



सत्यमेव जयते

OPERATIONAL GUIDELINES

Pradhan Mantri Fasal Bima Yojana (PMFBY)

(Revamped)

**Department of Agriculture, Cooperation and Farmers Welfare
Ministry of Agriculture & Farmers Welfare
Krishi Bhawan, New Delhi-110001**

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Abbreviations



ACF	Area Correction Factor
AEPS	Aadhaar Enabled Payment System
AIC	Agriculture Insurance Company of India Limited
API	Application Programming Interface
APR	Actuarial Premium Rate
ARG	Automatic Rain Gauge
AU	Administrative Unit
AWiFS	Advanced Wide Field Sensor
AWS	Automatic Weather Stations
AY	Actual Yield
BC	Banking Correspondent
CAG	Comptroller and Auditor General
CB	Commercial Banks
CBS	Core Banking Solution
CCAFS	Research program on Climate Change, Agriculture and Food Security
CCEs	Crop Cutting Experiments
CGM	Chief General Manager
CGST	Central Goods and Services Tax
CHAMAN	Coordinated Horticulture and Management using geoinformatics
CPGRAMS	Centralized Public Grievance Redressal and Monitoring System
CPMU	Central Program Management Unit
CSC	Common Service Centre
CSC SPV	Common Service Centre Special Purpose Vehicle
CSC VLE	Common Service Centre Village Level Entrepreneur
CSO	Central Statistical Organisation
CV	Coefficient of Variation
CVC	Central Vigilance Commission
DAC&FW	Department of Agriculture, Cooperation and Farmers Welfare
DBT	Direct Benefit Transfer
DC	District Collector
DCCBs	District Central Cooperative Banks
DDM	District Development Manager
DES	Directorate of Economics & Statistics
DGRC	District Level Grievance Redressal Committee
DILRMP	Digital India Land Record Modernisation Program
DLJC	District Level Joint Committee
DLMC	District Level Monitoring Committee
DM	Deviation Matrix
DSSAT	Decision Support System for Agrotechnology Transfer



E&MIS	Evaluation & Management Information System
ESI	Expected Sum Insured
EVI	Enhance Vegetation Index
EV-NCIP	Enhanced Version of National Crop Insurance Portal
FASAL	Forecasting Agricultural Output Using Space , AgroMeterology and Land Based Observations
FIs	Financial Institutions
FY	Financial Year
GCA	Gross Cropped Area
GCES	General Crop Estimation Survey
GFR	General Financial Rule
GIC Re	General Insurance Corporation of India
Gol	Government of India
GP	Gram Panchayat
GRAMS	Grievance Redressal and Monitoring System
GRC	Grievance Redressal Committee
GRO	Grievance Redressal Officer
GST	Goods & Service Tax
GWDI	Ground Water Drought Index
HQ	Headquarter
IA	Implementing Agency
IARI	Indian Agriculture Research Institute
IASRI	Indian Agricultural Statistical Research Institute
IC	Insurance Company
ICAR	Indian Council of Agricultural Research
ID	Identity
IEC	Information Education and Communication
IFD	Internal Finance Division
IFPRI	International Food Policy Research Institute
IFSC	Indian Financial System Code
ILC	Inland Letter Card
IMD	Indian Meteorological Department
IRDAI	Insurance Regulatory and Development Authority of India
IRRI	International Rice Research Institute
ISRO	Indian Space Research Organisation
IT	Information Technology
IU	Insurance Unit
KCC	Kisan Credit Cards
KVK	Krishi Vigyan Kendra
LAI	Leaf Area Index
LC	Loss Cost
LC*	Land Cover
LDM	Lead District Manager



LISS	Linear Imaging Self Scanning Sensor
LPA	Long period Average
LPC	Land Possession Certificate
LU	Land Use
MIS	Management Information System
MNCFC	Mahalanobis National Crop Forecast Centre
MoA&FW	Ministry of Agriculture & Farmers Welfare
MODIS	Moderate Resolution Imaging Spectroradiometer
MOFE&CC	Ministry of Environment, Forest and Climate Change
MOSDAC	Meteorological and Oceanographic Satellite Data Archival Centre
MoU	Memorandum of Understanding
MSP	Minimum Support Price
NABARD	National Bank for Agriculture and Rural Development
NADAMS	National Agricultural Drought Assessment and Monitoring System
NCIP	National Crop Insurance Portal
NCIP*	National Crop Insurance Programme
NDVI	Normalized Difference Vegetation Index
NDWI	Normalized Difference Water Index
NER	North Eastern Region
NFA	Notified Area
NIA	National Insurance Academy
NLMC	National Level Monitoring Committee
NOACPC	National Oceanic and Atmospheric Administration Climate Prediction Centre
NRSC	National Remote Sensing Centre, ISRO
NSSO	National Sample Survey Organization
NTSU	National Technical Support Unit
OG	Operational Guidelines
OTP	One Time Password
PACs	Primary Agricultural Credit Society
PASM	Plant Available Soil Moisture
PFMS	Public Finance Management System
PMU	Project Management Unit
PPP	Public-Private Partnership
PRI	Panchayati Raj Institutions
R & D	Research & Development
RBI	Reserve Bank of India
RF	Rainfall
RMSE	Root Mean Square Error
ROR	Record of Rights
RRBs	Regional Rural Banks
RSI	Reservoir Storage Index
RST	Remote Sensing Technology
RWBCIS	Restructured Weather Based Crop Insurance Scheme



SAC	Space Applications Centre, ISRO
SAO	Seasonal Agricultural Operations
SAR	Synthetic Aperture Data
SAU	State Agricultural Universities
SAU	State Agricultural University
SC	Schedule Caste
SCBs	Scheduled Commercial Banks
SFDI	Stream Flow Drought Index
SGST	State Goods and Service Tax
SI	Sum Insured
SLA	Service Level Agreement
SLBC	State Level Bankers Committee
SLCC	State Level Coordination Committee
SLCCCI	State Level Coordination Committee on Crop Insurance
SMS	Short Message Service
SOF	Scale of Finance
SOP	Standard Operating Procedures
SPI	Standardized Precipitation Index
SR SAC	State Remote Sensing Application Centres
SST	Smart Sampling Technique
ST	Schedule Tribe
STAC	State Level Technical Advisory Committee
STSU	State Technical Support Unit
TA	Technical Agency
TAC	Technical Advisory Committee
TCI	Temperature Condition Index
TSU	Technical Support Unit
TY	Threshold Yield
UAV	Unmanned Aerial Vehicle
UIDAI	Unique Identification Authority of India
UT	Union Territory
UTR	Unique Transaction Reference
VCI	Vegetation Condition Index
VEDAS	Visualization of Earth Observation Data and Archival System
VHI	Vegetation Health Index
VLE	Village Level Entrepreneur
WMO	World Meteorological Organisation

Pradhan Mantri Fasal Bima Yojana

Background

Pradhan Mantri Fasal Bima Yojana (PMFBY) was launched from Kharif 2016 with aim to support production in agriculture by providing an affordable crop insurance product to ensure comprehensive risk cover for crops of farmers against all non-preventable natural risks from pre-sowing to post-harvest stage. The Scheme has completed 8 crop seasons and is being implemented across States/Union Territories (UTs).

After the commencement of the Scheme, The Ministry of Agriculture and Farmers Welfare (MoA&FW), Government of India (GoI) has endeavoured to make the Scheme more effective, transparent and auto-administration driven with the intention to minimize manual interventions and eliminate usage of variable methodologies for implementation and execution on the ground. This was facilitated by a detailed set of Operational Guidelines (OGs) and by leveraging efficient and cutting-edge technological solutions.

Based on the past experiences of implementing the Scheme (between 2016-2018), study reports of various research institutions and feedback received from stakeholders, the scheme was reviewed and the revised OGs were brought into effect from 01st Oct 2018 addressing major challenges. However, few challenges remained, especially long term tendering, optional coverage to all farmers, increase in the scope of risk cover and the addition of add-on covers. These issues were still required to be addressed in order to increase the acceptability and efficacy of the Scheme as well as meet the aspirations of stakeholders as per varied requirements of region-wise agrarian conditions.

The MoA&FW had instituted a stakeholder consultation with State Governments, Farmers Organizations, ICs, Re-Insurance Companies, Financial Institutions, Research and Technical Organizations and the Central Government Ministries and Departments to identify the key challenges and finalize possible solutions/remedial measures to address such challenges. Based on the outcome of the consultations and discussions, the required corrections/changes were approved by the Union Cabinet for incorporation in the OGs of PMFBY/Restructured Weather Based Crop Insurance Scheme (RWBICS). Accordingly, the OGs have been updated for reference and adoption by all stakeholders for effective implementation of the revamped PMFBY/RWBICS.

1. Objective of the Scheme

PMFBY aims at supporting sustainable production in agriculture sector by way of:

- Providing financial support to farmers suffering crop loss/damage arising out of unforeseen events
- Stabilizing the income of farmers to ensure their continuance in farming
- Encouraging farmers to adopt innovative and modern agricultural practices
- Ensuring credit worthiness of the farmers, crop diversification and enhancing growth and competitiveness of agriculture sector besides protecting the farmers from production risks.

2. Adoption of Technology for Scheme Administration:

- 2.1 In an endeavour to integrate Technology in implementation and execution of the Scheme, Government of India has designed and developed a National Crop Insurance Portal (NCIP) (www.pmfby.gov.in) which has been in use since Kharif 2018. This has brought in better administration and coordination amongst stakeholders viz. Farmers, States, Insurers and Banks as well as ensured real time dissemination of information and transparency in implementation.
- 2.2 Continued running of the Portal successfully calls for responsible participation by different stakeholders who will have the responsibility for census coding and regular updation of revenue/administrative units, AWS code mapping and requisite information/details as per the login credential module.
- 2.3 Implementing States and ICs during each crop season are required to digitize and upload basic information like notified areas, crops, sum insured, Government subsidy, and premium to be paid by farmers and name of the implementing IC in the particular insurance unit etc., on the Portal well within the prescribed timeline. This will facilitate farmers and other stakeholders to get the relevant information on Internet and through SMS for the concerned season. State Government and concerned IC will be responsible for any incorrect entry/ errors/ omissions etc during digitisation.
- 2.4 Digitization of basic information/notification should compulsorily be done before floating tender documents which will be followed by the entry of L1 Premium rates and name of the selected Insurance Company immediately after finalization of bids and issuance of work order.
- 2.5 Since the NCIP has been operationalised for auto administration and seamless flow of data/information/reports on real-time basis, the State Government would not be allowed to create/use a separate Portal/website for Crop Insurance purposes*. (**Presently, the States of Gujarat and Karnataka are already running their portals. They will have to migrate to NCIP as per the timelines agreed between GOI and the respective States. Till the time migration to NCIP is completed, Gujarat and Karnataka have to ensure regular transfer of data to NCIP.*)
- 2.6 All Stakeholders have defined roles and responsibilities and accessibility to related modules on the Portal for the administration of the Scheme. Details of the operationalization of modules for each stakeholder is available on the Portal.
- 2.7 Secured credential/login, preferably linked with Aadhaar Number and mobile one time password (OTP) based, for all Stakeholders viz, Central Government, State Governments, Banks, empanelled ICs and their designated field functionaries will be provided on the Portal to enable them to enter/upload/download the requisite information.
- 2.8 The ICs shall not distribute/collect/allow any other proforma/utility/web Portal etc. for collecting details of insured farmers separately. However, they may provide all requisite support to facilitate Bank Branches/Primary Agriculture Credit Society (PACS)/Common Service Centre (CSCs)/Banking Correspondents (BCs) for uploading the farmers' details on the Portal well within the prescribed cut-off dates.
- 2.9 Only those farmers whose data is uploaded on the NCIP and their share of premium has been remitted to the concerned IC within the prescribed time limit ,shall be eligible for Insurance coverage. The premium subsidy from State and Central Government will be released accordingly.
- 2.10 All data pertaining to crop-wise, Insurance Unit (IU)wise historical yield data, Notional value of average yield/Scale of Finance (SOF), Sown Area, Coverage and Claims data, Threshold Yield(TY) and Actual Yield (AY) shall be made available by the State Government on the NCIP for the purpose of premium rating

and claim calculation, etc. For the calculation of admissible claims for RWBCIS, requisite information like weather data, detailed term sheet with triggers and exit values and notional sum insured, etc. will be provided on NCIP by the concerned State Government.

- 2.11 The Banks/Financial Institutions (FIs)/other intermediaries need to compulsorily transfer the individual farmer's data electronically to the NCIP. Accordingly, banks/FIs **may endeavour to undertake Core Banking System (CBS) integration** in a time bound manner for real-time transfer of information/data.
- 2.12 It is also proposed to develop an integrated platform/portal for both PMFBY and Interest Subvention Scheme (ISS). The data/information of both the Schemes shall be auto-synchronized to enable real-time sharing of information and better program monitoring.
- 2.13 The ICs shall compulsorily use technology/mobile applications for monitoring of crop health/Crop Cutting Experiments (CCEs)/reporting of crop losses, crop survey etc. in coordination with the concerned States. States shall also facilitate Insurance Companies with Satellite Imagery wherever required and also facilitate usage of Drones by way of prior approval of agency from which such data can be sourced. ICs can also use the services of the Government/empaneled technical agencies for conducting relevant studies/validation. This is required for better monitoring and ground-truthing. ICs can be active partners in facilitating the use of technology.
- 2.14 The Department of the State Government responsible for managing the digital land record/website will facilitate the integration of land record and provide Application Programming Interface (API) for smooth access to the land records of the concerned farmer for validation on NCIP, free of cost.
- 2.15 Suitable technology/methodology shall be explored and adopted for direct estimation of yield at Gram Panchayat (GP) level, adoption of 2 step Yield Estimation methodology, Optimization of CCEs and Smart Sampling Technique (SST) for conduct of CCEs.
- 2.16 States shall adopt technology, such as satellite imagery, drones and Unmanned Aerial Vehicle (UAV) remote sensing for various applications such as crop area estimation and yield disputes and also promote the use of remote sensing and other related technology for CCE planning, yield estimation, loss assessment, assessment of prevented sowing and clustering of districts.
- 2.17 Use of technology derived solutions for calculation of Yield will be triggered in the following instances when:
 - 2.17.1 Requisite number of CCEs have not been conducted at the Insurance Unit(IU) level or one level higher than the IU level
or
 - 2.17.2 The yield data submitted by the Nodal Department of the State Government is disputed by the IC due to non-compliance of the defined procedure for conducting CCEs
or
 - 2.17.3 In case the Nodal Department of State Government is unable to submit Actual or approved yield data(CCE Agri APP) based for at-least 90% of total Crop Cutting Experiments (CCEs) conducted within 2months of the cut-off date of completion of CCEs.

3. Coverage of Farmers

3.1 All farmers including sharecroppers and tenant farmers growing the notified crops in the notified areas are eligible for coverage. However, farmers should have insurable interest for the insured crops and lands. Such farmers are required to submit necessary documentary evidence of land records prevailing in the State (Records of Right (RoR), Land possession Certificate (LPC) etc.)and/or applicable contract/ agreement details/ other documents notified/ permitted by concerned State Government in case of sharecroppers/tenant farmers and the same should be defined by the respective States in the notification itself. Such farmers are also required to essentially submit Aadhar Number and declaration about the crop sown/ crops intended to be sown.

3.1.1 Farmers availing the Kisan Credit Card (KCC)/Crop loan/Loanee Farmers

3.1.1.1 The scheme is optional for all farmers including farmers who have been sanctioned short-term Seasonal Agricultural Operations (SAO) loans/Kisan Credit Card (KCC) for the notified crops from defined FIs (hereinafter referred to as Loanee farmers). Existing Loanee farmers who do not want to get covered under the scheme have the option of opting-out from the Schemes by submitting requisite declaration to loan sanctioning bank branches any time during the year but at least seven days prior to the cut-off date for enrolment of farmers for the respective season. All those farmers who do not submit the declaration would be essentially covered.

3.1.1.2 Farmer whose KCC /crop loan has become sub-standard as defined and as per prevailing practices of the concerned Banks/Government regulator shall not be considered as a Loanee farmer. However, bank branches may facilitate such farmers for enrolment as non-loanee farmers.

3.1.1.3 Merely, sanctioning of crop loan against other collateral securities including fixed deposits, gold/jewel loans, mortgage loans etc. without having insurable interest of the farmer on the insurable land and notified crops shall not be eligible for coverage under the Scheme.

3.1.2 Other Farmers/Non-loanee Farmers

As mentioned in para 3.1.1.1 above the Scheme is optional for all farmers including non-loanee farmers/other farmers.

3.1.2.1 The insurance coverage will strictly be equivalent to the sum insured/hectare, as defined in the Government notification or /and on NCIP multiplied by proposed sown area for notified crop for enrolment.

3.1.3 Special efforts shall be made to ensure maximum coverage of Scheduled Caste (SC)/ Scheduled Tribe (ST)/ Women farmers under the Scheme. Further Panchayat Raj Institutions (PRIs) may be involved in the extension activities and awareness creation among farmers and obtaining feedback of farmers about the implementation of the Scheme

3.1.4 The implementing IC selected as L1 will be responsible for taking necessary measures to ensure at least 10% incremental increase in coverage of non-loanee farmers in the district. However, other empanelled ICs which have participated in the bidding and are keen for enrolment of non loanee farmers in the cluster may also be allowed to enrol non-loanee farmers at L1 premium rate. The interested companies have to inform their willingness in writing within 7days of the finalisation of tender/issuance of work order to L1. It will however be the responsibility of all the ICs engaged in this process to ensure that duplicate enrolment does not happen in the given cluster/district. Engaging companies other than L1 for enrolling non-loanee farmers will be taken up on a pilot basis in Districts notified/allowed by the State

Government. They shall enrol the non-loanee farmers as per the conditions laid down in Para 17.5.

- 3.1.5 These ICs will maintain a separate database of such non-loanee farmers covered by them and enter the said data on the portal as per the seasonality discipline detailed in Para 16.4. They shall be liable for the payment of claims to such farmers.
- 3.1.6 The exchange of information and co-witnessing of CCEs for the district by the Government/NCIP will be limited to L1 Company only and it will be binding on other companies to accept it. The Nodal Department of State Government shall share the yield data for the computation of claims with all concerned ICs in the relevant IUs where they have done business for coverage of non-loanee farmers. Requisition for payment of Government subsidy in respect of non-loanee farmers enrolled by other ICs will be submitted directly to the Government designated agency. Claim calculation can be simultaneously done on NCIP based on the relevant crop-wise, IU-wise AY and TY data, weather data, threshold values and insured area data entered/shared by the respective State Government

4. Coverage of Crops

- I. Food crops (Cereals, Millets and Pulses),
- II. Oilseeds
- III. Annual Commercial / Annual Horticultural crops.
- IV. In addition, pilots for coverage can be taken for those perennial horticultural/commercial crops for which standard methodology for yield estimation is available.

5. Coverage of Risks and Exclusions

- 5.1 **Basic Cover:** The basic cover under the scheme covers the risk of loss of yield to standing crop (sowing to harvesting). This comprehensive risk insurance is provided to cover yield losses on an area based approach basis due to non-preventable risks like drought, dry spells, flood, inundation, wide spread pest and disease attack, landslides, natural fire due to lightening, storm, hailstorm, and cyclone.
- 5.2 **Add-On Coverage:** Apart from the mandatory basic cover, the State Governments./UTs, in consultation with the State Level Coordination Committee on Crop Insurance (SLCCCI) may choose any or all of the following add-on covers based on the need of the specific crop/area in their State to cover the following stages of the crop and risks leading to crop loss:
- 5.2.1 **Prevented Sowing/Planting/Germination Risk:** Insured area is prevented from sowing/ planting/germination due to deficit rainfall or adverse seasonal/climatic conditions.
- 5.2.2 **Mid-Season Adversity:** Loss in case of adverse seasonal conditions during the crop season viz. floods, prolonged dry spells and severe drought etc., wherein expected yield during the season is likely to be less than 50% of the normal yield. This add-on coverage facilitates the provision for immediate relief to insured farmers in case of occurrence of such risks.
- 5.2.3 **Post-Harvest Losses:** Coverage is available only up to a maximum period of two weeks from harvesting, for those crops which are required to be dried in cut and spread / small bundled condition depending on requirement of the crops in that area, in the field after harvesting against specific perils of hailstorm, cyclone, cyclonic rains and unseasonal rains.

- 5.2.4 **Localized Calamities:** Loss/damage to notified insured crops resulting from occurrence of identified localized risks of hailstorm, landslide, inundation, cloud burst and natural fire due to lightening affecting isolated farms in the notified area.
- 5.2.5 **Add-on coverage for crop loss due to attack by wild animals:** The States may consider providing add-on coverage for crop loss due to the attack by wild animals wherever the risk is perceived to be substantial and is identifiable. The detailed protocol and procedure for evaluation of the bids has been prepared by the GOI in consultation with the Ministry of Environment, Forest & Climate Change (MoEF&CC) and General Insurance Corporation of India (GIC Re). The add-on coverage will be optional for the farmers and applicable notional premium will be borne by the farmer, however the State Governments may consider providing additional subsidy on this coverage, wherever notified. The actuarial premium rates for add-on coverage should be sought in the bid itself from the IC, however the add-on actuarial premium rate will be considered separately and shall not form part of evaluation of L1. Detailed modalities are annexed as **Annexure -I** for adoption by States.
- 5.3 States have to notify crop-wise specific period/duration for coverage of aforesaid add-on risks in their notification as detailed in **Para 7.2** of this guideline and the same will also be uploaded on NCIP
- 5.4 **General Exclusions:** Losses arising out of war and nuclear risks, malicious damage and other preventable risks shall be excluded.
- 5.5 **Loss/damage for localised calamities and post-harvest losses will be assessed at the level of the individual insured farm and hence lodging of loss intimation by the farmer/designated agencies is essential. For remaining risks, losses are due to widespread calamities, hence lodging of intimation for claims by insured farmers / designated agencies for such wide-spread calamities is not essential. Claims will be calculated based on the loss assessment report submitted by the District level Joint Committee (DLJC) and/or average yield submitted by concerned State Government**
- 5.6 Details of indemnification and claims calculation for aforesaid add-on cover are provided in **Para 21**.

