areas within the cut-off date.

XIV. POST-HARVEST LOSSES

It is proposed to provide for assessment of yield loss on individual plot basis in case of occurrence of cyclone, cyclonic rains and unseasonal rains throughout the country resulting in damage to harvested crop lying in the field in "cut and spread" condition up to maximum period of two weeks (14 days) from harvesting for sole purpose of drying.

a) Eligibility criteria:

- i. 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.
- ii. Available for all crops damaged by specified perils, which are left in the field after harvesting in "cut and spread condition" for drying up to a period of 14 days from harvest.

b) Proxy Indicators:

Report in the local media or reports of the agriculture/revenue department supported by media reports and other evidences.

c) Loss assessment procedure:

Time and method of reporting the loss/claims

- i. Immediate intimation (within 48 hours) by the insured farmer to any one as detailed below.
- ii. Intimation must contain details of survey number-wise insured crop and acreage affected.
- iii. Premium payment verification to be reported in next 48 hours by the farmer/Bank.

Whom to be reported i.e., Channel of reporting:

Intimation may be given within 48 hours by farmer either directly to the insurance company concerned bank, local agriculture department government/district officials or through toll free number to the insurance company. First mode of intimation will be centralized Toll Free Number. In absence of such a facility, the report can be given to banks or Government officials and the same would be forwarded/ intimated to the insurance company immediately. The banks would verify the insured details like crop insured, sum insured, premium debited and date of debit before sending the same to insurance company.

Documentary evidence required for claim assessment:

- Duly filled Claim form along with all relevant documents is requisite 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.
- 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:

- Loss assessors would be appointed by the insurance company for assessment of losses due to the operations of Post-harvest losses (Yield Insurance).
- 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.

Important conditions:

- i. Mere disbursement/sanction of loan without receipt/debit of premium before the occurrence of insured peril would not make a farmer eligible for claim.
- ii. 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 paid premium prior to occurrence of insurance peril.
- iii. The pay-out under the cover would be disbursed by the insurance company only after the receipt of Government share of premium subsidy.
- iv. The insurance company would disburse the claim, if payable within 30 days of survey of loss.
- v. 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 widespread claims.
- vi. Farmers getting enrolled or whose premium is debited after occurrence of insurance peril would not be eligible for financial support under this cover.

XV. LOCALIZED RISKS

It is intended to provide insurance cover at individual farm level to crop losses due to occurrence of localized perils/ calamities viz. Landslide, Hailstorm and inundation affecting part of a notified unit or a plot.

a) Eligibility Criteria:

- i) 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.
- ii) Maximum liability is limited to proportionate Sum Insured of damaged crop's area. This would be based on the proportion of cost of inputs incurred during sowing period to the sum insured.
- iii) 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.
- iv) Maximum pay-out under this provision would be in proportion to cost of inputs, incurred up to the occurrence of insured peril, subject to the sum insured. If the payout under area approach (based on CCEs data) is more than localized losses, the higher claims of two will be payable to insured farmers.
- v) 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 has 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 requisite percentage of sample survey (as decided the joint Committee) of affected area by the insurance company.

b) Proxy-Indicators: Report in the local media or reports of the Agriculture /Revenue Department.

c) Loss assessment procedure:

Time and method of reporting the loss/claims

- i. Immediate intimation (within 48 hours) by the insured farmer to any one as detailed in (iv.a) below.
- ii. Intimation must contain details of survey number-wise insured crop and acreage affected.
- iii. Premium payment verification to be reported in next 48 hours by the farmer/ Bank.
- iv. Mobile application may be used for reporting incidents of localized risks for intimation of
including longitude/ latitude details and pictures using NBSF Mobile App.

Intimation may be given within 48 hours by farmer either directly to the insurance company, concerned bank, local agriculture department government/district officials or through toll free number to insurance company. First mode of intimation will be centralized Toll Free Number and in absence of such facility, the report can be given to banks or Government officials, the same would be forwarded/intimated to the insurance company immediately on receipt of such information. The banks would verify the insured details like crop insured, sum insured, premium debited and date of debit before sending the same to insurance company.

Documentary evidence required for claim assessment,

- Duly filled Claim form along with all relevant documents is requisite 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 application, if any.
- 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 the operations of Localized Risks (Yield Insurance).
- 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.
- Maximum liability would be limited to proportionate Sum Insured of damaged cropped area.

Important conditions:

- i. Mere disbursement/sanction of loan without receipt/debit of premium before the occurrence of insured peril would not make a farmer eligible for claim.
- ii. 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 paid premium prior to occurrence of insurance peril.
- iii. The pay-out under the cover would be disbursed by the insurance company only after the receipt of Government share of premium subsidy.
- iv. The insurance company would disburse the claim, if payable within 30 days of survey of loss.
- v. 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 widespread claims.
- vi. Farmers getting enrolled or whose premium is debited after occurrence of insurance peril would not be eligible for financial support under this cover.