6 Preconditions for implementation of the Scheme

6.1 States:

Issuance of Notification by the State Governments. / UTs for the implementation of the Scheme will imply their acceptance of all the provisions, modalities and OGs of the Scheme. The main conditions relating to the scheme which are binding on States/UTs are as follows:

- 6.1.1 Digitization of IU-wise administrative/revenue hierarchy along with Scheme; crops; level of IUs notified, crop-wise sum insured, crop-wise indemnity level, crop-wise threshold yield (TY) at insurance unit (IU) level for notified crops, opted risk coverage, details of Automatic Weather Stations (AWS), Automatic Rain Gauges (ARG) of the IMD/State Government/Private Providers which have been stationed as per the standards defined by the India Meteorological Department (IMD)/World Meteorological Organisation (WMO) and are certified by the IMD and integration of digitized land records with NCIP.
- 6.1.2 Adoption of innovative technology especially Smart phones/ hand-held devices for capturing the conduct of CCEs through CCE-Agri App and the use of NCIP platform to enable flow of information and auto administration of the scheme
- 6.1.3 Making an additional provision of a separate budget allocation of 3% of the total budget of the Scheme

for administrative expenses from Financial Year (FY) 2020-21 for meeting the day to day expenses for monitoring, Information Education & Communication (IEC) and evaluation activities and other administrative work related to the implementation of the Scheme such as recruitment and deployment of manpower, infrastructure development, etc.

- 6.1.4 Conduct requisite number of CCEs at the level of notified IU area and approve the actual yield data as recorded in the CCE Agri App.
- 6.1.5 CCE-based yield estimation data has to be uploaded on the NCIP to enable auto-calculation of claims. In case the Nodal Department does not provide/upload actual yield data within 2 months of the notified CCE completion date, technology derived solutions will be used for the computation of Synthetic Yield data for claim settlement.
- 6.1.6 State/ UT will make necessary budgetary provision for premium subsidy based on fair estimates, at the beginning of the crop season to ensure timely premium payment to ICs enabling faster claim settlement. The non-payment of the State Share of premium subsidy within the prescribed timelines as defined in the seasonality discipline will lead to the disqualification of the State Government to implement the scheme in the next season. The cut-off date for invoking this provision for Kharif and Rabi seasons will be 31st March for succeeding years and 30th September for that year, respectively.
- 6.1.7 To carry out pilot studies for improved yield estimations using technology. Adoption of protocol/Standard Operating Procedure (SOP) for smart sampling technique, optimization of CCEs, 2 Step Yield Estimation method and direct yield estimation procedure as issued and modified by the GoI from time to time.
- 6.1.8 The present composition of the State level Coordination Committee on Crop Insurance (SLCCCI) includes the representation of concerned Departments of the State Government, Reserve Bank of India (RBI), National Bank for Agriculture and Rural Development (NABARD), empanelled ICs and the State Level Bankers Committee (SLBCs) which may be strengthened by including representatives from the State Horticulture Department., State Remote Sensing Application Centre (SRSAC), IMD Experts from Indian Council of Agricultural Research (ICAR)/State Agriculture Universities (SAU) and Farmers' Representatives including women farmers for implementing PMFBY. Chairman of the State Level Coordination Committee on Crop Insurance (SLCCCI) may co-opt representatives from other departments/agencies, if considered necessary.
- 6.1.9 Adequate preparedness for ensuring availability of all crop loss and yield data on National Crop Insurance Portal (NCIP) as computation of claims will be done mandatorily on the basis of data uploaded on NCIP

6.2 Insurance Companies (ICs):

Empanelment of ICs and their participation for the implementation of the Scheme will imply their acceptance of all provisions, modalities and guidelines of the Schemes. The empanelled ICs have to deploy requisite infrastructure and resources for the implementation of PMFBY particularly for the following identified major activities:

- 6.2.1 To carry out Pilot studies for leveraging new technology for the effective implementation of Scheme in a transparent manner.
- 6.2.2 Deployment of requisite infrastructure to widen the outreach of the Scheme and enabling access to related services to the rural farmers at their doorstep , with a commitment for at least 10 % incremental increase in Non-loanee coverage for a season,

- 6.2.3 Deployment of sufficient manpower to co-observe CCEs and allied activities and compulsory use of CCE Co-observation app
- 6.2.4 Allocation of requisite resources for IEC activities including awareness generation and capacity building of stakeholders about the Scheme. The detailed planning for the same should be submitted to the Centre and State Government in advance i.e. before the start of each season as prescribed in these OGs.
- 6.2.5 Creation of a grievance redressal mechanism at the ground level covering the Sub-district, District, State and National level, putting in place a robust and effective method for grievance registration, handling, resolution, disposal and reporting etc as referred in para 30 of these OGs.
- 6.2.6 Settlement of claims to the eligible farmers under the Basic Product and all insured add-on covers as per the prescribed timelines as defined in the seasonality discipline.
- 6.2.7 Timely payment of service charge to Banks (4% of farmer's premium) and requisite commission to Common Service Centre – Special Purpose Vehicle (CSC-SPV)

6.3 Banks and other enrolment channels:

Participation in implementation of the Scheme (PMFBY) will imply their acceptance of all provisions, modalities and the OGs of the Scheme. The participating Banks, other channels like CSC, Insurance Intermediaries and ICs have to deploy requisite infrastructure and resources for implementation of PMFBY particularly for following identified major activities:

- 6.3.1 Creation of digital credentials for each user and compulsory digital data entry of farmers' details on NCIP as per the prescribed enrolment module within the stipulated timelines as defined in the Seasonality discipline.
- 6.3.2 Digitization of correct and updated information of the insured farmers on NCIP after due validation with the records available with the bank/farmers including validated insured area, name of IUs, Crops and Bank Account details etc.
- 6.3.3 Uploading copies of the requisite documents by all channels except for the enrolments done through banks.
- 6.3.4 Timely remittance of farmer's premium through payment gateway linked with NCIP strictly as per timelines to implementing ICs

6.4 Submission of UID (AADHAAR) by farmer:

- 6.4.1 **Aadhaar has been made mandatory for availing Crop insurance from Kharif 2017 season onwards.** Therefore, all enrolment agencies are advised to mandatorily obtain Aadhaar number of their farmers.
- 6.4.2 Farmers not having Aadhaar Identity (ID) may also enrol under PMFBY subject to their enrolment for Aadhaar and submission of proof of such enrolment as per notification No. 334.dated 8th February, 2017 issued by the GOI under Section 7 of Aadhaar Act 2016(Targeted Delivery of Financial and other Subsidies, Benefits and Services). Copy of the notification may be perused on www.pmfby.gov.in. This may be subject to further directions issued by the Government from time to time.
- 6.4.3 All enrolment agencies have to compulsorily take Aadhaar/Aadhaar enrolment number as per the notification under the Aadhaar Act before the sanction of crop loan/KCC under the ISS. Hence the

coverage of Loanee farmers without Aadhaar does not arise and such accounts need to be reviewed by the concerned bank branch regularly.

6.5 Agreement/Memorandum of Understanding (MOU) between States and Insurance Companies

- 6.5.1 States and ICs will enter into an agreement before the commencement of the first crop season as per the model agreement available on NCIP. The roles and responsibilities of the States (para 35.2) and ICs(para 35.4) and provision of performance evaluation matrix and applicable penalties (Section 33) will be a part of the Agreement/MoU document necessarily.

7 Tendering and Notification

7.1 Procedure for Issuance of Tender by the States/UTs:

- 7.1.1 Revamped PMFBY provides for compulsory tender by the States/UTs for period of 3 years to ensure assured business to ICs for a longer duration leading to increased commitment towards infrastructure and manpower deployment.
- 7.1.2 Detailed Model Tender Document has been provided to the States/UTs for its adoption by Department of Agriculture, Cooperation & Farmers Welfare (DAC&FW) vide letter No. 13015/03/2018 – Credit -II, dated 8th April 2020. Copy of the same is available on the NCIP.
- 7.1.3 Meeting of the SLCCCI should be convened prior to the commencement of the first crop season and well in advance for finalising the various terms and conditions and calling of bids/issuance of the bid notice to all empanelled ICs for selection to implement the Scheme during the risk period. States / UTs should ensure the issuance of the notification and its circulation to all concerned agencies/ departments/ institutions at least one month prior to the commencement of the crop season incorporating all the essential details about insured crops, areas, Sum Insured, TY at IU level for notified crops, opted risk cover, period of contract, bidder's evaluation and selection methodology, premium rate for farmers, Government subsidy along with seasonality discipline/ cut-off dates for each activity etc. **Notification should be issued for at least one year to facilitate banks for deduction of premium for a year and timely data entry on NCIP. However, award of Tender to ICs will be for 3 years compulsorily.**
- 7.1.4 In order to have transparency, all the details mentioned in the Model Tender Document (refer para 7.1.2) should mandatorily, be made a part of the tendering process. No modification in the terms and conditions enumerated in the tender document shall be allowed post tendering.
- 7.1.5 Annexure for bid document may be generated through the Portal including Crop-wise IU location master. The procedure and template for the same are available on NCIP. Before floating the Tender, last 10 years yield data at the notified/available level and TY at notified unit along with other information /data should be uploaded on the Portal in the prescribed template and should be made a part of the Tender Document. The prescribed list of data required to be published along with the tender is detailed below to enable proper risk analysis and correct premium rating.
- 7.1.5.1 Details about the notified scheme, notified crops, level of notified IUs, crop-wise sum insured, crop-wise indemnity level, crop-wise TY at IUs level for notified crops, desired risk coverages (basic cover, add-on covers):

- A. Details of Automatic Weather Stations, Automatic Rain Gauges or IMD/State Govt/Private Providers which have been installed as per the standards defined by IMD/WMO and are certified by IMD
- B. Year wise historical Average Yield data for each notified crop at the Notified IU level for past 10 years (including immediately preceding season/year)
- C. Year wise, Crop-wise, IU level historical Coverage and Claim data for past 3 years (including immediately preceding season/year)
- D. List of District-wise Cluster formation details
- E. Crop-wise nomenclature of yield being collated and reported along with the conversion factor between the two nomenclatures (if applicable)
- F. List of district-crops covered under different risk combinations along with applicable TY and normal sowing and harvesting dates
- G. Classification of irrigated and unirrigated districts in clusters as per irrigation facilities available. If the States have not categorized irrigated/un-irrigated district, GoI liability will be limited as per data available/published by Directorate of Economics & Statistics (DES), DAC&FW and further revised from time to time
- H. Stratified input cost for the indemnification of losses at different age/stage of crops due to the localized calamities

7.1.6 **Calculation of the lowest weighted premium of district shall be based on the insured area for notified crops in each district during last year/season.** However, in the absence of insured area details of last year/season for all proposed crops or any crop, immediately preceding year's available insured area will be considered for calculation of the weighted premium of the district. Only this data will be used for calculation of L1. For new notified crops, 30% of the average of the last 3 years net sown area, in case of major crops and 10% of the average of the last 3 years net sown area, in case of minor crops will be considered as weights for the calculation of lowest weighted premium of the district.

7.1.6.1 Bidding **shall be done through e-tendering** and work order may be released within 2 weeks of the opening of the Tender.

7.1.6.2 Depending on the risk profile, historical loss cost and cost benefit analysis for the proposed crop(s) in district(s) of any cluster, if the State Government feels that the premium rate likely to be offered by the bidding ICs would be abnormally high, then the State Government can fix a ceiling on premium rates for such crop(s) proposed to be included in the bidding evaluation for the bidding period. However, recourse to this ceiling provision may be done only in well justified cases and not as a general practice. The ceiling premium rate may be derived based on statistical evaluation/actuarial premium analysis, loss cost, historical payouts etc. and name of such crops should be disclosed by the State Government compulsorily in the tender document.

7.1.6.3 In such cases where a ceiling on premium rate has been indicated, the State government must call financial bids in a two-step bidding or in two separate envelopes. The first bid/envelope is for disclosing the premium rate offered by each participating ICs for such ceiling crops and must be categorised under "Ceiling Premium Rate" and 2ndbid envelop is for bidding of crop wise premium rate for all other crops included in tender. Time interval for opening of both bid/envelope should be compulsorily mentioned in the bidding documents and should preferably be on the same day. All participating ICs have to submit

the bid offer for both categories of crops as per the procedure mentioned above.

7.1.7 The State Government shall first evaluate the first envelope of the bid keeping in view the premium offered by each individual participating IC and if the risk propensity and weather susceptibility of the crop and/or historical claim/loss data doesn't support the actuarial rates offered by the participating IC, such crop(s) may be dropped from the list of proposed crops for notification by the State Government and evaluation for L1 bidder should be done strictly based on the rates offered for remaining crops. The second envelope shall be opened by the State Government only after the decision on dropping the proposed crops/or accepting the premium rates offered by the participating ICs has been taken by the State Government. If State Government decides not to drop all the proposed crop(s)/ few crops for which premium rate was obtained in a separate envelope of the "Ceiling Premium Rate" from the bidding process, then L1 will be calculated by inclusion of the premium offered for both categories of crops/final remaining crops.

7.1.8 **All participating ICs will provide loss cost calculation on the NCIP, for evaluation of the premium rates within 3 days of the opening of the tender.**

7.1.9 States should avoid re-tendering as a general practice. Re-tendering may be held only in exceptional circumstances and only with the prior approval of GOI after submission of a request with detailed reasons except, in the cases where re-tendering is necessitated due to inadequate participation of ICs as per the State bidding evaluation norms. The GOI on its part will give its decision within 5 working days of the receipt of the request.

7.1.10 States are required to compulsorily upload meeting notices, tender documents, addendums, corrigendum, notification of award, copy of agreement between State Government and the IC and all other requisite and relevant data and information on the NCIP for faster communication and response. Accordingly, the subsequent notifications, circulars, directives shall also be uploaded on the Portal as and when issued for wider reach and circulation.

7.1.11 All conditions proposed to be stipulated by State Government should be incorporated in the bid document itself and no new condition should be included in the notification. In case ICs have any objection to any Tender condition which is in conflict with the guidelines, they can make a reference to the State Government with a copy to the GOI within 3 days of issuance of Tender.

7.1.12 L1 bidder will not be allowed to withdraw its bid after opening of bids/allotment of work. If L1 bidder withdraws then financial loss, if any, to the State Government due to retendering /assignment of work to others, due to increase in actuarial premium rate from previously declared L1 rate, shall be recovered from the withdrawing L1 bidder

7.1.13 However, state have to issue work order within a month of opening of bid.

7.1.14 **Termination of Contract:**

Either party shall be entitled to terminate this Agreement under specific situations and conditions as mentioned below after ninety (90) days of issuing a written notice to the other party subject to the condition that if the notice is given within ninety (90) days prior to commencement of a crop season, the said crop season would be implemented by the extant Insurance Company:

- IC is debarred/black-listed by the Insurance Regulatory and Development Authority of India (IRDAI) or MoA&FW, GOI

- MoA&FW may also examine the recommendation regarding black-listing of IC by other competent authorities for taking appropriate decision/compliance,
- IC has failed to maintain the required solvency margin, or the solvency ratio for the financial year as prescribed by IRDAI
- IC has been de-empanelled by MoA&FW for the implementation of a crop insurance scheme, as evidenced by the evaluation of performance of Insurer conducted by the authority prior to the Bid Due Date
- Failure of the State Government and/or Insurer in performing one's core responsibility as prescribed in the OGs of PMFBY & RWBCIS including but not limited to the payment of premium share by the State Government and payment of claim by the Insurer within the extended timelines.
- Any material changes in the scheme parameters by the Government.
- Termination of agreement by any party due to any other reason not listed above will attract a penalty of up to 5% of the total premium. The total premium in this case shall be determined by multiplying the total premium of the corresponding preceding previous year/season with the remaining year/seasons of the agreement period.

7.2 Procedure for Issuance of Notification by the States/UTs:

7.2.1. Notification of Crops, Areas and Implementing Agency (IA)

- 7.2.1.1. The Scheme shall operate on the principle of “Area Approach” in the selected defined areas called IU. The States/UTs will notify crops and defined areas covered during the season in accordance with the decision taken in the meeting of the SLCCCI. The States/UTs should notify the Village/Village Panchayat or any other equivalent unit as an IU for major crops defined at the District / Taluka or equivalent level. For other crops, it may be a unit of size at or above the level of Village/village Panchayat depending on the availability of sufficient crop area for statistically sound sampling for the conduct of CCEs. For defining a crop as a major crop and deciding the IU level, the sown area of that crop should be at least 25% of the Gross Cropped Area in a District/Taluka or equivalent level. And this should be appropriately incorporated in the notification.
- 7.2.1.2. The States/UTs will notify the type of Risk Coverage opted viz. Basic Cover and Add-on Covers during the season. For the claims arising out of crop damage due to localized risks and post-harvest losses, assessment of the crop damage will be made on an individual farm basis as outlined in (Section 21, Para 21.5 and 21.6 respectively).
- 7.2.1.3. The SLCCCI , for the purpose of notification, will consider factors such as availability of the past yield data based on CCEs for adequate number of years (at least 7 years for the calculation of TY), cropped acreage and capacity for estimating yield during proposed season, etc. The State Government should endeavour to cover all the major crops grown in all the districts of the State. States should ensure that a standard methodology of yield estimation exists for all the crops proposed to be notified **(refer Claim Calculation Methodology at Section 18, 19 & 21)**
- 7.2.1.4. **The States /UTs should provide all information and data as mentioned above (para 7.1.5) in soft format (in Excel) in English to the ICs for the calculation of TY, premium rates etc. at the IU area as detailed in Model Tender Document** and in its absence, use the data at the next higher unit/nearest neighbouring unit/weighted average of contiguous units, as decided by the SLCCCI. The level and the name of a notified area of IU must be a part of the notification and should be provided at the time of bidding itself.
- 7.2.1.5. In case States/UTs propose to notify irrigated and un-irrigated(rainfed) areas under a crop separately,

they shall ensure that minimum CCEs are planned and conducted for irrigated and rainfed crops separately in such areas. In addition, past yield data for requisite number of years will have to be made available separately for both. In case village is the IU, for better representative sampling of CCEs and to avoid moral hazard, notification of both irrigated and rainfed crops in the same IU should be avoided.

- 7.2.1.6. While notifying the crop(s) where a specific conversion factor is being used for reporting of yield such as in the case of rice/paddy etc, due care should be taken by the State Nodal Department to use the relevant specific nomenclature for disclosure of average yield, TY and actual yield while releasing the tender document and submission of yield data and CCE data for the calculation of admissible claims. The IC will also be responsible for prior scrutiny of the Tender document. Information/data provided in the Tender document will be treated as final and in case of any error/ misreporting/disparity, the State Government and the IC will be equally liable for payment of additional claims arising on account of it, if any.
- 7.2.1.7. For the current season or subsequent seasons (in a multi-year contract), the States/UTs, if required, can notify additional IUs or de-notify certain IUs subject to maximum deviation of 10% of the already notified IUs for the crop within a district at the same premium rate, before the cut-off date for debit of premium. If the deviation is >10% or in case of addition of a new crop, the actuarial premium rate may be based on the calculation of weighted average premium rate as prevalent in contiguous districts or by applying appropriate loading on the existing premium rate. The rates for such crops will be determined /verified by the TSU and its decision will be binding on both States and ICs.
- 7.2.1.8. In case of creation/re-organization of any new IU/Districts by the State Government after the finalization of tender, it shall be included in the scheme with the same terms and conditions as parent IU/Districts from the next season within the contract period. In case an IU moves out of a district to be part of another existing district then concurrently corresponding district (the district in which IU is moving) rates will be applied. In case of formation of a district by reorganizing a portion of more than one district then weighted average premium rate for each notified crop will be determined by considering the last season's insured area for the concerned part of district as weight.
- 7.2.1.9. **States implementing PMFBY at the Village/ Village Panchayat level for major crops shall be entitled for 50% reimbursement of incremental expenses of CCEs and the cost of smart phones/ improved technology from the GOI.** Only eligible items will be considered for reimbursement. The data source for calculation of admissibility of incremental CCEs will be the NCIP.

7.3 Notification of Indemnity Level, Average Yield and Threshold Yield

- 7.3.1 Scheme provides for adoption of three levels of Indemnity, viz., 70%, 80% and 90%. State Government in consultation with the SLCCCI shall finalize the indemnity levels for notified crops at the district level and the same will be provided in the tender document. The TY shall be notified in the Tender for the current season and the same will be used for claim calculation for that season. The Average Yield of a notified crop in IU will be the average yield of the best five years out of the last seven years. **The TY of the notified crop is equal to the Average Yield multiplied by the Indemnity level. The TY for any crop and IU shall as declared in the tender document issued by the State should compulsorily be part of the notification for the season/contract period and shall not change at any point during that season/year/contract period.**
- 7.3.2 The Indemnity level of the district crop combination should be prescribed in the tender and will remain the same during the entire contract period. In case of reorganization/creation of new districts, similar provisions as detailed in Para-7.2.1.8 will be applicable. In case of formation of new district by reorganizing portions of more than one existing districts, then weighted average indemnity level by

considering the last season area insured of each notified crop as weight with rounding-off to the nearest Indemnity level defined under the OG will be the applicable Indemnity level. This will be applicable for the tender duration only

7.3.3 The calculation and notification of TY – For calculation of TY, historical average yield of the best five out of last seven years shall be considered. Further TY should be defined only at the notified area level and once included in the notification issued by the State, it should not be changed at a later stage under any circumstances. In case of multi-year contract, the TY for the subsequent years shall be adopted choosing one of the following methods for computation:

7.3.3.1 **Fixed TY** - TY as derived from the best 5 of the immediate last 7 years crop yield data and notified indemnity level, will remain unchanged for the entire contract period. The premium rates quoted by ICs will remain unchanged for the entire contract period. It is described in the Illustration 1 below-

Illustration 1: Fixed TY

Assumption:

If past 7 years yield at Insurance unit level are as below

Year	2013	2014	2015	2016	2017	2018	2019
Yield	1500	1700	1600	1900	1850	1400	2000

Threshold Yield

TY calculated as per formula prescribed in Revised OG:

$$\text{Formula} = [(\sum \text{Best 5-year Yield}) \times \text{Notified Indemnity level}] \div 5$$

Under this method the TY calculated in year 1 will remain constant across IUs during the entire contract period as illustrated in the table below:

Year	2020	2021	2022
Indemnity Level	70%	70%	70%
Threshold Yield	1267	1267	1267

Premium Rate

Under this method Premium rate quoted by The IC in first year will remain same throughout the tender period. For example, if the premium rate quoted by insurance company for a district crop combination is 13% and then it will remain 13% for the entire contract period as illustrated in the table below:

Year	2020	2021	2022
Premium Rate	13%	13%	13%

Evaluation of tender process and determination of L1 Company:-

Under this method, every IC will quote premium rate for each district crop combination notified by concerned State/UT.L1 will be determined on the basis of lowest weighted average premium rate

considering last corresponding season's area insured as weights for all crops combined for that cluster.

7.3.3.2 **Laddered TY** - If the district level average change in yield for a crop over immediately preceding 7 years is negative then fixed TY mentioned as in para 7.3.3.1, above shall apply. Otherwise, immediately preceding 7 years district level average growth rate in yield will be used to fix the TY for each of the subsequent two seasons of all concerned IUs for these seasons within the contract period and same shall be pre-notified at the time of tender itself. IC shall quote one rate of the premium for all the seasons accordingly. Lowest bid shall be determined considering last year's insured area as detailed in **para 7.2**. To ensure clarity in the understanding two **illustrations II & III** have been provided below.

Note -District level average yield is a crop specific simple average of yields across the IUs in a district. The above exercise is to be performed for each crop notified in a district.

Illustration 2: Laddered TY- Negative growth rate in last 7 years yield

Assumptions

If last 7-year district level average yield of a crops notified is as:

Year	2013	2014	2015	2016	2017	2018	2019
Yield	1000	1000	1600	1900	1850	1400	400

Indemnity Level-70%

Threshold Yield

Here, average yield growth rate in last 7 years = - 3.27% as calculated below

$$[(1000/1000-1)+(1600/1000-1)+(1900/1600-1)+(1850/1900- 1)+(1400/1850-1) +(400/1400-1)]/6$$

In this case since average growth rate in last 7-years yield is negative, TY will remain constant for the concerned crop across IUs, across the contract period as below:

Year	2020	2021	2022
Indemnity Level	70%	70%	70%
Threshold Yield	1085	1085	1085

Note1 - Yield for each Crop to be notified in a district needs evaluation and check for its growth rate to set-up TYs for different years in a contract period.

Note-2 Please note that TY needs is to be calculated at IU level with the data related to respective IUs.

Premium Rate

It will remain same across the contract period like illustration I.

Evaluation of tender process and determination of L1 Company:

Under this method, every insurance company will quote the premium rate for each district crop combination notified by State Government. L1 will be determined on the basis of lowest weighted

average rate considering last year insured area as weight.

Illustration 3: Laddered TY- Positive - growth rate in last 7 years yield

Assumptions

District level average yield considering yield of all crops notified is as below

Year	2013	2014	2015	2016	2017	2018	2019
Yield	1000	1000	1600	1900	1850	1400	1200

Indemnity Level-70%

Method

Average Yield growth rate in last 7 years = 6.25% as calculated below

$$[(1000/1000-1)+(1600/1000-1)+(1900/1600-1)+(1850/1900-1)+(1400/1850-1)+(1200/1400-1)]/6$$

In this case since average growth rate in last 7-years yield is positive (6.25%). Threshold yield of each IU for that crop will vary with the same growth rate as below:

Year	2020	2021	2022
Indemnity Level	70%	70%	70%
Threshold Yield	1113	1183	1257

Note1- Yield for each Crop to be notified in a district needs evaluation and check for its growth rate to set-up TYs for different years in a contract period. There may be a case that some crops in a district will have constant TY (as shown in illustration II) and some stepped- up TY as shown in illustration III.

Note-2 Please note that first year TY (of a crop) needs to be calculated at IU level with data related to respective IUs. IInd and IIIrd year TY of different IUs need to be calculated with incorporation of TY growth rate as explained above.

Note3 - Yield growth rate in preceding 7 years must be considered up to 2 decimal places.

Premium Rate

It will remain same across the contract period like illustration I.

Evaluation of tender process and determination of L1 Company:

Under this method, every IC will quote the premium rate for each district crop combination notified by the State Government. L1 will be determined as the company having lowest weighted average rate considering last year insured area as weight.

7.3.3.3 **Variable TY** -In this case, TY of a crop in an IU may be computed every year after incorporating the actual crop yield of the previous year. For premium rate determination, increase/decrease in TY will be determined by considering district level weighted average yield (assuming last year insured area as

weight) of a crop. The premium rate shall be increased/decreased as per mechanism detailed in the table below:

Corresponding Increase/ Decrease in APR against each 1 % point Increase/Decrease in TY			
APR Grid	Indemnity Level		
Premium Range	70%	80%	90%
0%<=APR<5%	4.65%	5.80%	6.90%
5%<=APR<10%	2.80%	3.45%	4.15%
10%<=APR<15%	1.70%	2.10%	2.50%
15%<=APR<20%	1.20%	1.50%	1.75%
20%<=APR<25%	0.95%	1.15%	1.40%
25%<=APR<30%	0.75%	0.95%	1.15%
APR>=30%	0.65%	0.80%	0.95%

In case of extreme circumstances wherein application of prescribed change in rates as above result in negative premium rate , the TSU will work out the rates. Worked-out rates by the TSU after the approval of DAC&FW will be acceptable to all concerned stakeholders.

Illustration 4: Variable TY

Assumptions

District level weighted average yield (last year’s area insured as weight) of a notified crop

Year	2013	2014	2015	2016	2017	2018	2019
Yield	1500	1700	1600	1800	1850	1400	1500

Indemnity Level =70%

Premium rate quoted by L1 Insurance Company for a district crop combination =13%

Year 2020 TY (Notional at district level) is calculated as per existing formula (using data given in 1st assumption) and TY for year 2021 and year 2022 are just assumed for illustration.

Year	2020	2021	2022
Threshold Yield	1183	1225	1155

Method

Growth in District level Threshold Yield:

Year 1: 0%

Year 2: $1225/1183-1 = 3.55\%$

Year 3: $1155/1183-1 = -2.37\%$

Note: In year 1 there would not be any change in TY as it will be known to Insurance company during tender process.

Variation in Premium Rate:

Year 1 =13%

Year 2 = $13\% * (1 + (3.55 * 1.7\%)) = 13.78\%$

Year 3 = $13\% * (1 + (-2.37 * 1.7\%)) = 12.48\%$

Note1 - Please note that district level Threshold yield has been calculated notionally to calculate changes in Actuarial Premium Rate (as premium rates are quoted at district level) and have no other relevance.

Note2 - Since premium rate is quoted for each district-crop combination, the above exercise needs to be performed for all the crops notified in a district.

Evaluation of tender process and determination of L1 Company:

Under this method, every IC will quote premium rate for each district crop combination notified by State Government. L1 will be determined as company having lowest weighted average rate considering last years area insured as weight.

APR Actuarial Premium Rate

Note1- Please note that TY may vary at IU level but for premium rate determination, weighted average yield (considering the last year insured area as weight) at the district level for respective crops will be considered.

Note-2-These factors of increase/decrease have been ascertained independent of crop /region and reflect the country level impact due to changes in TY. There may be different levels of impact on burn cost at the district/regional level due to variations in TY, however, to simplify and considering the ease of implementation, it has been standardized.

In this case the States/UTs would have to provide IU level crop yield data well in advance so that the revised TY and premium rate could be calculated and notified before starting of the new season.

In case of unavailability of latest season yield data, the prior season yield data can be used for pricing, however, base TY will not be allowed to be changed even if the latest data is made available post tender conclusion.

;

While adopting any one of above three methods, the following assumptions and limitation of these methods may be taken note of

- i. Model using past data may not be a true reflection of future events
- ii. Standardized rates prescribed above may not exactly reflect the risks inherent in specific district crop combination
- iii. This model is subjected to spurious accuracy in certain cases.
- iv. Increase/ Decrease in TY is being tested at the district level, but TY can vary at the IU level and therefore have an element of approximation

- v. Increase/ Decrease in rates are calculated by the expected loss ratio of 80%.
- vi. As with all statistical/mathematical models, this method is also subject to modelling error.
- vii. Prescribed changes in premium rate is calculated considering mid-point of each APR range band except in 0-5% range wherein it is calculated at 4.5%.
- viii. This model assumes normality in yield data and therefore subject to an element of error in case of departure from normality.

7.3.4 In exceptional cases, where the last corresponding season yield data is not available at the time of Bidding, yield data is to be provided before the harvesting of the current season. However, the yield data upto last to last corresponding season should be provided at the time of bidding itself. In such cases admissible claims will be anyway calculated on the basis of data available at the time of bidding

7.4 **Notification of Sum Insured**

The States/UTs need to choose either the Scale of Finance or Notional Average Value (Notional Average YieldXMinimum Selling Price (MSP)/Farm Gate price) (Farm gate price will be considered for the other crops for which MSP is not declared) method for calculation of Sum Insured for a district-crop combination for the entire period of contract. The crop-wise sum insured notified in the first year/season could be changed in the subsequent year/season as per the change in the Scale of finance or the MSP/ Farm gate price as available for the notified crop and decided upon by the State. However, change in the sum insured over a year due to the change in the Scale of Finance/farm gate price will be capped at 10% every year.

7.5 **Notification of Seasonality discipline:**

7.5.1 States / UTs in accordance with the broad seasonality defined/prescribed in these OGs shall also notify the seasonality discipline for various activities under the Scheme viz. submission of insurance proposals/application, consolidated declarations by banks, remittance of premium to ICs, uploading of individual covered farmer's data on NCIP, submission of yield data, claim assessment of losses for(i) standing crop(ii) localized calamities,(iii) prevented sowing, iv) post-harvest losses, (v) On-Account payment for major calamities, etc as per the provisions of the Scheme.

7.6 **Notification of Automatic Weather Stations (AWS)**

7.6.1 Only those AWS/ARGs of IMD/State Government /private agencies should be considered and notified which are as per standards defined by IMD/WMO and are certified and approved by the IMD/any agency notified by the State/Central Government These must be optimally operational and be able to provide real time weather data. The AWS/ARG of private agencies should only be considered in the absence of properly functioning AWS/ARGs of IMD/ State Government AWS /ARG data sourced for crop insurance should be transferred on real time basis to the NCIP for calculation of admissible claims. The detailed guidelines for this have already been uploaded on the NCIP.

7.6.2 State can explore the possibility of creating a dense AWS/ARG network on Public Private Partnership (PPP) Mode for which the GOI will provide 50% of the viability gap funding.

7.6.3 The following data sources may be used for validation of on-account claims and claims for prevented sowing:

- Satellite/UAV Remote Sensing Data
- AWS/ARG Data

- Mahanalobis National Crop Forecast Centre (MNCFC) Report/Study on drought assessment

7.6.4 **State shall notify the concerned weather data provider/ expert agency whose report/ methodology would be used in assessing the extent of losses and computation of claims. Cost of such weather data for PMFBY shall be borne by the concerned IC However, in case of requirement of data for resolution of disputes, cost of weather data will be borne by the concerned stakeholder raising the dispute. The normative cost of procurement of weather data will be fixed by the GOI to address the grievance of abnormally high rates charged in certain instances. The notified AWS and ARG should fulfill/ meet the standards/ norms/ criteria specified by IMD/other concerned authorities from time to time.**

8. Engagement of Common Service Centres (CSCs) and Other Intermediaries for coverage of Non-Loanee Farmers:

- 8.1 The CSCs under Ministry of Electronics and Information Technology (MeITY) have been engaged to enrol non-loanee farmers. Nodal agency for engagement with MOA&FW and ICs will be CSC-SPV, a company established under MeITY for carrying out e-governance initiatives for the GoI. All empanelled ICs will compulsorily be required to enter into an agreement with CSC-SPV for the enrolment of non-loanee farmers and for the provision of other defined services to farmers and pay service charges as fixed by the MoA&FW, GOI as per the following formula:
- 8.2 All applications of one unique farmer of one village for a particular season and Scheme to be considered as one unit for the payment of service charges. No other agreement or payment is required to be made for this purpose.
- 8.3 No charges/fee shall be borne or paid by the farmers being enrolled through CSCs i.e. CSC-SPV and Common Service Centre – Village Level Entrepreneur (CSC-VLE). This information should prominently be displayed by the concerned CSC-VLEs on their notice board, clearly visible by all visitors. Strict action will be taken against any CSC-VLE charging any fees from the farmers.
- 8.4 Any payment deducted from the wallet of CSC-VLE against the PMFBY/RWBCIS policies cannot be refunded without reconciliation with the Central Portal team. The amount received against the successful policies on NCIP will be transferred to the concerned IC next day of the transaction (T+1). Difference between the amount received by CSC-SPV on day T and the amount pertaining to successful policies (day T) will be reconciled within next 7 days. Delay in remitting the aforesaid premium amount beyond 7 days will attract a penal interest as decided by the GoI based on the default period.
- 8.5 While accepting the application from the individual farmers CSC-VLE will explain the provisions and requirement of documents along with consequences of wrong submission of information/documents to the farmers and further take due care that all the documents submitted by farmers are properly scrutinised, verified and uploaded on NCIP in legible form to avoid any anomaly in the coverage of that particular farmer by the IC.
- 8.6 As per the IRDAI circular, no separate qualification/certification will be required for the CSC-VLEs to facilitate enrolment of non-loanee farmers. However, proper training/ capacity building program should be arranged for them by the stakeholders including CSC-SPV. The banking correspondent (BC) associated with the designated branches of the rural financial institutions including the public sector banks financing KCC/Agriculture short term loans at subsidized interest rate are also authorized to collect the applications/premium from the desirous non-loanee farmers similar to CSC-VLE. Creation of login credential on the NCIP and approval of such eligible BCs should compulsorily be done by the branch

head of the concerned bank branches. The activities including undertaking of business by such BCs are to be monitored by the bank branches and responsibility of irregularities if any will lie with the bank. Other designated enrolment intermediaries may be empanelled and linked with the NCIP in due course as and when such new channels are approved by the MoA&FW for the enrolment of farmers.

- 8.7 Empanelled ICs have to necessarily register all licensed insurance agents/insurance intermediaries engaged for enrolment of non-loanee farmers in the beginning of each season within 10 days of the award of work in the State on NCIP and submit the list and details of such agents/intermediaries to the concerned Nodal department of the State Government. Further all agents/intermediaries have to work strictly as per the provisions of the Scheme and IRDAI regulations.

9 Electronic Remittance of Funds

- 9.1 The GoI and State Government will endeavour to utilize Public Financial Management System (PFMS)/PFMS linked systems to remit the funds to the State Government/ICs/agencies
- 9.2 Banks, CSC-SPV and other Insurance Agents/intermediaries are required to remit the consolidated premium payment to respective ICs mandatorily through the Payment gateway of NCIP or payment challan generated through NCIP within the stipulated date. The remittance of the premium should compulsorily be done within the cut-off date stipulated for the enrolment agencies. Bank details of ICs shall be made available on the Challan/Portal itself. **The applicable service charges for remittance of premium amount through payment gateway shall be borne by the payer i.e. Banks, Insurance Agents/Intermediaries, and Farmers enrolling themselves through NCIP.** Presently, the payment gateway charges Rs 5/- + applicable GST (i.e. Rs 5.90/-) per transaction.
- 9.3 To adjust the shortfall in the remitted premium due to rounding off by the banks and the Insurance agents/intermediaries to the respective ICs through the payment gateway of the NCIP, no action is required if this amount is plus / minus Rs. 10/-. However if the amount exceeds Rs. 10/- then banks and the Insurance agents/Intermediaries are allowed to remit a maximum amount of Rs. 100/- to the respective ICs through the payment gateway of the NCIP in order to cover the aforesaid shortfall beyond the stipulated premium remittance cut-off date upto reconciliation.
- 9.4 All ICs will maintain only one bank account for crop insurance business throughout the Country for premium credit including farmers share, state share and central share of subsidy from all concerned stakeholders. This amount will only be used for premium purpose and no other money can be credited to this account. The ICs will upload account statement of this account on the NCIP of the preceding month by the 3rd of the next month to ensure easy and quick reconciliation. **No remittance/financial transaction in the form of Banker's cheque/Demand Draft will be allowed.**
- 9.5 The ICs will be provided login access to the essential crop notification data/information along with farmer level coverage data including banking details of individual farmers on the Portal to reconcile, verify, validate and calculate payable claims and remit the same directly into pre-declared bank accounts linked to the NCIP through PFMS. There is no need of separate KYC process at the time of payment of claims by the ICs as the requisite details such as Aadhaar number, land record details, address etc have been captured at the time of enrolment itself.
- 9.6 Aadhar Enabled Payment System (AEPS) to be used as primary source of payment of claims for enrolment done through all sources except Banks.

10 Census Code Mapping of Entities;

- 10.1 All States/UTs shall update census codes of their villages with the higher administrative/revenue units like Gram Panchayat, Firkas, Patwar Circles, Revenue Circles, Hoblis, Mandals, Blocks, Tehsils, Talukas, Districts as well as of Automatic Weather Stations/Backup Weather Stations. **Only revenue classification will be considered.** This will create a standard mechanism of mapping and identification across the country.
- 10.2 States/UTs are advised to adopt the Revenue Hierarchical System under PMFBY and RWBCIS and accordingly will update the village master to facilitate notification on portal. However, for time being States/UTs will ensure that for notification of Hierarchical System i.e. Revenue System or Administrative System for PMFBY and RWBCIS should be same to facilitate the uniform database for further reporting and analysis.
- 10.3 Further, for purposes of obtaining accurate location, State must also provide Geo coded (latitude. & longitude) village maps in digital format for SST/optimization of CCEs and integration with other Apps like CCE Agri App, Crop Insurance App, Loss reporting/Assessment App etc.

11 Digitization of Land Records

- 11.1 Under the Central Sector Scheme of Digital India Land Record Modernisation Program (DILRMP) majority of the States have digitized their land records. To address the problems of over insurance and acreage discrepancy, States are advised to integrated their digitized land records with the NCIP so that the individual land records of farmers can be accessed through the NCIP for crop insurance. This will help the Government to reach and identify individual beneficiaries and bring utmost transparency and authenticity in benefit transfer.

12 Sum Insured /Coverage Limit

- 12.1 States/UTs need to choose either the Scale of Finance or Notional Average Value (Notional Average Yield * MSP/Farm Gate) price method for computation of Sum Insured for a district-crop combination for the entire period of the contract. The crop-wise sum insured notified in the first year/season could be changed in the subsequent year/season as per the change in the Scale of finance or MSP/ Farm gate price as available for the notified crop and decided upon by the State. However, any change in the sum insured over a year due to changes in the scale of finance/farm gate price will be capped at 10% within the contract period. The sum Insured for individual farmer is equal to the Scale of finance or Notional Average Value (NAYxMSP/Farm Gate Price) per hectare multiplied by the area of the notified crop proposed by the farmer for insurance. **Area under cultivation shall always be expressed in hectare.**
- 12.2 In cases where crops are separately notified under irrigated, rainfed category by the States/UTs, the Sum Insured value for irrigated and rainfed areas should be separately indicated.

13 Premium Rates and Premium Subsidy

- 13.1 The Actuarial Premium Rate (APR) would be charged under PMFBY& RWBCIS by implementing Insurance Company. The rate of premium payable by the farmer will be as per the following Table 1:

Season	Crops	Maximum Premium Rate payable by farmer (% of Sum Insured)*
Kharif	All Food grain and Oilseeds crops (all Cereals, Millets, Pulses and Oilseeds crops)	2.0% of SI or Actuarial rate, whichever is less
Rabi	All Food grain and Oilseeds crops (all Cereals, Millets, Pulses and Oilseeds)	1.5% of SI or Actuarial rate, whichever is less
Kharif and Rabi	Annual Commercial/ Annual Horticultural crops	5% of SI or Actuarial rate, whichever is less
	Perennial horticultural/ commercial crops (pilot basis)	5% of SI or Actuarial rate, whichever is less

* Premium paid by non loanee farmers should be rounded off to nearest Rupee

Payment of Government Subsidy:

All farmers enrolled under the scheme would be entitled for admissible subsidy on the Actuarial Premium.

- 13.1.1 The difference between Actuarial Premium Rate (APR) and the Rate of Insurance premium payable by farmers shall be treated as the Rate of Normal Premium Subsidy, which shall be shared equally in 50:50 ratio by the Centre and States/UTs in all States/UTs except North Eastern Region (NER) where subsidy sharing pattern between the Centre and States will be in the 90: 10 ratio.
- 13.1.2 The full GOI share in the premium subsidy as per sharing pattern in para 13.1.1 above will be applicable only upto APR of 25% and 30% with respect to irrigated and rainfed areas/district, respectively. For APR beyond those rates, GOI share of subsidy will be limited to the applicable share upto the APR of 25% & 30% for irrigated and rainfed districts respectively. The applicability of APR for irrigated/unirrigated districts will be on the basis of the data published by Directorate of Economics and Statistics (DES), DAC&FW and revised from time to time.
- 13.1.3 For the purpose of categorization of Districts between Rainfed and Irrigated, districts having 50% or more of the Gross irrigated area will be categorized as Irrigated. The list of the districts along with percentage irrigated area is available on the NCIP and will be updated in consultation with DES, MOA&FW from time to time.
- 13.1.4 However, the States/ UTs are free to extend additional subsidy over and above the normal subsidy from their budget. In other words, additional subsidy, if any shall be borne entirely by the State/ UT. Subsidy in premium is allowed only to the extent of notified Sum Insured.
- 13.1.5 The Government premium subsidy to the Private empanelled ICs may be routed through Agricultural Insurance Company (AIC) or any agency designated by the GOI strictly as per the guidelines/order of the GoI. This may be reviewed later by Central Government and changed accordingly if necessary. Accordingly, AIC/ other designated agency is empowered to call/ collect all requisite information related to implementation of the Scheme and utilization of Government funds and to share the same with the Govt for better planning, implementation and monitoring of the Scheme. The premium subsidy will be routed through PFMS/PFMS linked systems strictly based on the Management Information System (MIS) generated through NCIP
- 13.1.6 Govt, both Centre and State, will release their share of advance subsidy (First Instalment) equivalent to 50% of 80% of their respective share of subsidy in corresponding previous season subject to fulfilment of General Financial Rule (GFR)/guidelines in the matter without waiting for coverage details for the

ongoing season.

- 13.1.7 **To facilitate settlement of risks of prevented sowing/ mid-season adversity/localized Calamity:** ICs should release the admissible claim amount to the beneficiary immediately after receipt of farmers premium and advance subsidy (1st Instalment) and without waiting for release of final subsidy (Second Instalment) from Government. The premium in respect of affected IUs including subsidy to enable settlement of claims arising due to above events in respect of all such beneficiaries shall be adjusted from the fund already available with ICs as advance upfront subsidy (First Instalment) to facilitate compliance with Section 64VB of Insurance Act/Regulation of IRDAI.
- 13.1.8 All admissible claims based on Yield data/Post harvest losses will be settled on receipt of second instalment of Government subsidy to be paid on the basis of tentative business statistics generated on the Portal after 15 days of the period specified for auto approval of applications on the Portal. The remaining Government subsidy, if any will be paid after reconciliation of all business statistics for the season on Portal.
- 13.1.9 All empanelled ICs including private ICs shall provide free access to the Central/State level agencies including Comptroller & Auditor General (CAG) and its authorized agencies to verify the accounts and audit in respect to the implementation of PMFBY/RWBCIS.
- 13.1.10 In case, the State Government is willing to subsidize full farmers' share of premium, a token farmer Premium of minimum Re. 1 should compulsorily be charged from the farmer to facilitate electronic tracking & enrolment reconciliation.
- 13.1.11 States/UTs shall not be allowed to implement the Scheme in subsequent seasons (atleast two seasons) in case of considerable delay by States/UTs in release of requisite Premium Subsidy to concerned ICs beyond a prescribed time limit. Cut-off dates for invoking this provision for Kharif and Rabi seasons will be 31st March of succeeding year and 30th September of that year respectively. However, State shall have to pay a penalty @ interest rate of 12% per annum beyond three months of prescribed cut-off date for release of subsidy which shall be deposited in the Central Government Technology Fund.