XVI. PROCEDURE FOR SETTLEMENT OF CLAIMS TO THE FARMERS

1. Upfront premium subsidy from Government of India and concerned State should have been received for the season, by insurance company to enable them to settle the claim.
2. In case of widespread calamity (end of season claims), once yield data is received from State Government as per the cut-off-dates decided, claims will be worked out as per Declarations /proposals received from banks / channel partners / insurance intermediaries for each notified area and crops and claims will be approved by Competent Authority of Insurance company i.e. Implementing Agency (IA).
3. In case of farmers covered through Financial Institution, claims shall be released only through electronic transfer, followed by hard copy containing claim particulars, to individual bank branches/ nodal banks; and banks branches / PACs at grass root level, will credit into accounts of individual farmers within a week of receipt of funds from the Insurance companies and shall provide a certificate to the insurance companies along with list of farmers benefited. Bank Branch should also display particulars of beneficiaries on notice board and also upload the same on crop insurance portal.
4. In case of farmers covered on voluntary basis through intermediaries, payable claims will directly credited to the concerned bank accounts of insured farmers and details of the claims may also intimated to them. The list of beneficiaries may also be uploaded on the crop insurance portal immediately.
5. In case of claims under prevented/failed sowing, localized calamities, post-harvest losses; insurance company will process the claims after assessment and shall release the claims as per procedure given in the relevant sections above.
6. Insurance companies shall resolve all the grievances of the insured farmers and other stakeholders in the shortest possible time.
7. Disputed claims / sub-standard claims, if any will be referred within three months of claim disbursement through SLCCCI/ State Government to DAC & FW for consideration and decision of DAC & FW in case of any interpretation of provisions of scheme or disputes will be binding on State Government / Insurance Company / Banks and the farmers.

XVII. IMPORTANT CONDITIONS /CLAUSES APPLICABLE FOR COVERAGE OF RISKS

- i. Insurance companies should have received the premium for coverage either from bank channel/partner, insurance intermediary or directly. Any loss in transit due to negligence by these agencies or non-remittance of premium by these agencies, the concerned bank / intermediaries shall be liable for payment of claims.
- ii. In case of any substantial misreporting by nodal bank /branch in case of compulsory farmers coverage, the concerned bank only shall be liable for such mis-reporting.
- iii. Mere sanctioning/ disbursement of crop loans and submission of proposals/ declarations and remittance of premium by farmer/ bank, without explicit intent to raise the crop, does not constitute acceptance of risk by insurance company.
- iv. Some areas in the past have reported excess insurance coverage vis-à-vis planted acreage, leading to over-insurance. Ideally the discrepancy should be handled at farm level to protect the interest of farmers with genuine insurance coverage. All suitable measures should be taken by concerned stakeholders for de duplication with the help of land records, banks records, revenue records and proposal/loan application of insured farmers. However, in the absence of digitized farm records on a GIS platform, it would be cumbersome to physically verify each farm when the reported discrepancies are comparatively large compared to the sown areas. For the time-being, it is to be addressed as follows:
- v. Issue of Acreage discrepancy as described in the Operation Guidelines (Clause XVI (4)) will be addressed as follows:
 - a) Wherever the 'acreage discrepancy' is likely, the acreage insured at IU level shall be compared with average planted acreage of past three years, and the difference is treated as 'excess' insurance coverage after taking into account sown area data of the Revenue authority.
 - b) Sum insured is scaled down in the proportionate ratio the average of three years' actual planted acreage bears to the insured acreage for the given crop.
 - c) Claims shall be calculated on the scaled down sum insured
 - d) Premium (farmer share and Central and State Government Subsidy) shall be refunded back to Government of India for the portion of sum insured scaled down and the amount may be utilized for improvement of technology/ research/ Impact assessment etc.

Once the individual farms (plots/ survey numbers) are digitized and available on a GIS platform, it is quite possible to overlay the crop cover as derived using satellite imagery on the GIS platform to identify the crop and estimate the cropped area on each farm. This should lead to identifying the acreage discrepancy at individual farm level.

XVIII. COMMISSION AND BANK CHARGES:

Bank and other financial institutions etc. shall be paid service charges @ 4% of the premium collected from farmers. Rural agents engaged in providing insurance related services to farmers may be paid appropriate commission as decided by the insurance company, subject to cap prescribed under IRDA regulations.

XIX. SERVICE TAX

PMFBY is a replacement scheme of NAIS/MNAIS, and hence exempted from Service Tax.

XX. ROLE AND RESPONSIBILITIES OF VARIOUS AGENCIES

For successful implementation and administration of Scheme, roles of various Agencies/Institutions/Government Departments/Committees are spelt out herein.

State / UT Governments:

- a) District Level Monitoring Committee (DLMC) would provide fortnightly crop condition reports and periodical reports on seasonal weather conditions, loans disbursed extent of area cultivated, etc. to concerned insurance company. DLMC shall also monitor conduct of CCEs in districts.
- b) Uploading of requisite information of notification on the crop insurance portal in coordination with the selected Implementing Insurance Companies within one week from the date of notification.
- c) Issuance of necessary instructions to Regional Meteorological Centres of IMD and other government/ quasi government agencies for supplying weather data on real-time basis to insurance company.
- d) To undertake extensive awareness and publicity campaigns of Scheme amongst farming community through agriculture and extension Departments to maximize coverage of the farmers specially non-loanee farmers.
- e) To furnish to the insurance companies the insurance unit wise area sown of insured crops within two months from the sowing period.