14 Budget for Administrative Expenses

- 14.1 Upto 3% of the total budget for PMFBY/RWBCIS shall be earmarked by States/UTs for implementation and monitoring of the Scheme including better deployment of manpower and infrastructure, administrative expenses, IEC activities, yield/loss assessment expenses, purchase of weather data, purchase of smart phones, adoption of new technology, setting up of State Technical Support Unit (STSU), travelling and contingency fund etc.
- 14.2 Government of India has already made provisions for aforesaid activities under sub heads like Salaries, Domestic Travel Expenses, and Technology interventions, Office Expenses, other Administrative Expenses and Professional Services etc. for Crop Insurance program under PMFBY/RWBCIS. States should make provisions and budgetary allocation on similar lines including subhead for incremental cost of CCEs.

15 Technical Support Unit (TSU)/ CPMU

- 15.1 National Technical Support Unit (NTSU) or Central Program Management Unit (CPMU) has been created

at the Central level to provide support and advise on risk classification & rating, research & development of new products, methodology for loss assessment, legal works, workshop/training & capacity building, along with the use of technology including innovation/ replication, digitisation of administration of Schemes etc. through NCIP.

- 15.2 NTSU shall calculate the Loss Cost (LC) i.e. Claims as percentage (%) of Sum Insured (SI) observed in case of notified crop(s) in notified unit area of insurance during the preceding 10 similar crop seasons (Kharif/Rabi) along with approximate APR of the crops proposed to be notified for the season. The loss cost/premium rate shall be based on the latest available yield data provided to DAC&FW by the Concerned States before invitation for premium bidding. This calculation to be done by NTSU on behalf of DAC&FW is only for official purposes to have information on the approximate cost to the IC for covering the risks so as to evaluate the bids in proper perspective.
- 15.3 NTSU shall also develop a suitable methodology for risk classification/premium rating by using historical yield data, weather data, use and level of inputs/irrigation/technology in crop cultivation, remote sensing data/information etc. for standardization of the methodology for risk perception and premium rating for crop insurance in the country.
- 15.4 In line with creation of NTSU / CPMU at Central level, all States/UTs implementing Schemes should also create a separate TSU/PMU at State Headquarter (HQ) level with sufficient technical experts/staff to ensure proper implementation of the Scheme. State TSU (STSU) may also opt for members on contractual/temporary basis or take services of other organizations/research institutes etc as deemed fit. However, States shall have to allocate a separate budget for running the STSU (refer para 14.1 above)

16 Seasonality Discipline

- 16.1 The cut-off date is uniform for both Loanee and non-loanee farmers. The District-wise cut-off dates for different crops shall be based on the Crop Calendar of major crops prepared in consultation with the concerned State Government/ICAR and crop division of DAC&FW which has also been published on NCIP (www.pmfby.gov.in). If any deviation is observed by the States/UTs from the aforesaid list, it may be brought to the notice of the DAC&FW for rectification, if required. The SLCCCI, shall besides considering the prevailing agro-climatic conditions, rainfall distribution/ availability of water for irrigation, sowing pattern etc. fix seasonality discipline of the coverage and other activities in such a way that it does not encourage adverse selection or moral hazards. If this is violated by SLCCCI, GOI may decide not to provide premium subsidy.
- 16.2 The cut-off date for enrolment of each notified crop should be based on crop calendars of the districts and normally may not be beyond 15th July for Kharif season and 15th December for Rabi crops. Preferably notified crops may be categorized in three seasons Kharif, Rabi & Summer/Zaid crops depending on sowing period and the cut-off date for enrolment may also be fixed accordingly.
- 16.3 All States/UTs shall consider to prepone the cut-off dates for Kharif and Rabi seasons. Advancement of cut-off may help in reduction of premium rates and may help in reducing financial burden on the States.

16.4 The **broad indicative seasonality discipline** is given in the Table 2 below:

S.No	Activity	Kharif	Rabi	Action to be taken by
1	Conduct of SLCCCI meeting to take decision for notification of Crops and areas, adoption of Level of Indemnity and to inform crop wise Sum Insured etc. for drafting of Tender documents	15 th November	1 st June	Nodal Department of States/UTs
2	Uploading of requisite information/data on crop insurance Portal and Issuing of tender documents	30 th November	15 th June	Nodal Department of States/UTs
3	Finalization of Tender and award of work by States/UTs	31 st December	15 th July	Nodal Department of States/UTs
4	Digitization of notification and downloading/ issuance of notification from NCIP for circulation amongst stakeholders	31 st January	16 th August	By State/UTs and Concerned ICs
5	Awareness/ sensitization/training programmes by State Government and ICs	From 15 th March	15 th September	By State/UTs and Concerned ICs
6	Start of enrolment of farmers for the season(as per crop calendar)	From 1 st April	From 1 st October	All Stakeholders
7	Cut-off date for intimation of change of insured crop by the loanee farmer	2 working days prior to cut-off date for debit/collection of premium from farmers	2 working days prior to cut-off date for debit/collection of premium from farmers	Bank/Loanee Farmers
8	Cut-off date for opting out of existing loanee farmers from the scheme for current/ongoing season	Atleast 7 days before the prescribed cut-off date for enrolment	Atleast 7 days before the prescribed cut-off date for enrolment	Bank/Loanee Farmers
9	Cut-off date for receipt of Applications of farmers/debit of premium from farmers account (loanee and non- loanee) by all stakeholders including banks/PACS/BCs/CSC/ insurance agent/online enrolment by farmers etc. Note: *This is indicative only and district wise crop calendar will be the final basis to arrive at cut-off date	Upto last date of enrolment of farmers as notified by States for notified crop(s) or up to 5 th July* for Kharif season	Upto last date of enrolment of farmers as notified by States for notified crop(s) or up to 15 th December* for Rabi season	Banks/PACs/CSC/BCs Insurance agent/online enrolment by farmers etc.
10	Declaration of Prevented sowing	Strictly within 15 days from cut-off date for enrolment of farmers i.e. 31 st July for Kharif and 31 st Dec for Rabi		State/UTGovernment/ IC

11	Cut-off date for generation of challan and online/electronic remittance of Premium to respective ICs and uploading of details of individual covered loanee farmers on National Crop Insurance Portal by Bank branches for which premium has already been remitted (CBs/ RRBs/DCCBs/PACS), followed by Short Message Service (SMS) to all insured farmers from Portal	Within 15 days of cut-off date for enrolment of farmers/debit of premium for both loanee and non- loanee farmers i.e. 31 st July for Kharif and 31 st Dec for Rabi		Banks/Portal/ICs
12	Cut-off date for generation of challan on portal and online/electronic remittance of farmer premium to IC for non- loanee farmers by designated insurance Agent(s)/BCs and uploading of details of individual covered farmers on crop insurance Portal.	Within 48 Hours of receipt of application & premium.		IC and their agents
13	Cut-off date for ICs to accept or reject the farmer's data on Portal	Within 15 days from the cut-off date for uploading of data/information by Banks/PACS/CSC/Agent/BCs respectively. for loanee farmers and within 30 days for non loanee farmers i.e. 15th Aug for Kharif and 15th Jan for Rabi for loanee and 31st Aug for Kharif and 31st Jan for Rabi for Non Loanee		ICs
14	Cut-off date for CSCs/Banks/Intermediary/BCs to correct/update the paid application intimated by ICs on Crop Insurance Portal	Within 7 days from the date of intimation by ICs		CSCs/Banks/ Intermediary/BCs
15	Cut-off date for Insurer to accept the corrected/updated applications	Within 7 days from the date of submission of correction/updation by the Bank/CSCs/Intermediary BCs		ICs
16	Cut-off date for Banks/ICs to hand over insurance acknowledgement receipt to the insured farmer	Within 7 days from acceptance of proposal by concerned IC on Portal		Banks/ICs for enrolment through their intermediaries
17	Cut-off date for processing of applications by ICs and auto approval of application of insured farmers on crop insurance Portal	60 days from the cut-off date for enrolment/debit of premium from farmers i.e. 15 th September for Kharif and 15 th February for Rabi seasons		ICs/ NCIP Team
18	Cut-off date for raising bills/requisitions with supporting documents for release of advance premium subsidy based on 50% of 80% of respective share of Centre/State in corresponding previous season	Before cut-off date of enrolment of farmers		ICs/GOI /State/UTs
19	Release of advance upfront premium subsidy (First Instalment)i.e. 50% of 80% of respective share of Centre/State in corresponding previous season	Within 15days of cut-off date of enrolment of farmers i.e. 31st July for Kharif	Within 15days of cut-off date of enrolment of farmers i.e. 31 st December for Rabi	GoI& State Govts./UTs

20	Training and registration of field level workers assigned for conduct of CCEs and reporting of the same on Crop Insurance Portal through smart phones/CCE Agri App	Upto 15 th August* *State/UTs may fix earlier dates for early Kharif crops	Upto 15 th January* *State/UTs may fix earlier dates for early Rabi crops	Designated Ground Level field Functionaries/ State/District Level Nodal Officer
21	Registration of mobile number of representative of ICs for co-witnessing of CCEs	Upto 31 st August* *state may fix earlier dates for early Kharif crops	Upto 30 th January* *state may fix earlier dates for early Rabi crops	ICs
22	Cut-off dates for identification and intimation of Areas (Blocks/Tehsils/Taluks) for Major crops for carrying out CCEs on 2 step Yield Estimation Method	Upto 15 th September* *These dates may be fixed separately for each State/UT	Upto 15 th March* * These dates may be fixed separately for each State/UT	MNCFC
23	Cut-off dates for identification and sharing of randomly stratified sample locations for optimization of CCEs	Upto 15 th Aug-15 th September* *These dates may be fixed separately for each State/UT and be fixed crop-wise for major/minor crops	Upto 15 th Feb-15 th March* * These dates may be fixed separately for each State/UT and be fixed crop-wise for major/minor crops	State/UT Nodal Department/MNCFC
24	a) Uploading of tentative schedule/date for conducting CCEs (crop-wise/IU wise) followed by SMS on one day notice through CCEs_Agriapp. ICs are equally responsible to liaise with district authorities/field workers to ascertain the schedule.	At least 7 days before tentative date for conducting CCEs		Concerned Department of States/UTs to incorporate the same in Notification
	b) Confirmation of the CCEs schedule	Via SMS on one day notice through NCIP		
25	Timeline for lodging online complaint about defaulting CCEs data	Within 2 hours of conduct of CCEs through CCE Co-observation app.		ICs
26	Submission of report of over insurance/mis-reporting etc to the Government in the prescribed proforma	Atleast 15 days before date prescribed for auto approval		ICs
27	Approval of district wise crop wise Actual yield data and uploading on Portal	Within one month of completion of CCEs from district wise crop wise specific cut off dates notified by States/UTs for a notified crop		Nodal Department of States/UTs
28	Cut-off date for intimation/ reconciliation/ clarification of any deficiency in Actual Yield data	Within 7 days from the date of uploading CCE Data from State/UT Nodal Department, if any.		ICs/ flagged on NCIP
29	Cut-off date for resolution by State Government on clarification sought by ICs/ flagged on Portal	Within 7 days of clarification sought by ICs/ flagged on Portal	Within 7 days of clarification sought by ICs/ flagged on Portal	State/UT Government

30	Cut-off date for raising bills/requisitions with supporting documents for release of 2nd Instalment of premium subsidy based on business statistics finalized on Portal/auto approval.	Within 15 days of auto approval of business statistics finalized on portal.	Within 15 days of auto approval of business statistics finalized on portal.	ICs
31	Release of 2nd instalment of Government subsidy	Within 15 days of receiving requisition from ICs based on business statistics finalized on portal.	Within 15 days of receiving requisition from ICs based on business statistics finalized on portal.	GOI/States/UTs
32	Auto approval of yield data	Within one week from receipt of yield data /reply to clarification sought by ICs by State Government		GoI/ Portal Team
33	Arriving at technology-based yield data in case of inadequate number of CCEs/substandard CCEs/ Not approved by States	Within two months of completion of CCEs from district wise crop wise specific cut off dates notified by States for a notified crop/ After one month of submission/ approval of yield for claim calculation by ICs, whichever is earlier		State/UTGovernment/Tech. Agencies/ GoI
34	Sharing of detailed information of claims with bank branches & other Stakeholders from crop insurance Portal	Within 7 days of approval of claims by ICs		Portal/ ICs
35	Timelines for Payment of claims	Within 2 weeks from calculation/auto approval of claims irrespective of whether ICs have raised the bill of 2 nd Instalment of premium subsidy or not		ICs
36	Payment of final government subsidy	On finalisation of business statistics on portal after completion of approval/reconciliation for the season on NCIP		GOI/States
37	Sharing of the list of loanee farmers to whom claims have been paid directly to beneficiary accounts/ Direct Benefit Transfer (DBT) with banks for reconciliation of claims amount and to display the same on their notice board In case of Non Loanee, reconciliation of claims , if required, to be done by enrolling agencies in consultation with concerned bank/State Government	Within a week after receipt of claims		Banks/Farmers/State Government/CSCs
38	Evaluation of ICs based on performance Evaluation Matrix for combined Kharif and Rabi seasons of a particular year.	Within month of July each year. Discussion with each Insurance Company to be completed by 25 th July each year and final report to be submitted latest by 31 st July to MoA&FW, GoI by States/UTs		Nodal Department of respective State/UTGovernment

39	Confirmation & Validation on performance Evaluation done by Nodal Department for combined Kharif and Rabi seasons of a particular year.	Within 15 days from date of submission of evaluation report by the respective State Government	MoA&FW, Government of India
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- 16.5 In case the cut-off date falls on a public holiday or is declared as a public holiday by the Government or there is disruption of services due to strikes/shut-down etc., the next working day will be treated as the cut-off date. Concerned States have to take decision in this regard and send a formal intimation to Gol portal team for rectification on NCIP.
- 16.6 In case of disruption of services due to natural events beyond human control or technical/software/network issues with the NCIP the subsequent dates (other than the cut-off dates for Enrolment/Premium Debit/Collection) may be extended by the competent authority on the basis of specific written inputs from Portal Development and Maintenance Agency. However due care has to be taken that such extension does not lead to a moral hazard and misuse of the Scheme and suitable measures should be put forth for the same accordingly.
- 16.7 Further, in case of three crops / season pattern, a modified seasonality discipline keeping in view the overall seasonality discipline prescribed above, shall be adopted by SLCCCI.
- 16.8 **Keeping in view the specific nature of crop and scope for catastrophic crop damage, SLCCCI shall fix seasonality discipline in such a way that it does not encourage adverse selection or moral hazards and also ensure early payment of claims to eligible insured farmers. Scheme also has provisions for claims due to prevented sowing and option to change the insured crop. Hence, the State Government will take all necessary steps to ensure enrolment of farmers well within the stipulated time under the Scheme. No request/relaxation for the extension in the above seasonality/cut-off dates shall be considered/ granted by MoA&FW, Gol once it is fixed and notified for the crop season. However, preponement in cut-off dates shall be considered on a case to case basis. If any State/ UT extends the above seasonality/ cut-off dates on its-own, then Central share of premium subsidy shall not be provided for the concerned notified crops /areas.**
- 16.9 **It may be noted that, under no circumstance, will MoA&FW or any State/UT extend the cut-off dates for enrolment of farmers. However, in case the States/UTs decide to do so, it may be done only in agreement with implementing IC. In such cases, however no central premium subsidy will be provided for the areas/farmers/crops which are covered/ insured in the extended period and the concerned State/UT has to bear the entire subsidy liability for the coverage in the extended period.**
- 16.10 In case CCE data submitted through CCE Agri App is not approved within the stipulated timelines, the same will be approved automatically and used for claim calculation. In case of non-submission of AY data by the State Government to implementing ICs within stipulated timelines, Synthetic Yield data arrived using Technology Based Solutions will be used for calculation of admissible claims and subsequent settlement of claims to eligible farmers. The cut-off date for submission of yield data to IC is normally one month after the completion of harvesting of a particular crop.
- 16.11 In a situation where total claims have been approved/auto approved, the company shall be liable to pay claims within 2 weeks of calculation/auto approval of claims irrespective of whether ICs have raised the bill for 2nd Instalment of premium subsidy or not. Hence, it is advised that Insurance Company raises the bill for 2nd Instalment of premium subsidy within the timelines. If the release of 2nd instalment is pending on account of non-submission of bill for claiming the said amount by the IC, the timelines of payment of claims shall be counted from prescribed date of release of data and not from date of actual release of

subsidy irrespective of payment of 2nd instalment of subsidy.

- 16.12 All admissible claims shall mandatorily be paid within the stipulated cut-off date failing which penal interest @ 12% per annum shall be payable on admissible pending claims beyond 30 days of uploading AY data on portal/provided in soft copy by State Government subject to release of applicable subsidy by State Government
- 16.13 Since the yield data is being finalized by the State Government, the concerned State Government are advised to calculate the admissible penal interest rate and inform the concerned IC for payment to the eligible farmers. Non-Compliance by the ICs may also be reported to GOI for taking further action.

17 Collection of Applications and Premium from Farmers

- 17.1 The branches of all scheduled commercial banks, regional rural banks, and cooperative banks shall act as nodal branches for enrolment of farmers in the NCIP. The primary agriculture credit societies attached with cooperative bank branches will enrol the farmers through concerned branches of the cooperative bank. The concerned Lead bank and Regional offices/ Administrative offices of Commercial banks/RRBs will provide necessary guidelines to the concerned bank branches and coordinate with them to ensure that all concerned branches compulsorily generate the payment challan and remit the consolidated farmers premium electronically/online through payment gateway on NCIP to the concerned ICs and submit/upload the consolidated requisite proposals/information in the prescribed format within the stipulated cut-off dates and also upload the details of individual covered/insured farmers on NCIP. Besides, for the coverage of non-loanee farmers only, Insurance Company may also use IRDAI approved micro insurance agents/ insurance intermediaries with the prior approval of DAC&FW. The details of such agents including manpower and infrastructure deployed for the enrolment of farmers under the scheme should compulsorily be submitted to the State Government and GoI well before the start of the season for creating their credentials and subsequent uploading of details of individual insured/covered farmers on Portal within stipulated timelines.
- 17.2 Consolidated declaration/ formats to be uploaded/entered electronically by Nodal banks/Branches shall contain details about total insured area of the farmers, number of Loanee and Non-loanee farmers enrolled, Total Premium Amount remitted, premium remittance Unique Transaction Reference (UTR no.) and Date of remittance as per the format provided on the NCIP. Banks are required to upload the insured farmers' data mandatorily on the National Crop Insurance Portal. No other platform shall be used for uploading/submission of farmers' data. Those farmers whose data is uploaded on the NCIP shall only be eligible for Insurance coverage and accordingly the premium subsidy will also be released. In cases where farmers are denied crop insurance due to incorrect/partial/non-uploading of their details on Portal, concerned Banks/Intermediaries shall be responsible for payment of claims (If any).
- 17.3 In order to facilitate timely release of Government subsidy and remittance of claims to the farmers. entry of detailed information of all insured farmers on NCIP is essential for all bank branches/PACS/BCs/CSCs/Intermediaries/designated insurance agents and IC.
- 17.4 Farmer for one parcel of land will be allowed to enrol themselves from one source of enrolment (banks, CSC, Insurance Company Intermediaries etc.) for the notified crops. If the farmer is having multiple crops on that parcel of land then also he will go to one source and submit one application for mixed cropping and mention proportionate area of that parcel under each crop.
- 17.5 **Loanee farmers:**
- 17.5.1 **Whenever banks sanction crop loan/KCC for notified crop in a notified area, the crop loan amount**

to the extent of notified Sum Insured for notified crop and acreage of individual notified crop of loanee farmers shall be taken into consideration for coverage provided farmers have not submitted their choice to opt out from the scheme, as per seasonality discipline. Based on seasonality of crop, banks should separately calculate the eligibility of loan amount for coverage during both Kharif and Rabi seasons based on the Sum Insured and declared acreage under notified crops. Disbursing bank branch/PACS will prepare statement of crop-wise and insurance unit-wise details of crop insurance with premium as per the seasonality discipline. **Loan disbursing bank branch/PACS shall finance additional loan equal to the premium amount payable by farmer for crop insurance.**

- 17.5.2 For insurance coverage of a farmer, Sum Insured amount for a notified crop will be notified and uploaded on the NCIP for the concerned notified crop and season by the State/UT. The total Sum Insured of loanee farmer for the season shall be calculated accordingly. The cut-off date for coverage shall solely be based on the date of loan sanctioned / renewal of credit limit for the notified crops for the season and will be independent of actual date of disbursement/withdrawal of full or part loan. Farmers availing/renewing the KCC loans for Kharif & Rabi crops after cut-off date (renew/sanction period) for the season will be eligible for cover under crop insurance for the next/following crop season subject to the loan being standard loan and within cut-off-date of premium debit for the season. In order to eliminate excess insurance and rationalize government subsidy; care should be taken to ensure that only correct acreage under each declared crop in loan application is considered for coverage of notified crop and not the actual total acreage. Banks will be liable for audit and inspection on account of excess Insurance/leakages of government subsidy.
- 17.5.3 All enrolment agencies including cooperative banks/PACS will provide valid complete account details of farmers account viz. bank account details, Indian Financial System Code (IFSC) code to enable direct transfer of claims to the farmers account.
- 17.5.4 Any reporting of excess acreages under insurance in comparison to the sown acreage will be liable for initiation of documentary and physical verification and lead to administrative action if gross negligence and malpractice in reporting of insurance acreage is found at farmer's or enrolment channel's end.
- 17.5.5 Benefit of add on products viz., Prevented sowing/ On-Account Payment for Mid-season Adversity/ Localized calamity will be available to only those farmers who have paid the premium / the premium has been debited from their account before the damage notification by the State Government for invoking this provision for compensation. Hence, Banks must ensure that they debit farmers premium next day after the cut-off date of opting out of loanee farmers, failing which banks will be liable to meet the claim liabilities of uncovered eligible farmers.
- 17.5.6 Detailed example for Calculation of crop-wise Sum Insured (SI) for the season for coverage of loanee farmers is given in Table 3 below:

	Crop 1	Crop 2	Crop 3	Crop 4	Crop 5	Crop 6
Total Land Ownership (Ha)	8					
Name of Crop	Paddy	Maize	Cotton	Wheat	Potato	Gram
Actual Sown Area (Ha) under the crop	5	2	1	6	1	1
Area (Ha) declared in KCC application	2	1	1	2	1	1
Crop Season	Kharif			Rabi		
Scale of Finance/(NAY*MSP/Farm gate price) (Rs./Ha)	50,000	40,000	60,000	50,000	70,000	30,000

Total Sanctioned Sub limit for crop cultivation	1,00,000	40,000	60000	1,00,000	70,000	30,000
Season-wise sub limit for crop cultivation	2,00,000			2,00,000		
Additional loan amount for consumption and maintenance of machinery etc (max. Upto 30%)	1,20,000					
Total sanctioned loan for an year	5,20,000					
Whether Crops notified by State	Yes	Yes	No	Yes	No	No
Crop wise SI (Rs./Ha)	-	-				
SI to be considered for Insurance/Ha	50,000	40,000		50,000		
Total SI to be considered for Insurance	1,00,000	40,000		1,00,000		
SI for Loanee farmers	1,00,000	40,000	-	1,00,000		
Farmer's Share of Premium (% of SI)	0.02	0.02	-	0.015	-	-
Premium to be debited from KCC	2,000	800		1,500		
Total Farmer's Premium (Loanee)	2,800			1,500		
Insured Area through coverage	2	1		2		
Balance Un-covered area (Ha)*	3	1		4		
Additional premium (as non-loanee)*	3,000	800	-	3,000		
Total Farmer's Premium (as non-loanee)	3,800			3,000		
Total Premium of Farmers (both as loanee and non-loanee)	6,600			4,500		

*The Area which has been left out of coverage as loanee farmer for the notified crop can be insured by the farmer as a non-loanee farmer by depositing additional applicable premium along with required relevant documents.

- 17.5.7 Crop loans sanctioned through Kisan Credit Cards (KCC) are covered as loanee farmer and banks shall maintain all back up records and registers relating to compliance with PMFBY and its seasonality discipline and cut-off-date for remittance of premium/submission of coverage details on NCIP. Bank branch will apportion coverage area among insurable crops, based on acreage mentioned in loan application or on the basis of actual area sown as declared by the farmer subsequently.
- 17.5.8 Bank branches of Commercial banks (CBs) and Regional Rural Banks (RRBs)/ Nodal Bank Branch in case of PACS under its jurisdiction shall submit individual insured farmer's details along with UTR details of premium online through NCIP. Additionally, consolidated insurance declarations from the bank branch/ Nodal Bank in case of PACS under its jurisdiction, shall be uploaded on NCIP mentioning the relevant details as per prescribed format within cut off dates, as specified by SLCCI for a particular crop and season.
- 17.5.9 Different options for entry of details of enrolled farmers on NCIP are available for bank branches in a more transparent and authentic manner. Bank branch can upload the details of insured farmers through online application mode. Banks are required to upload/enter the information continuously without waiting for last day for premium debit and data entry.
- 17.5.10 As an alternative, direct integration of Core Banking Solution (CBS) with NCIP has also been successfully initiated and the same may be used by Scheduled Commercial Banks(SCBs)/RRBs/District Central

Cooperative Banks (DCCBs) available on CBS for pushing the farmers' details in bulk directly without filling the individual farmer's details on web-portal.

- 17.5.11 The scheme will work on the "Opt-out" mode for the existing loanee farmers. The farmers can choose not to be enrolled under the Scheme, by giving a signed declaration as per prescribed format, mentioning his/her unwillingness to participate in the schemes any time during the year for the upcoming season but atleast 7 days before the cut-off date for enrolment/debiting premium. If application is received within 7 days of cut-off date for enrolment, then farmer will be exempted from enrolment for the next crop season. Farmers can use available communication mediums for communicating their willingness for "opt-out", however, they will ensure that their willingness is received and recorded by the bank within the aforesaid prescribed period.
- 17.5.12 Banks need to debit farmer's share of premium in the last 7 days upto enrolment cut-off date. During this period, the banks may also prepare the final list of farmers who have opted out and all eligible loanee farmers to be covered.
- 17.5.13 In case the farmer has submitted a declaration for opting-out from the scheme for a season earlier and lately wants to get enrolled under the scheme for the same season, he will be allowed to do so by submitting a signed "Opt-In" declaration as per prescribed format mentioning withdrawal of earlier submitted "Opt-out" declaration and his/her willingness to participate in the schemes any time during the year for the upcoming season but atleast 7 days before the cut-off date for enrolment/debiting premium.
- 17.5.14 Declaration for both "Opting in" and for "Opting out" will have to be submitted by the farmer in the same bank where they have their KCC/SAO Loan account. Formats for "Opting in" and "Opting out" are already circulated to relevant stakeholders and are uploaded on NCIP.
- 17.5.15 Banks will ensure enrolment of all those loanee farmers who have Opted-in, Or have not submitted declarations for Opting-out upto 7 days before the cut-off date for enrolment/debiting of premium.
- 17.6 **Non-Loanee farmers through Banks and other channel partners:**
- 17.6.1. All non-loanee farmers desirous of availing crop insurance shall fill up the application form of the Scheme and submit the same to nearest bank branch/CSCs or authorized channel partner or insurance intermediary of insurance company.
- 17.6.2 Loanee farmers who have opted out of the Scheme and want to avail crop insurance for other crops can fill up application form of the Scheme and submit the same through Bank branch, CSC, directly on NCIP, other authorized channel partner or insurance intermediaries of insurance company. In this case the farmer will be treated as non-loanee farmer.
- 17.6.3. In case of submission through Bank Branches and their BCs, farmers will submit duly filled proposal form in the nearest branch of a CB/RRB/PACS/DCCB or designated BCs with applicable insurance premium amount and other documents. Bank Branch may, after completing verification of documents, accept or reject the application. Premium shall be accepted by the bank branch preferably from the farmer's operational account in the same bank branch itself and the same would be sent to the concerned Insurance Company within the stipulated time for the purpose of insurance coverage. **It is the**

responsibility of bank branch to complete the application of farmer. In case the farmer is unable to fill the application, bank branch shall be responsible for filling the application on farmer's behalf, so that not a single farmer who desires to take crop insurance coverage is left out from the purview of crop insurance Scheme

- 17.6.4. In case of application submitted through CSCs, the farmer will be required to authenticate herself/himself using Aadhaar for filling up online application form. Having a bank account is essential for such cases. In this case, CSC-VLE will upload all requisite/desired supporting documents on Portal while filling up the application form on behalf of the farmer. Applications without requisite documents would not be considered for insurance coverage and CSC-VLE is responsible for proper filling of application form.
- 17.6.5. CSC/Bank Branch/ PACS/designated BCs officials will assist the farmers in completing the insurance proposal form and provide necessary guidance. While accepting the applications and premium, CSC/Bank Branch/PACS/BCs will be responsible for verification of required documents, eligible sum insured, applicable premium rate, etc. In case of coverage through PACS, they will consolidate these particulars and send them directly to respective Nodal Bank Branches which will, in turn, submit application details online on NCIP and generate crop wise challan electronically on the Portal, for the e-remittance of consolidated premium using payment gateway of NCIP within the stipulated time, to IC. Besides CSCs, other Government/ semi-Government institutions/organizations including Post offices are also proposed to be utilized for insurance of non-loanee farmers after their integration with the NCIP after obtaining approval of competent authorities.
- 17.6.6. Non-loanee farmers could also be serviced directly by any designated agencies, other authorized channel partners or insurance intermediaries, approved by the IRDAI for the purpose and they will act as a guide and facilitator where in they will advise such non loanee farmers about the benefits and desirability of the Scheme and guide the farmers about procedures; collect requisite premium and remit individual/ consolidated premium electronically to ICs accompanied by individual proposal forms and summary details in declaration form and upload details of each insured farmer compulsorily within stipulated timelines on the NCIP.
- 17.6.7. While accepting the Proposal and the premium from aforesaid designated agents, other authorized channel partner or insurance intermediaries approved by IRDAI, it shall be the responsibility of IC or its designated agents to verify insurable interest and collect the land records, Aadhaar Number., particulars of acreage, sum insured, crop sown etc. And applicable contract/agreement details in case of sharecroppers/tenant farmers. The designated intermediaries shall enter the data of farmers on web-portal, remit the premium with consolidated proposals within 2 days. However, it is mandatory that the non-loanee farmers serviced by the designated intermediaries should hold a bank account and Aadhaar No. or Aadhaar enrolment No. in order to get insured and the designated intermediaries will also facilitate remittance of the claim, if payable.
- 17.6.8. For farmers buying crop insurance through CSCs or online, OTP/Aadhaar enabled verification shall be construed as consent and signature of the applicant for coverage under crop insurance.

17.7 **Non-Loanee Farmers - directly to ICs/Web Portal:**

- 17.7.1 Non-Loanee farmer may submit insurance proposals personally to Insurance Company with requisite/desired supporting documents and applicable premium has to be remitted electronically to concerned Insurance Company and details of UTR/remittance slips should compulsorily be attached with application. .
- 17.7.2 Non-loanee farmer can also submit application forms for getting insurance coverage through NCIP. For this, farmer can fill up the online application form available on NCIP (www.pmfby.gov.in) and pay the requisite premium through payment gateway. As soon as the application is submitted through the system, an acknowledgement receipt will be generated along with a unique identification number. Additionally, intimation will also be sent through SMS on registered mobile number of the farmer. In this case, farmer himself will upload all requisite/desired supporting documents on Portal while filling up the application form. Applications without requisite documents would not be considered for insurance coverage and farmer himself/herself is responsible for proper filling of application form.
- 17.7.3 It is mandatory that Non-Loanee farmers, personally submitting proposals to Insurance Company or through NCIP, should have insurable interest and submit necessary documentary evidence as proof as decided by SLCCCI along with Aadhaar no. or Aadhaar enrolment No..The insured farmer will lose the premium and the right to claim (if any) if the material facts furnished in the proposal form/application are found to be wrong or incorrect at any subsequent point in time.
- 17.7.4 Insurance Company retains the right to accept or reject insurance proposal(s) within 15 days/30 days of receipt of proposal/application for Loanee/Non loanee respectively, in case proposal/application is incomplete, not accompanied by necessary documentary proof, Aadhaar no. or Aadhaar enrolment No./Slip or insurance premium the proposal/application will be rejected and the Insurance Company will fully refund the collected premium to the proposer/applicant.
- 17.7.5 In cases where the farmer's application/proposal has been rejected by the Insurance Company as per the provisions of OGS, farmer's remittance for such applications must be refunded back to the farmer's bank account with in 45 day of closure of cut-off date for uploading of data/information by Banks/PACS/CSCs/BCs/Agent, failing which the Insurance Company will be constrained to accept the application and pay claims as per normal process.

17.8 **Option for change of crop name by the Farmer:**

- 17.8.1 All **loanee farmers** can change the name of the insured crop from the original crop indicated in the loan application but such change should be submitted in writing to the concerned bank branch up to 2 working days before the cut-off date for enrolment and accordingly their newly proposed crop should be insured. Bank will ensure that all standard loans (as defined by concerned FIs) sanctioned/renewed for notified crops within stipulated cut-off date should be covered if the farmer has not opted out/opted-in within 7 days before cut-off dates for enrolment/debiting premium. In case the premium debited earlier was higher, Bank/Insurance company shall credit/refund the excess premium to farmer's account. In case the premium debited earlier was less, bank shall debit additional premium.
- 17.8.2 Similarly, all non-loanee farmers already covered under the scheme before actual sowing/ planting, based on advance crop planning will also have option to change the crop. For any reason if a farmer changes the crop planned earlier, he should intimate the change to Insurance Company, up to 2 working days before the cut-off-date for enrolment through their enrolment channel such as FIs/channel partner/ insurance intermediary/directly as the case may be, along with difference in premium payable, if any, accompanied with sowing certificate issued by concerned village/ sub-district level official of the State. In case the premium paid was higher, Bank/CSC/Insurance Company/Channel Partner will refund

the excess premium as the case may be.

- 17.9 **Declarations/ proposals and debited/collected premium uploaded by Banks/ PACS/BCs after the cut-off date shall be summarily rejected and the liability, if any, for such declarations shall rest with the concerned bank (ICs for intermediaries).** Accordingly, the data/proposal entry on the National Crop Insurance Portal will also be stopped after the applicable cut-off date. However, any dispute in the matter may be resolved at the State/UT level, 1st point of reference for this matter will be handled by Principal Secretary or designated higher authority. If any matter is still unresolved, it may be referred to Gol.
- 17.10 The concerned branches of CBs, RRBs and Nodal branch of DCCBs in case of PACS will upload the details of individual insured farmers enrolled through them like farmer's name, father's name, Bank Account number, Aadhaar Number, village, categories – Small and Marginal/SC/ST/Women, insured acreage, details of insured land, insured crop(s) etc. as prescribed in online application form. available on NCIP or CBS integration module and submit the same within stipulated cut-off date as per the seasonality discipline. However, any dispute in the matter may be referred to the State Government as mentioned in para 17.8 by the concerned Agency/Bank for taking appropriate action within the prescribed cut-off date for reconciliation of premium by banks with all details.
- 17.11 ICs shall be responsible to upload requisite information including necessary documentation in respect of non-loanee farmers enrolled through channel partner other than CSCs and Direct enrolment on the NCIP within the stipulated date of coverage of non loanee farmers. All intermediaries shall ensure that the documentation is complete in all respect before accepting the premium. It is the responsibility of the concerned ICs to collect/obtain any documentation of the insured farmers from the bank/FIs/ intermediaries/ agents if necessary for verification/acceptance of risk and also to facilitate the banks/ FIs/ intermediaries/ agents to submit/ upload all requisite documents/information on the NCIP within timelines.
- 17.12 ICs should also reconcile the details of individual insured farmers uploaded on the Portal with the consolidated declaration& challan generated and consolidated farmers premium remittance through payment gateway of the Portal by each branch/nodal bank/CSC/other intermediaries within the stipulated date and any deficiency/mismatch may be reported to concerned bank branch/nodal bank. The Bank Branch/Nodal Bank/CSC/Intermediary should further send/upload the requisite information in respect of such farmers for whom clarification has been sought, immediately within 7 days. If such rectification is not done/completed by bank branch /nodal bank within the stipulated period, ICs may recommend to take necessary action to State Government under intimation to Central Government State Government in consultation with SLBC/Nodal Authorities may recommend suitable administrative action against such defaulting branch/bank. However, claims (if any) in such cases of such farmers shall be borne by the concerned bank only.
- 17.13 ICs should verify and satisfy themselves about the coverage of farmers/ crops and give acceptance to the applications submitted by banks electronically through NCIP. **The insured farmer's personal details like AADHAAR numbers, Banking Details, Address, mobile nos. and all such details prohibited under RBI, IRDAI or Unique Identification Authority of India (UIDAI) Act. shall not be displayed/disclosed publicly.** IC will reconcile the details along with farmer's share of premium receipt before approaching the Government to release the final instalment of subsidy (third Instalment) under the Scheme.
- 17.14 All ICs will compulsorily verify and take necessary action including approval/rejection of proposal or policy of any farmer through National Crop Insurance Portal within stipulated date. After stipulated period for reconciliation & obtaining further clarification from stakeholders, **all pending proposals/information of insured/covered farmers uploaded on Crop Insurance Portal will be treated as approved and ICs will forfeit their right for any further verification.** However, any losses to the

Government including excess payment of premium subsidy due to delayed/non- verification of data/information of individual covered/insured farmers on crop insurance Portal will be recovered from concerned ICs only and suitable administrative action may also be taken against the defaulting ICs.

- 17.15 IC to follow the process and protocol for processing of application, inception of risk and processing of claims as detailed in the guidelines to rework or update the claim amount.
- 17.15.1 Loan was covered/premium was paid outside seasonality discipline
- 17.15.2 Actual sown area was less than the actual insured area under a crop in a notified area(refer Section 25)
- 17.15.3 Different crop other than the declared/insured was sown in the land survey no. insured
- 17.15.4 Survey number insured was not actual crop growing survey no.
- 17.15.5 Area insured is more than the total land holding of the farmer.
- 17.15.6 Multiple insurance for same crops grown on same land with multiple insurers or through multiple banks/intermediaries.
- 17.15.7 Total Sum insured is more than the notified sum insured for insured acreage of a given insured crop
- 17.16 Penalty/administrative charges on ICs per application for auto approval and change in status of application on NCIP will be applicable on incremental basis and will be notified separately by GoI. Also penalty will be applicable on ICs if approval of applications is not done within stipulated time (refer Annexure IV)
- 17.17 On acceptance of application/proposal by ICs the acknowledgement status is updated on such application/proposal and is visible to the concerned bank branches/CSC/Intermediaries on their login and an intimation is sent through SMS directly to the insured farmers from NCIP. Banks can download acknowledgement receipt from NCIP using their login credentials and shall ensure distribution of Acknowledgement Receipt to each insured farmer within 7 days from the acceptance of applications by the concerned Insurance Company.
- 17.18 All ICs will send policy details to loanee farmers in the form of Inland Letter Card (ILC) within a month of cut-off date for acceptance of correct/updated application on NCIP
- 17.19 All Stakeholders should follow all the timelines strictly.

18 Assessment of Loss / Shortfall in Yield

- 18.1 **Wide Spread Calamities (based on season-end yield):**The eligible claims on the basis of CCEs will be considered only if trigger – 1/step-1 is breached (Refer Para20.2).The Scheme operates on the basis of 'Area Approach' i.e., the Defined Areas for each notified crop for widespread calamities and insurance unit is the Village/Village Panchayat or any other equivalent unit for major crops and for other crops it may be the same unit or a unit of a size higher than Village/ Village Panchayat level. This is to be decided by the States/UTs. Claims for widespread crop losses on the basis of "Area Approach" will be decided by adopting the Two-Step Yield Estimation methodology as per the details in para 20.2Department overseeing the conduct of CCEs will submit yield data as per the cut-off date decided by SLCCCI, along with results of individual CCEs (conducted through smart phone using CCE Agri App) on NCIP. The yield data will be approved/uploaded by the concerned authority/State nodal department and made available to the IC.

- 18.2 CCEs shall be undertaken per crop per unit area of insurance for notified crops*, on a sliding scale, as indicated in Table 4 below:

Sl. No.	Level	Minimum sample size
1	District	24
2	Taluka/Tehsil/Block	16
3	Mandal/Firka/Revenue Circle/Hobli or any other equivalent unit	10
4	Village/Village Panchayat	4

* Minor crops may be notified at higher than Village/Village Panchayat level.

18.3 **Smart Sampling and Two Step Yield Estimation:**

For major crops across states, the following method of Rationalization of number of CCEs without impacting the quality of sampling and estimation results will be adopted.

- 18.3.1 **Smart Sampling of CCEs:** Technology solutions for rationalization of CCEs based on homogeneous selection of sample/experimental pilots based on crop health condition analysed through Remote Sensing Technology and other New Age technological solutions shall be used for rationalization of number of CCEs.

- 18.3.2 **Two Step Yield Estimation:** Two-Step yield estimation shall be adopted in order to reduce the number of CCEs to be conducted based on the defined parameters to assess the crop-health through proxy indicators like weather data, satellite indices, etc. Based on the indices, areas (Block/Tehsil) will be categorized into normal, mild, moderate and severe damage category. For areas with normal and mild category; CCEs will be conducted at a higher level e.g. Taluka/Block whereas for moderate and severe categories CCEs will continue to be conducted at IU level.

18.4 **Modalities for Conducting Crop Cutting Experiments (CCEs):**

In order to maintain the sanctity and credibility of CCEs as an objective method of yield estimation, the modalities mentioned below will be followed:

- 18.4.1 To bring better transparency and confidence in the data, States shall mandatorily ensure 100% CCEs through a mobile application specially designed by the GoI for this purpose. No other application shall be used for reporting of conduct of CCEs. CCE plots shall be chosen using smart sampling technology for selected crops and random sampling for other crops and the **secrecy of the selected plot should be maintained until the CCE is actually conducted in order to rule out moral hazards**. States may continue to estimate the crop yield by adopting General Crop Estimation Survey (GCES) for estimation of production, as recommended by agriculture statistical commissioner. However, States shall maintain same procedure and methodology for conducting CCEs as adopted by National Sample Survey Organization (NSSO) or State Manual for Crop Production estimation for the remaining activities except the selection of experimental plots under the Scheme.
- 18.4.2 In order to provide proper benefits to the farmers and to compensate them as per near actual loss experience, crop should be notified at the lowest level i.e. Village/Village Panchayat as detailed in para 7.2.5
- 18.4.3 State shall strengthen the audit process of the 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 taking photographs (of the CCE plot and CCE activity), is a must for all CCEs.

- 18.4.4 Wherever external agencies are proposed to be used by the State Governments for conduct of CCEs (i.e. CCEs are outsourced), it should be given only to the registered 'professional/accredited' agencies with adequate experience in the agricultural field activities/yield estimation. It is mandatory for these agencies to follow the digital protocol as mentioned in the para 18.4.1. Services of such agencies may also be utilized for assessment of post-harvest losses and losses due to localized risks.
- 18.4.5 **District level Steering Committee:** State Govt shall compulsorily constitute a Steering committee in each district to plan, conduct and supervise the CCEs for yield assessment and to provide reports of yield data to the State Nodal department. The Steering committee should be headed by the District level Head of the Department/Organisation responsible for conducting CCEs. District Agriculture/Cooperative officers, representatives of NSSO and ICs as members. The Steering committee will compulsorily associate the representatives of ICs, NSSO, State Remote Sensing Agencies so that they shall be well informed about each and every activity and obtain the requisite information about CCE planning, schedule for conducting CCEs, selection of CCEs plot, sharing of requisite form 2, form 8 etc. and individual CCE result etc. The Head of Steering Committee will be responsible for uploading all requisite information on NCIP i.e. CCE schedule, individual CCE report etc. and imparting training to field functionaries responsible for conducting CCEs. Steering Committee will compulsorily send all their proceedings / minutes etc. to District Level Monitoring Committee (DLMC) and Nodal officer of the State. Concerned ICs shall compulsorily deploy one well conversant official at the office of the Head of the Steering Committee for at least 3 months of the harvesting period for better coordination and obtaining the information of CCEs including CCEs Schedules etc. Concerned ICs shall nominate their representatives in the steering committee well in advance and also share personal details, contacts, email etc. to the States/UTs while ensuring that DAC&FW is intimated. It is the responsibility of this designated officer of IC to obtain the plan & detailed schedules of each CCE from the concerned State Government Officers at the Block/Circle level within that district. District Administration will provide requisite space and logistics at their office for the insurance company official. The nominated official of IC will provide mobile number, mail id for relevant communication in this regard. State will provide the granular information to this nominated IC official only. Any delay/ non-receipt of information will be communicated by the nominated official only in the concerned district to the steering committee at the earliest but no later than 7 days of the due/scheduled date. The copy of the reminder to the steering committee will compulsorily be forwarded to nodal department of the States & GOI. Steering committee may also form Electronic/Social Media groups for quick communication about their plan, activities etc.
- 18.4.6 In instances where required number of CCEs could not be conducted due to non-availability of adequate cropped area, adverse weather conditions/inadequate infrastructure etc., the yield estimate for such IUs can be generated by using methods such as (i) adopting yield estimate of next higher unit, or (ii) adopting the yield of a neighbouring IU with maximum correlation. Priority of applicability of aforesaid two methods should be notified by the concerned States/UTs in the notification itself, failing which the option of yield estimate of next higher unit would be considered. However, this clause shall only be applicable in unavoidable situations and shall be limited to only minimal number of IU units. It cannot be made a general rule to avoid CCEs. Special efforts should be made by the States/UTs to conduct adequate no. CCEs in all notified units in order to provide appropriate benefits to farmers. However, if States failed to submit/approve the CCE data within prescribed time then claims will be settled based on the yield data generated using technology.

18.4.7 Modalities for Conducting CCEs for Multi-Picking Crops:

In case of multi-picking crops e.g. Cotton, Chilly, Tobacco, Tomato, Pea, Fruits (Mango & Apples) & other crops of similar nature, the following procedure shall be followed:-

- 18.4.7.1 States/UTs need to, in the beginning; specify the number of required picking for each crop both for

irrigated and un-irrigated (rainfed) conditions. Ideally it should be as per the NSSO/Indian Agricultural Statistic Research Institute (IASRI) defined guidelines. If it is not available, States/UTs in consultation with local Agriculture Universities and concerned ICAR centre may identify the required number of pickings. However, as number of actual pickings depends on climatic conditions etc., hence possibility of further pickings of each picking should compulsorily be recorded in CCE app and no. of actual picking will be final in such cases.

18.4.7.2 If the required number of CCEs have been done but the required number of pickings have not been done, then for those experiments, statistical factor needs to be used to extrapolate yield to calculate the final yield.

18.4.7.3 Such statistical factor (proportion of picking wise yield) needs to be computed from well conducted CCEs (with the required number of pickings) from the same Taluka separately from Irrigated and Un-irrigated (rainfed) condition. At least data of 5 well conducted CCE should be used for computing the factors.

An Example for Yield Calculation for multi-picking crop is mentioned in Table 5 below:

Crop	Experiment no.	Picking 1	Picking 2	Picking 3	Picking 4	Total Yield Kg)
		Yield (Kg)	Yield (Kg)	Yield (Kg)	Yield (Kg)	
		P1	P2	P3	P4	ΣP1,P2,P3,P4
Well Conducted CCEs in the Taluka with 4 pickings						
Cotton	E1	1	1.95	2.1	1.25	6.3
Cotton	E2	1	2	1.75	1.4	6.15
Cotton	E3	0.75	1.75	1.5	1.5	5.5
Cotton	E4	0.8	1.43	2.15	1.4	5.78
Cotton	E5	0.95	1.85	1.4	0.75	4.95
	Average	0.9	1.8	1.78	1.26	5.74
	Factor (Total yield/ Picking Yield)	6.373	2.128	1.282		
		(1 st)	(1 st + 2 nd)	(1 st + 2 nd +3 rd)		
CCEs with Less Pickings in any IU within that Taluka						
Cotton	E6 (only 1 st Picking)	1				6.373*
Cotton	E7 (1 st and 2 nd Picking)	1.2	1.75			6.278*
Cotton	E8 (1 st , 2 nd & 3 rd Picking)	1.1	1.85	1.57		5.795*

* Total yield has been calculated as the sum of the available picking yields multiplied by the corresponding factor

18.4.7.4 In case there is dispute regarding large deviation in picking dates, the average picking dates should be computed from well conducted CCEs at the Taluka level. Accordingly, the picking dates and numbers will be adjusted. For example, if the average picking date for second picking in a particular Taluka is in December and one experiment has shown first picking in December, it will be considered as second picking.

18.4.7.5 If there is no proper CCE (with required number of pickings) even at the Taluka level, it should be considered that no CCE is available and the procedure defined in yield dispute SOP (Standard Operating Procedure) should be followed, i.e. yield should be estimated using remote sensing and weather based models. In case the crop has withered and there is no further possibility of having further pickings, the same shall be recorded compulsorily in the mobile application/CCE-Agri App while conducting the current picking experiment. In such cases, no multiplication factor may be used for calculation of AY.

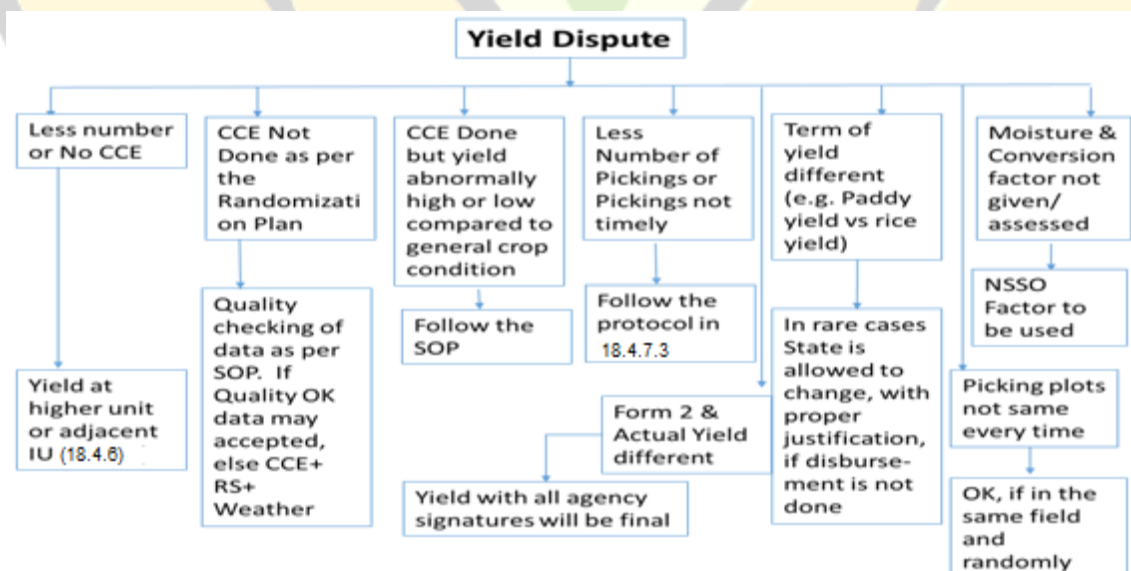
All claims will be settled exclusively on the basis of CCEs based yield data available on the NCIP. The AY Data at Crop-IU level shall be automatically synchronised with the NCIP through online CCE mobile application. Once the AY data is available on the NCIP, the same shall be verified and approved by the concerned District/State authorities. For those experiments which were conducted offline/without mobile application, the AY data, along with the location information shall be uploaded by the concerned District administration or State nodal department on the Portal . However this shall be an exception to be exercised in rare cases and such CCEs should not exceed 5% of the total CCEs. Actual Yield data through any other mode other than the NCIP shall not be accepted. If the yield data is not uploaded/ synchronised /approved within pre-defined cut-off date by the concerned authority/department, the concerned IC, may inform the State Government /Central Government well in time to take appropriate action.

18.4.7.6 IC should be given complete access to co-witness the CCEs, the digital images of the CCEs and relevant data in the requisite format (electronic/physical) by the State Government on a real-time basis. A schedule should be formally given/shared with nominated representative of ICs in the Steering Committee, sufficiently in advance without fail to help them coordinate with the field functionaries and mobilize their manpower accordingly. For this purpose, the IC shall permanently station one representative in the Steering Committee at the concerned district office of the dept/ agency mandated to conduct CCEs for proper day to day liaison (Para 18.4.5). State shall provide necessary space in the concerned office & facilitate sharing of information. However, State may not provide any documents such as Form-1, Form-2 etc. to the ICs. The ICs may verify such documents on a sample basis only by visiting their office. The State should provide facility for physical verification of documents like Form-1, Form-2 etc. on request of ICs at their premises.

19 Dispute resolution regarding Yield Data/Crop loss

19.1 During the earlier years of implementation of PMFBY, various types of yield disputes were observed, leading to unnecessarily delay in the claim settlement. Following chart shows the procedures to be adopted in various cases.

Chart. Procedures to be followed in different yield dispute cases



- 19.2 Wherever the yield estimates reported at IU level are abnormally low or high vis-à-vis the general crop condition the IC in consultation with State Government can make use of various products (e.g. Satellite based Vegetation Index, Weather parameters, etc.) or other technologies (including statistical test, crop models etc.) to confirm yield estimates. If Insurance Company witnesses any anomaly/deficiency in the actual yield data (partial /consolidated) received from the State Government, the same shall be brought into the notice of concerned State department within 7 days from date of receipt of yield data with specific observations/remarks providing intimation to the GoI and anomaly, if any, may be resolved in the next 7 days by the Head of the Nodal Department for State Government. If the dispute is not resolved the matter, may be referred to the State Level Technical Advisory Committee (STAC) for dispute resolution (Constitution of STAC is defined in Para 19.5). In case the matter stands unresolved even after examination by STAC, it may be escalated to the Technical Advisory Committee (TAC) (central level committee) along with all relevant documents including minutes of the meetings/records of discussion and report of the STAC and Departmental Head. Reference to TAC can be made thereafter only in conditions specified in Para 19.7.1 However, data with anomalies which is not reported within 7 days will be treated as accepted to the IC. The protocol of the timelines defined above shall also be applicable to the actual Yield data being provided by the concerned State department in batches, i.e. Crop-wise-District-wise lots of data and timelines for each batch of data shall be counted separately/batch wise. Unnecessary delay in the finalization of yield data will attract penal interest on due claim amount payable to the farmers as decided by the Departmental Head in the matter.
- 19.3 The existing TAC comprising of representatives from the (DES), DAC&FW, MNCFC, NSSO, IASRI, will be further augmented and constituted under the chairmanship of **Additional Secretary, DAC&FW** and additional members on case to case basis may be drawn from various organizations namely, relevant institution under Indian Council of Agriculture Research (ICAR), Indian Agriculture Research Institute (IARI), National Remote Sensing Centre (NRSC), Space Applications Centre (SAC), Central Statistical Organization(CSO), Insurance Regulatory and Development Authority of India (IRDAI), Reserve Bank of India (RBI), National Bank for Agriculture & Rural Development (NABARD), India Meteorological Department (IMD) or any other such organisation.
- 19.4 The TAC shall review all technical matters related to the execution of the Scheme. In case, the matter requires further focused deliberations, the TAC will refer the issue to the Technical Agency (TA) (refer para 19.7.2). The TA will compulsorily take the inputs/reports/relevant information from the concerned State Department and IC and may also opt for representatives of other organizations/experts (if required) with the permission of chairman of TAC and follow the procedure as defined in the SOP.
- 19.5 State shall also constitute the State Level Technical Advisory Committee (STAC) on a similar pattern to resolve disputes. The STAC may be chaired by the Principal Secretary/Secretary of the concerned Department with members from State Agricultural University, State Remote Sensing Centre, IMD (state centre), DES, any ICAR centre in the state, NSSO, etc. However, in case of disagreement between the concerned parties, the case may be referred to the TAC along with recommendations and findings for further deliberation/examination and decision.
- 19.6 TAC/TA/STAC shall deliberate and examine the subject matter and indicate their views /decisions based on statistical/technological inputs and other related scientific and technical parameters as detailed in the SOP.
- 19.7 The SOP to deal with yield dispute cases is as under:

- 19.7.1 **When to use this SOP:** This SOP will be followed only when there is a dispute about the crop yield values between the State Government and IC and in the case when it remains unresolved at the Head of the nodal department level and STAC (Para 19.2) and has been referred to the Central Government Technical Advisory Committee (TAC), which in turn decides that the matter needs to be referred to a Technical Agency (TA). The dispute can be brought to the TAC, only in the case, where all of the following conditions are satisfied. All cases not falling in these criteria shall be decided by the head of Nodal Department with the approval of competent authority and their decision shall be final and binding on all concerned.
- There is more than 25% difference between the yield estimated by the State Government and the IC.
 - There is sufficient documentary evidence that the CCEs have not been conducted in the required numbers and as per the standard protocol, in at least 20% area of the IUs for the particular crop in the Cluster.
 - The matter has been considered by STAC but could not be resolved at the State level.
 - The IC has already carried out the technical analysis of the data in consultation of the State Government or in collaboration with Central/State/Empanelled agencies and has used satellite/model/weather data to support its claim.
- 19.7.2 **The Organizations to which TAC can refer the case:** The organizations can be the Central Government or autonomous organizations, which have requisite capacity to carry out such analyses, such as: MNCFC (DAC&FW), SAC Indian Space Research Organization (ISRO), NRSC (ISRO) and other similar government organisations (e.g. IASRI, IMD, IARI etc.), as decided by TAC. Hereafter, these organizations will be referred to as Technical Agencies (TA).
- 19.7.3 **Data to be provided by State Government:**
- All CCEs data of the contested area, in digital format, (preferably Excel), along with photographs and other collateral data, as collected during CCE. The CCE data should ideally be geo referenced.
 - Village level crop area estimates.
 - Long term (at least 10 years) data of crop yield at GP level (if not available, at least at Taluka/block level) in digital format, (preferably Excel)
 - Long term (at least 10 years) data of weather parameters (daily or weekly) at GP level (if not available, at least at Taluka /block level). The weather parameters should cover at least, rainfall, rainy days and temperature, in digital format, (preferably Excel)
 - Any information about pest/disease attack, hailstorm, cyclones, inundations, heavy rainfall or any other natural/ manmade disasters in that area
 - Report of any analysis carried out by the States to support its claim
- 19.7.4 **Data to be provided by Insurance Company:**
- Data of the co-observed CCEs collected by ICs in digital format, (preferably Excel), along with photographs and other collateral data, as collected during CCE
 - Data of weather observatories*, if maintained or sourced by ICs, in the contested area
 - Report of the technical studies* carried out by the Insurance Company to support its claim.
 - Detailed reasons for the yield data being perceived as contested.
 - Any UAV data/output collected from the contested area
- (*This data shall only be considered where government approved agency/empanelled agency has been used (Para 2.16)

19.7.5 **Analysis to be carried out by the Technical Agency:**

Among the steps given below, any 3 steps should be followed from (a) to (d) and any one step should be followed from (e) to (f). The steps in (g) and (h) are compulsory.

- a) **Statistical analysis of the CCE yield data:** Basic Statistical Parameters (Mean, Variance, Coefficient of Variation (CV), Range, Standard Error, etc.) Scatter plots, Test of Normality (Shapiro-Wilk test, Quartile- Quartile plot, Whiskers box plot, Skewness and Kurtosis, etc.). It also needs to be checked whether CCEs were done using the proper sampling design. Village level crop area may also be checked to identify reasons for lower number of CCE.
- b) **Analysis of Weather Data:** Weekly Rainfall Deviations (at least at block level) or at grid level using gridded or satellite based data, Dry-spell Occurrence, Temperature Anomaly, Soil Moisture Analysis (either from satellite or model data) and any other available weather parameters (related to crop condition), either from ground or satellite data. Another rainfall based index, which can also be studied, is Standardized Precipitation Index (SPI). SPI can be developed using IMD gridded rainfall data or National Oceanic and Atmospheric Administration Climate Prediction Centre (NOAA CPC) rainfall data. However, while using gridded data (either from satellite or ground stations), appropriate resolution should be used at appropriate level. For example, 0.25 degree data should be used only at the district level and not at the block/village level. High resolution weather data can also be sourced from weather companies.
- c) **Analysis of Long-term Yield Data:** Previous 10 years' yield data (at GP or Taluka level) analysis should be carried out to assess the ups and downs. The analysis should include yield ranges, mean yield, standard deviation, and CV.
- d) **Analysis of Other collateral data:** Other data or reports, which should be considered, include Crop Weather Watch Report (DES, DAC&FW),NSSO Supervised CCE data Forecasting Agriculture Output using space Agrometeorology and land based observations(FASAL) programme crop reports, drought assessment reports prepared by MNCFC, Market arrivals and prices data for 2-3 years (<http://agmarknet.gov.in/>), crop condition data available on VEDAS platform (<https://vedas.sac.gov.in/vedas/>), Disaster maps available on Bhuvan platform, IMD weather bulletins, weather information/forecasts available on MOSDAC (<https://www.mosdac.gov.in/>), etc.
- e) **Analysis of Vegetation Index from Satellite Data:** The vegetation index, which can be used for this purpose are Normalized Difference Vegetation Index (NDVI), Normalized Difference Wetness Index (NDWI), Vegetation Condition Index (VCI), Temperature Condition index (TCI), Vegetation Health Index (VHI), Enhance Vegetation Index (EVI), etc. To derive these indices, satellite data of appropriate resolution should be used (Table 6).

Table 6:Types of resolution to be used for vegetation index derivation for different levels of analysis

Level of Analysis	Spatial Resolution to be used	Examples of Satellite/Sensor
Village level	5-10 m or better	Resourcesat 2/2A: Linear Imaging Self Scanning Sensor (LISS) IV (5.8m), Sentinel 2:MSI (10 m); Rapid Eye (6.5 m); SPOT 5 HRG (5,10 m)
Block/Tehsil level	10-30 m	Resourcesat 2/2A: LISS III (23.5 m), Landsat 8: OLI (30 m); Sentinel 2:MSI (10 m)
District level	50-250 m	Resourcesat 2/2A: AWiFS (56 m); Proba V (100 m), MODIS (250m)

However, wherever long-term satellite data is needed, Moderate Resolution Imaging Spectroradiometer (MODIS) (250 m) data can be used, but it should not be used for village level information. Ideally for deriving crop specific vegetation indices, crop maps should be overlaid on the data. Generally, for few major crops, crop maps are prepared under FASAL project of DAC&FW. Crop maps can be generated using either optical or microwave remote sensing Synthetic Aperture Data(SAR) data of appropriate resolution. Wherever, crop maps are not available, at least agricultural area map should be used. Agricultural area map can be obtained from the Land Use (LU)/Land Cover (LC) available with NRSC or SRSACs. For assessing NDVI or NDWI deviation percentage, data of latest 2-3 years should be used or at least data of a normal crop year should be used.

- f) **Crop Growth Modelling:** Yield loss estimates can be made using crop simulation models such as Decision Support System for Agro-Technology Transfer (DSSAT)/ InfoCrop, etc. Remote sensing based semi-physical modelling (e.g. Photosynthesis Efficiency Model) approach can also be used for crop growth analysis. However, care should be taken to use well calibrated and validated models and also models should be run in at higher spatial resolution, at least 5 km. Crop Simulation models should be assimilated with remote sensing products (e.g. crop map, phenology, Leaf Area Index (LAI), etc.)
- g) **Identification of Outliers:** All these above analyses can be used to check whether there was any reason for yield deviation as presented in the CCE data. Then a yield proxy map may be prepared. The Yield proxy map can be derived from remote sensing vegetation indices (single or combination of indices), crop simulation model output, Remote sensing based semi-physical models or an integration of various parameters which are related to crop yield, such as soil, weather (gridded), satellite based products, etc. Whatever, yield proxies to be used, it is the responsibility of the TA to record documentary evidence (from their or other's published work) that the yield proxy is related to the particular crop's yield. Then the IU level yields need to be overlaid on the yield proxy map. Both yield proxy and CCE yield can be divided into 4-5 categories (e.g. Very good, Good, Medium, Poor, Very poor). Wherever there is large mismatch between yield proxy and the CCE yield (more than 2 levels), the CCE yield for that IU can be considered, as outliers.
- h) **Computing Yield for the Outliers:** For the IUs, where the yield was considered as outlier, the yield may be estimated by developing empirical models (statistically significant, with low Root Mean Square Error (RMSE) between long-term yield data (at IU level or, if not available, higher administrative level) and weather and remote sensing based index data. If good quality long-term data is not available or if the model is not significant, when using time series data for an

administrative unit(AU) (GP/Mandal/Hobli/Block/Taluk etc.), the model can also be developed using the previous 1-2 years' data across the IUs/administrative unit, within a district. Using these models, yield for the concerned year should be estimated. The estimates of only statistically significant models (p-value of 0.1) will be considered. RMSE (%) of the Yield estimated from the model estimates, in comparison with the actual historical yield should be less than 30%. The final yield estimate will be a combination of CCE (whatever experiments available) estimates and technology estimates. The estimates will be combined by giving weightage to the inverse of the errors of the estimates. If the model was not statistically significant, the average of estimated yields of adjacent blocks should be used (Note: Each and every case may have specific and special cause related to a problem and may not be considered as a reference for any other case.) Each time, the stage of the crop should be given prior importance e.g. 10 mm rainfall at vegetative stage and at harvest or post-harvest stage has different impacts; a small amount rainfall having devastating wind-speed have different impact than high amount of rainfall having calm or no-wind. The TA needs to take into account all these factors to consider each of the cases as an individual and special case.

- 19.7.6 **Time required for the analysis:** The analysis needs to be completed by the concerned TA, within one month of receipt of all mentioned data from the IC and the State Government.
- 19.7.7 **Funds needed for the analysis:** All the analysis will be carried out by the TA, with its existing resources. However, if there is any need of procurement of priced data or services, this may be funded by the concerned IC or the State Government, whichever organization has brought the dispute issue up to TAC.
- 19.7.8 **Support to Technical Agency:** The TA, if required, can take the support from the experts of SRSACs and SAUs. For this the State Agriculture Department will issue required instructions to concerned experts/agencies. A concerned officer of the PMFBY TSU will coordinate between the TA and the state.
- 19.7.9 **General Suggestions:** Though this SOP identifies the procedure for yield dispute resolutions, in the long run, it will benefit the scheme and the farmers, if there is no dispute. The following suggestions are made to avoid dispute:
- The States should conduct the CCEs following the standard procedure (proper sampling plan) and collect the data using CCE-Agri App only
 - States need to pro-actively use technology for more accurate crop yield estimation
 - States should develop mechanism to resolve disputes at the State level by using the technical support from State level organizations, such as Agricultural Universities, SRSACs, and ICAR Centres located in the State, local IMD office, etc.
 - The ICs should proactively, get involved with the States for supervision of CCEs.
 - The ICs should increasingly invest in the use of technology to support the loss assessment.
 - There should be better coordination between the State and the ICs

20 Use of Innovative Technologies in Yield Estimation:

20.1 Rationalization of CCEs (Smart Sampling Technique (SST)and CCE Optimisation):

It is observed that crop yield estimation problem in the insurance units is increasing and thereby reducing the efficiency of the crop insurance mechanism. Disputes on the quality of yield data is a challenge in the effective implementation of the Scheme. Technology interventions are highly recommended from time to time to bring improvements in the crop yield assessment. Under the revamped PMFBY, implementation of smart sampling techniques is mandatory for (a) improving the CCE field's selection and (b) optimizing the number of CCEs. Through smart sampling, the CCE fields in each insurance unit can be selected based on the yield proxy index, thus accounting for the spatial variability in crop yield. The primary and the unique advantage of this new technique is achieving improved distribution of CCEs in the notified insurance units thereby leading to more representative yield estimates compared to conventional random sampling approach. Crop condition and crop risks occurrence, if any, during major part of the season are taken into account while developing a-priori yield proxy. The add-on benefits of smart sampling include; (a) notification of CCE locations only a few days before harvest, thus minimizing moral hazard issues and (b) identification of CCE locations through digital map base, thus minimizing human bias/preferences in locating the fields. Digital database of CCE facilitates linking of CCE data with satellite data and different thematic datasets. The two important input data layers for implementing smart sampling are crop map and crop yield proxy map in digital form in moderate to high spatial resolution.

- 20.1.1 **Crop map:** Satellite derived accurate crop map is a pre-requisite for smart sampling. Crop mapping accuracy depends on many aspects, which include (a) spatial resolution of satellite data vis-à-vis the field size, (b) the spectral bands being used for classification, (c) the classification algorithm (d) the cropping pattern (mono cropping or mixed cropping) and (e) granularity and quality of the ground truth data used in analysis of the satellite data. Both commission error (e.g. non-paddy areas represented as paddy) and omission error (e.g. paddy fields are represented as non-paddy) would affect the efficiency of smart sampling. Satellite data of 10-30 m spatial resolution and crop mapping accuracy more than 80% are recommended for generating crop map for Smart Sampling.
- 20.1.2 **Crop yield proxy map:** Ability of the yield proxy to capture the spatial variability of yield within the IU largely determines the efficiency of Smart sampling technique. Government of India has developed a protocol for yield proxy generation (Protocol of Smart Sampling for Crop Cutting Experiments, September 2019). The details of yield proxy generation using multiple satellite, weather and ground data are provided in the protocol. The yield proxy defined in the protocol is available in 10-30 m resolution, which has higher accuracy for yield estimation, as shown in various pilot studies. States may adopt that method for yield proxy generation. The yield proxy layer has to be generated in time, preferably 30 days and not later than 20 days before harvest time.
- 20.1.3 **Selection of CCE fields:** The Crop map should be co-registered with the Yield proxy map and overlaid on it. Density slicing based on 4-6 quantiles (divide the frequency distribution in equal proportion) should be carried out for the yield proxy of each district/block (6 classes are taken if stratification is done at district level and 4 classes are made if stratification is done at Block/Tehsil level). IU Boundaries are overlaid and for each IU 2-3 major classes are considered. 4 locations (primary) are randomly selected from these classes, proportionate to number of pixels under each class. For each point, 2 additional points (secondary and tertiary) are selected from the same class, as reserve. For each point, the latitude/longitude, class category, GP name, Taluka and district names are to be provided to the SRSACs. Field survey numbers corresponding to each location are to be identified by SRSAC using cadastral maps and provided to the field functionaries at least 5-days before harvesting. Wherever cadastral map is not available, geographical locations (Latitude and Longitude) of the field is to be given to the field functionaries, who can locate using any navigation App.

20.1.4 Crops to be covered: Smart sampling technique (SST) for CCE fields selection may be implemented for many crops like paddy, wheat, jowar (Rabi), mustard etc., wherever satellite-based crop mapping and multi-index based yield proxy layer generation are available (under the FASAL project of DAC&FW). Generally, it is recommended for main crops like paddy, wheat, jowar, mustard, cotton etc., since the procedures for generating the above inputs are fairly operational. For other crops, methodologies are to be standardized and the States are advised to undertake such Research & Development (R&D) studies for standardization of approaches so that a greater number of crops can be brought under the purview of smart sampling.

20.1.5 Variable Methodology: Selection of right data and right techniques of analysis for crop mapping and crop yield proxy generation determines the efficiency of smart sampling. One methodology with one set of inputs for all regions and crops may not work. Diverse crop growing environments may need using different methods for different regions. One has to check for the robustness of the methodology by applying certain quality parameters such as sensitivity of crop yield proxy and accuracy of crop layer using ground truth or secondary data.

20.1.6 Smart sampling for CCE Reduction (CCE Optimisation): The CCE Optimization studies carried out by the Department have shown possibility of reduction of 30-75% of CCE numbers by adoption of technology. Accordingly, CCE optimization can be followed for similar crops as in Smart Sampling (e.g. Paddy, Wheat, Rabi Sorghum, Mustard and Cotton). For CCE optimization, similar crop map and yield proxy as defined in (para 20.1.1) can be used. Similar stratification procedure also may be followed. However, in this case number of selected CCE in GP ranges between 2-4 depending on number of major clusters in the GP. The GP level yield is not simple average of CCE yield, but area weighted average of the CCEs. While computing area weighted average, the CCE data of other points in same block are considered. Suppose a block has 4 classes of yield index. Out of these 3 classes are major for one GP. So, the GP can have 3 CCE points. The example in the following table shows how GP yield will be computed.

Example of GP level yield computation using optimized CCE data

Yield Class in the GP	Proportion of Area with that Yield class in GP	Number of CCEs for that yield class in GP	Average Yield for the yield class in the Block
A1	30%	1	Y1
A2	40%	1	Y2
A3	20%	1	Y3
A4	10%	NIL	Y4
Total	100%	3	GP Yield = Y1x0.3+ Y2x0.4+ Y3x0.2+ Y4x0.1

20.2 Two Step Yield Estimation:

One of the major requirements of the Scheme, is carrying out a large number of CCEs (at least 4 per GP, for a major crop), for yield estimation, which is the basis for claim computation. However, conducting such larger number of Crop Cutting Experiments (CCEs) has become a very cumbersome task, considering the short harvest period within which all CCEs have to be completed. This may also result

compromising the quality, rigor and accuracy of the CCEs. In order to overcome this, the GOI is trying to implement various approaches with the help of technology, such as, i) smart sampling under which CCE sites are being selected based on satellite remote sensing-based proxy yield parameters. Another significant approach which the Government is proposing is to adopt the Two-step yield estimation. The basic idea behind the Two-step yield estimation is to assess/categorize the crop loss incurred due to adverse climatic conditions, pest infestation etc. based on technical parameters (remote sensing, weather, field survey etc.) and carrying out large number (as defined in PMFBY) of CCEs wherever the situation is 'severe' or 'moderate'. Wherever the situation is 'mild' or 'normal' based on the technical parameters, reduced number of CCEs (as defined for a higher administrative unit) are to be conducted. In other words, the required number (4 per GP) of CCEs will be carried out only in the places where there is a situation of crop loss (severe or moderate) and limited number of CCEs will be carried out where the situations are 'mild' or 'normal'. A typical example of similar approach is followed in drought assessment where weather, satellite and ground parameters are used to assess the drought situation and then ground truth for loss assessment is carried out wherever the situation is 'Moderate' or 'Severe'. All States are following this procedure for drought declaration. In order to implement a similar approach in the Two-step yield estimation, there is a need to identify the technology parameters separately for different climate induced disasters, pest infestation etc. which have been notified in the PMFBY. Also, there is a need to generate threshold values of different parameters to categorize a situation into 'Severe', 'Moderate', 'Mild' or 'Normal'. Thus, in a normal crop season, CCEs will be conducted at aggregated level, say block/taluka, assuming that the CCE derived average yield at block/taluka level represents the average yields of the insurance units within it. If the seasonal conditions are not normal, i.e. crops have been exposed to natural calamities like flood, drought, abnormal weather events, pests/diseases etc., then CCEs will be conducted as per the existing procedures and defined numbers, in each of the affected insurance unit. In case, a block/taluka is identified having some part in Moderate/Severe situation, while rest part in Normal situation, all the IUs under Moderate/Severe will have required number of CCEs at IU level, while for rest part will have 16 CCEs, at block/taluka level, whose average yield will be used for all the Normal IUs. The Two-step yield estimation approach will be followed, only when the Insurance Unit is below Block/Taluk level, i.e. Village/GP or Mandal/Firka/Revenue Circle/Hobli or any other equivalent unit. The most important elements in the Two-step yield estimation procedure are;

- Identification of insurance units affected by crop risks during the season
- Time of occurrence of crop risks impacting the timely identification of affected IUs

20.2.1 Identification of the Insurance Units (IUs) affected by crop risks: Using multiple indicators such as rainfall, dry spells, temperature, satellite-based crop condition, satellite derived thematic maps, field data and secondary data, etc., decision rules will be developed and summarized in to a look-up table called "Deviation Matrix (DM)". Based on the Deviation matrix, the Insurance Units (IUs) can be classified into Severe', 'Moderate', 'Mild' or 'Normal', with respect to any particular risk. Indicators and Deviation Matrix are specific to risks and regions.

20.2.2 Crop risks covered under Two-step yield estimation

The following crop risks are notified for implementing the Two-step yield estimation.

- Drought
- Prolonged Dry Spell

- Floods
- Cyclones
- Pest/diseases
- Hailstorm (if it is for large area)
- Unseasonal rains
- Frost

Data required for generating indicators, decision rules and Deviation Matrices for the above risks will include, but not limited to,

- Weather data – rainfall (amount, intensity & distribution), dry spell, humidity, temperature (Maximum, Minimum and Average), wind speed, cloud cover, etc. at daily/weekly interval for the current period and normal values
- Soil Moisture
- Area Sown
- Satellite derived crop map, flooded area map, crop condition indices
- Satellite Derived Agro meteorological parameters
- Pest and Disease infestation related field measurements
- Hydrological Parameters (Ground water, Reservoir Storage, etc.)
- Soil and Topography
- Mobile App based field data

The Indicators/ Decision Rule/Deviation Matrix will be risk specific.

Granularity of input data plays an important role because the analysis has to be carried out at Insurance Unit scale. In case of weather data, it is desirable to use standardized Automatic Weather Station (AWS)/Automatic Rain Gauge (ARG) data. Satellite data of moderate spatial resolution 10-50 m is suggested.

Crop risks covered under Two-step yield estimation:

S.N.	Risks /Perils	Indicator Parameters
i.	Drought	<ul style="list-style-type: none"> • Rainfall amount • Dry spell • Soil moisture • Satellite indices
ii.	Prolonged Dry spell	<ul style="list-style-type: none"> • Crop area sown • Hydrological Parameters (Ground water levels, Reservoir storage level)
iii.	Flood	<ul style="list-style-type: none"> • Amount of rainfall • Topography • Soil type • Crop Type & Stage • Satellite Data
iv.	Cyclone	<ul style="list-style-type: none"> • Rainfall Amount & Intensity • Wind speed

		<ul style="list-style-type: none"> • Landfall area • Satellite Data • Crop stage
v.	Widespread Hailstorm	<ul style="list-style-type: none"> • Dual-pol Radar Measurements • Ground Information • Satellite Data
vi.	Unseasonal rain	<ul style="list-style-type: none"> • Rainfall Amount • Rainfall Intensity & Duration • Satellite derived Rainfall • Crop Stage
vii.	Pest/Disease	<ul style="list-style-type: none"> • Weather data – cloud cover, humidity and temperature • Ground Information • Satellite based crop condition before and post event • Biomass • Soil Moisture • Crop Type & Stage
viii.	Frost	<ul style="list-style-type: none"> • Minimum Temperature • Clear Sky • Wind

20.2.3 Crop risks not covered under Two-step yield estimation

Two step yield estimation will only be applicable to settle the claims based on end season yield data on an area-based approach. The following risks are not covered under the Two-step yield estimation because of technical reasons;

- Localized Hailstorms
- Land slides
- Loss due to attack by Wild animals

These risks are generally localized in occurrence and indicators are not readily available to capture the impact. Mobile app-based field data provides better evidence on such risks and Insurance Units may be categorized using such data.

20.2.4 Time of occurrence of crop risks: Timely identification of risk-affected insurance units is very critical to ensure the preparedness by the field functionaries for timely execution of CCEs. It is recommended that the affected insurance units be identified by at least 20-30 days before crop harvesting. That means, crop risks occurring from sowing till 30 days before harvest are only accounted. Abnormal events like cyclones/floods or unseasonal rains that occur a few days/weeks before harvest are to be included in the CCE plan. Identification and notification of insurance units in such a small time window would be a challenge. Hence, there should be some back-up plan with all the States to deal with calamities/risks that occur just before crop harvest. Considering the nature and time of occurrence of crop risks, a quick decision has to be taken by the States on CCE plan, whether to go for requisite number of planned CCEs at IU level or group of homogenous IUs /pooled areas for conducting less number of CCEs.

20.2.5 Crops to be covered: The two-step yield estimation procedure may be implemented for all major crops by defining the set of input indicators for assessing the effect of crop risks.

20.2.6. Exceptions:

- Widespread post-harvest losses will be out of the ambit of the Two-step yield estimation.
- Localized calamities, as described in these OGs will be assessed at farm level by the same procedure as described in the guidelines.

20.2.7 Key Considerations:

- Considering that conducting study at Gram Panchayat (GP) level is a time consuming process, this activity should be completed well ahead of the CCE Season
- Within the 1st step of the process, the fact that more than one crop may grow in an IU, with varied growth cycle and thus different response to various perils, should be taken into account
 - Sufficient awareness should be generated amongst farmers and other stakeholder about the change in the process of estimating crop yield and crop loss

20.3 Area Discrepancy in Insurance Coverage:

It is noticed that in some instances in States/districts, area insured is much more than area sown figures hence, compulsory use of Remote Sensing Technology (RST)/ satellite imagery, digitization of land records needs to be done to minimize the area discrepancy. For this detailed procedure has been laid down in Section 25 of this document.

20.4 Direct Yield Estimation through Technology:

20.4.1 For addressing the issue of reliability of CCEs in terms of their accuracy, representativeness and timeliness, innovative technologies such as satellite remote sensing, drone, modeling, AWS/ARG, real time transmission of data etc. should be utilized. This will ensure accurate assessment of yield and timely payment of claims to farmers. Various studies carried out by national and international organizations, including MNCFC, NRSC, SAC, Research Program on Climate Change, Agriculture and Food Security (CCAFS), International Rice Research Institute (IRRI), International Food Policy Research Institute (IFPRI), World Bank, etc. have shown that the use of satellite, weather, soil and crop data, along with images/video capture of crop growth at various stages and accurate sample CCE data collection can improve the yield data quality/ timeliness and support timely claim processing and payments.

20.4.2 States, with the support of national centres as mentioned in para 20.4.1 as well above, SRSAC and SAUs, need to carry out adequate number of pilot studies for improved yield estimation using technology, as mentioned above, and small number of good quality CCEs. When a significant correlation is observed between remote sensing and weather estimated yield and yield estimated through CCEs, States and ICs can use these technologies in estimating the crop yields at IU level, subject to the satisfaction of both States and ICs about the accuracy of the yield estimates, to service the claims.

20.5 Concerns in Yield Data Quality and Timelines for Data Reporting:

- 20.5.1 It has been observed that the normal CCE process being followed by the States/UTs for estimating yield is lacking in reliability, accuracy and speed, which affects claim settlement. There is a need for real time, good quality and reliable actual yield-data for which mandatory use of smart phones / handheld devices has to be done for capturing images, location of the CCE and for online transmission of data on NCIP through CCEs Agri-app. RST using satellite and drones, weather data, model etc. may also be used for the purpose of increasing accuracy and speed of yield estimation through CCEs.
- 20.5.2 The cost of using technology etc. for conduct of CCE process specially purchase of smart phones/handheld devices and use of technology (RST, Drone etc.) will be shared between Central Government and States / UTs on 50:50 basis, wherever necessary, subject to a cap on total funds to be made available by Central Government for this purpose based on approximate cost of procuring handheld devices/smart phones and other related costs (RST, Drone, etc.)
- 20.5.3 If the CCE derived yield data is not provided by the States within the stipulated time lines then technology derived Synthetic Yield data (i.e. crop yield estimated/simulated using satellite derived indices, crop growth simulation model, weather data, etc.) will be used for claims settlements. Such Synthetic Yield data of a crop will be compared with corresponding historical yield data (derived from CCE) for indemnity assessment. Synthetic yield data is meant for the purpose of timely settlement of claims when CCE-derived yield data availability is delayed. Synthetic yield or technology derived yield is generated by the agencies designated by the Ministry. The GoI will convene the meeting of the TAC constituted for this purpose with the concerned State Government and the IC to finalize the technology-based claim calculation for that crop. If the TAC recommends, the GOI will send a request letter to MNCFC (Mahalanobis National Crop Forecast Centre)/ Other Designated Agency (e.g. SAC, NRSC, IASRI, IMD, etc.) for the calculation of synthetic yield (model-based yield) for that crop. After the meeting of Expert Committee and the MNCFC/ Other Designated Agency will share the synthetic yield within 21 days from the final receipt of required input data from the State and/or IC and the claims will be settled based on synthetic yield provided by MNCFC / Other Designated Agency. Meanwhile, the Insurance Company should send a reminder to the State for sharing the crop wise AY data with them on NCIP ICs within one month from the completion of CCEs for that season. Also, the IC should send the second reminder to the State for sharing the AY data with them within 15 days before the cut-off date for initiation of technology-based claim calculation given by the GoI to the State. If, the IC fails to send one or both the reminders to the State for sharing the Actual Yield (AY) data, then the GoI will impose penalty on the IC. Similarly, the State Government must share all the Actual Yield (AY) data with IC within the stipulated cut-off date as per the PMFBY guidelines or within the extended cut-off date given by the GoI to the State. In case, State Government fails to share the AY data with ICs on or before extended cut-off date, then the IC will send an intimation letter to the GoI. Thereafter, the GoI will convene the meeting of the TAC constituted for this purpose with the concerned State Government and IC to finalize the technology-based claim calculation for that crop.
- 20.5.3.1 **Synthetic Yield Data:** In the event, the CCE derived yield data is not provided by the States within the stipulated time-line, Technology derived synthetic yield data will be used for claims settlements. Synthetic yield is computed based on empirical or semi-empirical models. Synthetic yield data will be provided by the MNCFC/Other Designated Agency. Calculation of synthetic yield data involves analysis of satellite data, meteorological data and other data and therefore there will be financial and logistic requirements. The State Government shall bear all the cost of the synthetic yield estimation.

- 20.6 **Technology Fund:** A technology fund will be created by the GOI wherein resources shall be allocated for meeting 5% of GOI share/100% grant in various technological interventions undertaken by the State Government funds as admissible. The fund shall be augmented with excess farmers share of premium surrendered by ICs due to application of Area Correction Factor (ACF) and penalties imposed on ICs on account of poor performance by ICs as per the parameters outlined in **Annexure-IV**.
- 20.7 **Support to the States and ICs for technology adoption:** Revamped PMFBY relies more on technology-based solutions for enhancing efficiency and objectivity in its implementation. For finalizing the best possible methodologies corresponding to the provisions of OGs, States and ICs need the support of Technology Institutions. This involves a lot of preparatory work by the States/IC for implementing the revamped scheme. In this connection, States are advised to take the support of MNCFC, SRSACs, National Institutes like SAC(ISRO), NRSC (ISRO), IMD and ICAR to undertake the analysis. Crop maps and satellite indices that are being generated at MNCFC under various projects like FASAL, National Agriculture Drought Assessment and Monitoring System (NADAMS), Coordinated Horticulture and Management Using Geo-informatics (CHAMAN) etc. can be made available to States by MNCFC for the purpose of developing the technology interventions. This would avoid duplication of work by States/ICs.
- 20.8 **Training and capacity building:** PMFBY rely largely on technology-based products and services for efficiency, transparency and objectivity in its implementation. All the stake holders should therefore create necessary infrastructure, data collection systems and manpower for technology adoption. In this connection, States and ICs have to be given regular training for better understanding of the new guidelines and developing the methods for implementation. Therefore, Training and Capacity building programmes will be developed by DAC&FW with the support of MNCFC, SAC, NRSC, and ICAR

21 Assessment of Claims & Claim Settlement

21.1 Payment of Claim Liabilities is the responsibility of concerned IC. The IC shall therefore take all the necessary steps to take appropriate reinsurance cover for their portfolio in order to safeguard insured's interest. In case premium to claims ratio exceeds 1:3.5 or percentage of claims to Sum Insured exceeds 35%, whichever is higher, at the National Level in a crop season, then Government will provide protection to ICs. The losses exceeding the abovementioned level in the crop season would be met from equal contribution by the Central Government and the concerned State/UT Govts. The claim settlement protocol under basic cover and all other add-on coverages are explained in details as below:

21.2 Yield loss due to wide-spread calamities under Basic Cover:

21.2.1 If AY per hectare of the insured crop for the insurance unit (calculated on basis of requisite number of CCEs) in insured season, falls short of specified TY for the season, all insured farmers growing that crop in that IU are deemed to have suffered a 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:

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

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

Illustration

In table below, assumed yield of wheat for the last 7 years is given for insurance unit area of "X". Calculation of TY for Rabi 2014-15 season is given in Table 7 below:

Year	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Yield(kg/ha)	4500	3750	2000	4250	1800	4300	1750

The years of 2012-13 and 2014-15 have the lowest yields.

Total of yields of seven years is 22350 kg/ha and that of two lowest yield years is 3550kg/ha i.e.(1800+1750). Therefore, according to the provision, average of best five years excluding two lowest yield years will be $(22350-3550=18800/5)$ i.e. 3760 kg/ha. Hence, threshold yield at 90%, 80% and 70% of indemnity levels will be 3384kg/ha, 3008kg/ha and 2632 kg/ha respectively.

21.2.2 District Level Joint Committee (DLJC) will be constituted which will look after the invoking of On-Account Payment under mid-season adversity, prevented sowing, localized calamities and post-harvest losses.

21.3 **Prevented / Failed Sowing and Prevented Planting / Germination Claims:**

21.3.1 Insurance cover will be provided to farmers in case of widespread incidence of eligible risks (para 5.2.1) affecting crops in more than 75% of the area sown in a notified unit at early stage of sowing which is up to 30 days from the start of sowing but no later than 15 days from cut-off date for enrolment, leading to the total loss of crop or in a condition where farmers are not in a position to either sow or transplant the crop.

21.3.2 **Eligibility Criteria:**

21.3.2.1 This add-on cover will only be available if this cover is notified by the State/UT.

21.3.2.2 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 experienced unsown/prevented sowing/germination failure during the sowing period due to occurrence of widespread incidence of eligible risks. Normal sown area of the crops will be the average of actual sown area of the preceding three seasons.

21.3.2.3 Only those farmers are eligible for financial support under this cover who have paid the premium i.e. the premium amount has been debited from their account before the damage notification was issued by the State Government for invoking this provision for compensation. Banks must ensure that the farmers premium is debited within 15 days from the sanction/renewal of KCC/crop loan of all eligible loanee farmers and before the cut-off date for debiting the premium .

21.3.2.4 The provision could be invoked for a specific crop or a group of crops in notified IU, by the Nodal Department of the State Government on the basis of the recommendation submitted by DLMC supported by evidence/weather reports, other proxy weather indicators and the joint loss assessment survey subject to the fulfilment of the conditions specified in these guidelines.

21.3.2.5 The eligibility of claim settlement shall be decided based on the outcome of the joint loss assessment surveys carried out by the representatives of IC, District Administration/State Government Nodal Department and Farmers. In case of a dispute/disagreement between the stakeholders regarding the quantum/extent of loss reported by the Joint Loss Assessment committee, the crop loss assessment/estimation for the eligibility of the claims will be done using

technology derived solutions such as weather/remote-sensing indices along with loss assessment surveys of Joint Committee with the weightage of 70% : 30% respectively for the final assessment and evaluation of the extent of loss. Acceptance of the technology driven extent of loss will be binding on all stakeholders.

- 21.3.2.6 STAC in coordination with State Remote Sensing Application Centre will conduct yield estimation and assessment of the loss as mentioned in para 21.3.2.5 based on the protocol developed by MNCFC. STAC may take the help of MNCFC if they desire.
- 21.3.2.7 The amount payable would be 25% of the gross total Sum Insured and the insurance coverage shall get terminated. Farmers can have the alternative to sow shorter duration, resistant crops and avail crop insurance on such crops within the enrolment period for the same.
- 21.3.3 **Proxy-Indicators:** Indicators to be used for loss intimation could be rainfall data, other weather indices, satellite imagery, Remote sensing indices, drought assessment reports of the MNCFC and crop condition reports by district level/ State Government officials, supported by media reports and field photographs. The State's notification should include all the necessary details and the broad list of indicators to be used in this regard.
- 21.3.4 **Loss assessment procedure:**
- 21.3.4.1 The States/UTs would notify the Crop Calendar indicating crop-wise and agro-climatic zone or district wise cut-off dates by which, this provision could be invoked. However, these dates should not be later than 30 days from the time of normal sowing period and no later than 15 days from the cut-off date for enrolment of farmer. Beyond this date, this provision shall not be applicable under any circumstance.
- 21.3.4.2 The DLMC will recommend invoking of prevented sowing to the State Nodal Department. State Government Notification will only be issued by the concerned State Nodal Department after consideration and validation using the available proxy data. ICs may also provide input to the State in this regard with substantial evidence for consideration within the stipulated time so that claim of ICs may be verified by them. If IC makes such a case then DLMC/State Government is bound to get it examined within a stipulated time of 7 days and in case State Government finds that Prevented Sowing is not applicable then they should inform the IC accordingly along with providing cogent reasons for the same.
- 21.3.4.3 If it is felt that the prevailing conditions precedent triggers for invocation of prevented sowing have been breached, the Chairman, DLMC on his/her own accord or on the directions of the State Nodal Department, may convene a meeting of the DLMC wherein the weather/proxy indicator data as indicated in Table 9 shall be presented and discussed. If the Committee finds a breach of the conditions, then DLMC will issue directions for conducting the joint survey of the crop-wise affected insurance units which includes a written notice to concerned ICs for a Joint Survey. The report of the joint survey will be presented in the DLMC and with the recommendation of DLMC it shall be forwarded to the State Government for validation and issuance of the necessary notification for invocation of prevented sowing.
- 21.3.4.4 State Government would declare the list of notified IU that suffered Prevented or Failed Sowing/Planting/Germination conditions with approximate areas in percentage of the unit. Such information should be compulsorily uploaded on NCIP to arrive at the Claim amount of eligible insured farmers from the Portal itself.

21.3.5 Conditions:

- 21.3.5.1 The cover will be available for major crops covering a total sown area higher than 25% of the total sown area of the District/Taluka or the equivalent unit for the season (refer para 7.2.1.1). Provision of Area Correction Factor (ACF) will not be applicable.
- 21.3.5.2 Mere disbursement/ sanction of loan without receipt/ debit of premium before the notification of calamity won't make a farmer eligible for claim.
- 21.3.5.3 This provision has to be notified by the State Government within 30 days from date of the normal sowing and no later than 15 days of the cut-off date for enrolment, beyond which the clause cannot be invoked..
- 21.3.5.4 The IC would disburse the claim within 30 days of the State's Notification invoking the event of the insured risk.
- 21.3.5.5 The pay-out under the cover would be disbursed by the IC only after the receipt of at least advance Government share of premium subsidy (1st instalment of both State & Central Government).
- 21.3.5.6 Insurance Cover would terminate for the affected crop in a Notified IU 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.
- 21.3.5.7 Once this provision is invoked, no fresh enrolment of farmers for the affected notified crops and areas would be done.
- 21.3.5.8 Once exigency is invoked it applies to all the insured farmers in the Notified Insurance Unit for a given crop, including those whose crop survived.
- 21.3.5.9 The Bank would remit farmers' premium to IC, with eligible loanee farmers list, within 7 days of the 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.

Illustration

- 21.3.5.10 District 'B' with 100 insurance units has been affected by a dry-spell at the beginning of crop season, consequently about 80% of the area could not be sown in about 50 insurance units for groundnut crop, where per hectare sum insured is Rs. 20,000. As per the provision of payment for prevented sowing, the benefit payable is sum insured X 25%, which on a sum insured of Rs.20,000 works out to Rs.5,000/- in the 50 insurance units with more than 75% area which could not be sown.
- 21.3.5.11 Detailed Procedure and Timelines for payment of Prevented / Failed Sowing and Prevented Planting / Germination Claims is mentioned in Table 8 below:

Sl. No	Actions required to be taken	Action to be taken by	Schedule for taking action
1	Formation of District Level Joint Committee (DL JC) under the <u>Chairpersonship</u> of the District Collector (DC)/District Magistrate (DM) with the following members for loss assessment survey: <ul style="list-style-type: none"> • District Agriculture / Horticulture / Revenue Officer – as Convener, 	State/ UT Nodal Department/ (SLCCCI)	It should be a part of main Notification to be issued by the State/ UT for implementation of PMFBY. The composition of Committee should be notified in the PMFBY notification by the State/UT & first meeting should be held within a week after the notification to familiarize the members with the procedure to be followed.

	<ul style="list-style-type: none"> • Concerned IC • Representative of the IMD from nearest Observatory, • Representative of Krishi Vigyan Kendra (KVK) / Agriculture University • 3 representatives from district farmers nominated by Agriculture Department 		
	<p>Details of Government's AWS/ARG (at appropriate level according to availability) in Notification to be issued by the State/ UT for the implementation of PMFBY for weather data supply including rainfall to DLIC</p>	<p>State/ UT Nodal Department</p>	<p>To be included in the main notification of State Government itself</p>
	<p>Major crops should be declared strictly based on the criteria defined in the OGs and they should be mentioned in the notification issued by State Government</p>		<p>-do-</p>
	<p>District-wise tentative <u>time period and cut-off dates</u> for sowing of major crops. *Cut-off date for applicability of prevented sowing provision shall be one month from the cut-off date for sowing and no later than 15 days from the enrolment cut-off date.</p>		<p>-do-</p>
	<p>Details of the month-wise district-wise as per IMD's Long Period Average (LPA) of rainfall</p>		<p>-do-</p>
<p>2</p>	<p>Decision to be taken about fulfilment of the eligibility of more than 75% affected sown area in the notified insurance unit <u>within one month</u> of sowing based on the occurrence of any one of the proxy Indicators occurring along with other proxy indicators:-</p> <ul style="list-style-type: none"> • Severe Drought Condition, as defined in the Drought Manual, 2016 • Dry spells and drought declared by State/ UT • Abnormally Low / High temperature in comparison to LPA >20% deviation • Abnormally Low / High rainfall in comparison to LPA > 20% deviation • Widespread incidences of 	<p>DL JC</p>	<p>Definitions & interpretations regarding proxy indicators would be applied as per IMD's guidelines as below.</p> <p>%age w.r.t. LPA</p> <p>Abnormal Weather Parameter: (±) 20 or more deviation than the LPA</p> <p>Definitions & interpretations regarding proxy indicators for drought would be applied as per Drought Manual 2016, i.e.</p> <p>1. Rainfall Index: Dry Spell: 3-4 weeks with <50% of Normal Rainfall (RF) Rainfall Deviation: < -20% of Normal RF</p> <p>2. Remote Sensing: NDVI/NDWI deviation: < -20%—30% VCI Value--0-40%</p>

	<p>Insect, Pest & Diseases impacting > 75% crop sown Area*</p> <ul style="list-style-type: none"> Any other defined natural event including flooding which may lead to widespread losses impacting > 75% crop sown area* <p>Supported by Satellite Image and Satellite Index based outputs to be provided by ISRO/SAC, MNCFC or any other Government approved agency, Government crop condition reports, and Media reports etc.</p>		<p>3. Crop Sowing: Area Under Sowing: Kharif < 33.3% , Rabi < 50% of crop-wise normal Sown Area*</p> <p>4. Soil Moisture: Plant Available Soil Moisture (PASM)/ Moisture Adequacy Index (MAI)-->0%-75%</p> <p>5. Hydrology: Reservoir Storage Index (RSI)-->20% Ground Water Drought Index (GWDI)-->0.16% Stream Flow Drought Index (SFDI)-->0.01</p>
3	<p>Keeping watch over the breaching of set triggers of proxy indicators as mentioned above.</p> <p>Meeting of the DLMC to be convened on breaching of any one of proxy indicators as mentioned above.</p>	<p>District Agriculture / Horticulture / Revenue Officer (i.e. convener of DLJC)</p> <p>Besides, if IC notices the occurrence of prevented sowing / failure of sowing / planting / germination, then they can also report and appeal to DLMC for invoking the clause under the provision.</p>	<p>Meeting of the DLMC to be convened with relevant data, to be placed before the Committee and decision should be taken at-least 15 days before the date of invoking this seasonal event.</p>
4	<p>Sample survey for the assessment of more than 75% affected sown area in the notified insurance unit area and submission of recommendation along with supporting weather/remote sensing indices, loss survey reports, other data and documentary proofs to State/ UT Nodal Department.</p>	<p>To be done by DLMC</p>	<p>Within 7 days of meeting of DLMC</p>
5	<p>Issue of the notification to invoke the provision of prevented sowing & failure of sowing / planting / germination.</p>	<p>State/ UT Nodal Department</p>	<p>Within 7 days from receipt of loss assessment survey report of DLMC</p>
6	<p>Supply of the details of farmers & area insured along with total premium (farmers share & Government subsidy) debited to the Insurance company. This is a prerequisite for making payment.</p>	<p>Banks (loanee & non-loanee) and Intermediaries (non-loanee)</p>	<p>Within 15 days from the cut-off date for enrolment of farmers. This should be processed on a parallel basis with the survey and issuance of notification.</p>
7	<p>Dispute/Disagreement of any stakeholder on the process of Loss Assessment Survey or Extent of assessed loss</p>	<p>By any stakeholder</p>	<p>Written notice within 7 days to Chairman-DLMC with proofs/data/reports substantiating the claim. DLMC to review the reports/evidences and resolve the dispute within 7 days. In case the dispute is still</p>

			unresolved, the affected stakeholder can make appeal to State Nodal Department, thereafter to STAC, as per process defined in Grievance Redressal mechanism.
8	Assessment of likely claim based on notification issued by State Nodal Department.	Insurance Company	Within one month of the notification invoking this provision subject to receipt of 1 st instalment of advance Government Subsidy (both State and Central Government)
9	Payment to eligible farmers (25% of sum insured), and insurance coverage for the crop-IU gets over. No other claim after payment under this provision will be applicable even to those farmers whose crop survived.		
10	Data pertaining to Loss assessment report finalized by DLJCand admissible claims will be uploaded on the NCIP against each eligible farmer.	Insurance Company	Within 7 days of the Survey

*--Normal Sown Area will be Average of crop-wise Actual Sown Area of immediately preceding three seasons and will be made available by the concerned State Government on NCIP.

21.4 **On-Account Payment of Claims due to Mid-Season Adversity:**

21.4.1 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.

21.4.2 **Eligibility Criteria:**

21.4.2.1 This add-on cover will only be available if this cover is notified by the State government

21.4.2.2 All notified IUs would be eligible for "On-Account" payment only if the expected Yield of the affected crop during the season in those IUs is less than 50% of Normal Yield where normal yield will be determined as an average of immediately preceding 7 years yield data.

21.4.2.3 The provision could be invoked for a specific crop or a group of crops in the notified IU, by the DLMC/State Government on the basis of proxy weather indicators supported by the joint loss assessment survey subject to fulfilment of the conditions specified in the OGs.

21.4.2.4 The quantum of likely losses and the amount of 'on-account' payment shall be decided based on the joint survey by representatives of IC, District Administration/State Government Nodal Department and Farmers. In case of dispute/disagreement between the stakeholders regarding the quantum/extent of loss reported by the Joint Loss Assessment committee, the claim calculation will be done using technology derived solutions involving weather/remote-sensing indices along with loss assessment surveys with weightage of 70% : 30% respectively for assessment and evaluation of the final extent of loss. Acceptance of the technology based assessment of the extent of loss will be binding on all stakeholders.

21.4.2.5 STAC in coordination with SRSAC will conduct the yield estimation and assessment of loss as mentioned in para 21.4.2.4 based on the protocol developed by MNCFC. STAC may take help of MNCFC if they

desire.

- 21.4.2.6 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 happening of the mid-season adversity. Banks must ensure to debit farmers premium within 15 days from sanction/renewal of KCC/crop loan of all eligible farmers and well before the cut-off date for debiting the premium to provide benefit of this add on cover.
- 21.4.2.7 Amount payable would be 25% of the likely claims, subject to adjustment against final claims based on yield assessment data arrived through CCEs.
- 21.4.2.8 **If adversity occurs within 1 month of the start of normal sowing (as per the crop calendar/notified by States) and within 15 days before the normal harvest time, this provision will not be invoked.** In such a case, the losses will not qualify separately under this provision but will be paid on the basis of CCE based yield estimation data. State government shall compulsorily notify the normal harvesting time for notified crops including multi-picking crops district wise.
- 21.4.3 **Proxy-Indicators:** Indicators to be used for loss intimation could be rainfall data, other weather indices, satellite imagery, remote sensing indices, drought assessment reports of MNCFC and crop condition reports by the district level/ State Government officials, supported by media reports and field photographs. The State's notification should also spell out all the necessary details and the broad list of indicators to be used in this regard.
- 21.4.4 **Loss assessment procedure:**
- 21.4.4.1 The Joint Committee of the State/District Administration/Nodal Department and the Insurer (refer para 21.3.5.11) for the assessment of crop damage have to be formed and notified before the start of the crop season by the SLCCCI for each district.
- 21.4.4.2 When it is perceived that a risk is triggered as defined in the protocol for different indices, viz. Weather, Remote sensing, Hydrology, soil moisture & insect/Pest-Disease impact resulting into mid-term adverse impact on crops and thereby qualifying for on-account payment of claims and if it is felt that the prevailing conditions precedent for invocation of mid-season adversity have been breached, the Chairman, DLMC on his/her own accord or on the directions of State Nodal Department, as the case may be, convene the meeting of DLMC wherein the weather/proxy indicator data of the indicators as indicated in Table 9 shall be presented and discussed. If the Committee feels that the triggers for invocation of mid-season adversity as mentioned above have been breached, then DLMC will issue directions for convening a meeting of the DLJC for conducting a joint survey of the crop-wise affected insurance unit and written notice may be issued to concerned ICs for the Joint Survey. The report of the joint survey will be presented in the DLMC/DLJC and with the recommendation of DLMC it shall be forwarded to State Government for validation and issue of necessary notification for invocation of mid-season adversity.
- 21.4.4.3 The Joint Committee shall decide the eligibility for mid-term adversity declaration based on the daily weather indices (available AWS notified by the Government/long term average rainfall data/temperature data)satellite imagery and remote sensing indices, Crop conditions, insect/pest-disease impact indicating crop yield losses at notified IU level.
- 21.4.4.4 Based on these parameters, the Joint Committee will assess whether the provision of On-account payment will be invoked and will call for a joint survey. A formal letter has to be issued within 7 days from the adverse seasonal event by the concerned district administration/District level Joint Committee for carrying out the joint loss assessment surveys in affected IUs along with a list of such IUs.

- 21.4.4.5 Based on the above report, a joint inspection of the affected area shall be done the IC along with the District administration/Nodal Department officials and farmer representatives for ground truthing using mobile phone App and arrive at the extent of loss by carrying out IU level sample loss surveys.
- 21.4.4.6 Information/ Services of MNCFC, ISRO or SRSAC may also be utilized for determination of the extent of loss, using satellite data, for On-Account pay-out.
- 21.4.4.7 If the assessed loss of the affected crop assessed through Loss Assessment Surveys is more than 50% of the normal crop yield for the Notified Insurance Unit, On-Account payment would be payable within 30 days from the date of the invocation of mid-term adversity.
- 21.4.4.8 On-Account payment would be calculated as per following formula:

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

21.4.5 **Timeframe for loss assessment and submission of report:**

- 21.4.5.1 A formal invocation of mid-season adversity through a formal letter will be issued by the District administration/Nodal Department of State Government asking to carry out the loss assessment surveys with details of the affected IUs within 7 days from the occurrence of adverse seasonal event.
- 21.4.5.2 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 and the loss report should compulsorily be uploaded on NCIP to arrive at the Claim amount of eligible insured farmers from the Portal.

21.4.6 **Conditions:**

- 21.4.6.1 Mere disbursement/ sanction of loan without receipt/ debit of premium before the notification of the calamity would not make a farmer eligible for the claim.
- 21.4.6.2 The pay-out under the cover would be disbursed by the IC only after the receipt of at least advance Government share of premium subsidy (1st instalment of both State & Central Government).
- 21.4.6.3 On-Account payment would be paid to all eligible insured farmers within one month of the notification invoking this provision by the State Government and subject to receipt of loss assessment report from State Government
- 21.4.6.4 These claims would be adjusted against the end season area approach yield based claims.
- 21.4.6.5 Banks would remit farmers’ premium to the IC, with the farmers list, within 7 days of the 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.

Illustration

- 21.4.6.6 District ‘A’ has been affected by floods having 100 insurance units under Crop ‘X’. Out of which 50 insurance units were severely affected and as per the weather indicators / agro-met data, it has been assessed that 30 IUs could have yield loss of more than 50% of the normal yield. Out of these 30 insurance units, estimated yield loss for 5 units is 80% (Category-I), for another 10 units, it is 70%

(Category-II) and remaining 15units, it is 60% (Category-III) of normal yield. As per declarations received, if sum insured for notified areas in Category-I, Category-II and Category-III is Rs. 1 crore, Rs. 2 crore, and Rs 3 crore, respectively, then likely total claims will be Rs. 80 lakh, 140 lakh and 180 lakh, respectively. Hence on-account claims upto 25% shall be Rs.20 lakh, 35 lakh and 45 lakh, which will be released during the season subject to receipt of premium subsidy.

21.4.6.7 Detailed Procedure and Timelines for On Account Payment of Claims due to Mid-Season Adversity is mentioned in Table 9 below:

Sl No.	Actions required to be taken	Actions to be taken by	Schedule for taking action
1	Formation of District Level Joint Committee (DL JC) under Chairpersonship of DC/DM with the following members for loss assessment survey <ul style="list-style-type: none"> • District Agriculture / Horticulture / Revenue Officer – as Convener, • Concerned Insurance Company , • Representative of IMD from nearest Observatory, if available • Representative of KVK / Agriculture University • 3 representatives from district farmers nominated by Agriculture Department • District collector may co-opt experts , 	State/ UT Nodal Department/ (SLCCCI)	It should be a part of main Notification to be issued by State/ UT for implementation of PMFBY. The composition of Committee should be notified in the PMFBY notification by the State/UT & first meeting should be held within a week after notification to familiarize the members with the procedure to be followed.
	Details of Government's AWS/ARG in Notification to be issued by State/ UT for implementation of PMFBY for weather data supply including rainfall to DLJC.	State/ UT Nodal Department	To be included in the main notification of State Government itself
	In case Government AWS/ARG not available, Pvt. AWS/ARG can be notified		-do-
	Tentative dates of crop-wise & district-wise sowing & harvesting		-do-
	Details of month-wise district-wise IMD's Long Period Average LPA of rainfall.		-do-
2	After 1 month from normal sowing and before 15 days from the normal harvest time, fulfilment of eligibility of On-Account payment (i.e. 50% yield loss in standing crops to be compared with Normal yield in notified insurance unit area as explained in Para 21.4.2.2 f) is to be decided based on occurrence of any one of the proxy Indicators occurring along with other proxy indicators of:- <ul style="list-style-type: none"> • Severe Drought Condition, as defined in the Drought Manual, 2016 • Dry spells and drought declared by State/ UT • Abnormally Low / High temperature in comparison to LPA>20% deviation • Abnormally Low / High rainfall in comparison to LPA > 20% deviation • Widespread incidences of Insect, Pest & Diseases impacting > 25% crop sown Area • Any other defined natural event including flooding which may lead to widespread losses impacting > 	DL JC	Definitions & interpretations regarding proxy indicators would be applied as per IMD's guidelines as below. %age w.r.t. LPA Abnormal Weather Parameter: (±) 20 or more deviation than the Long Period Average Definitions & interpretations regarding proxy indicators for drought would be applied as per Drought Manual 2016, i.e. 1. Rainfall Index: Dry Spell: 3-4 weeks with <50% of Normal RF Rainfall Deviation: < -20% of

	<p>25% crop sown area</p> <p>Supported by Satellite Image and Satellite Index based outputs to be provided by ISRO/SAC, MNCFC or any other Government approved agency, Government crop condition reports, and Media reports etc.</p>		<p>Normal RF</p> <p>2. Remote Sensing: NDVI/NDWI deviation: < -20%—30%</p> <p>VCI Value--0-40%</p> <p>3. Crop Sowing: Area Under Sowing: Kharif < 33.3% , Rabi < 50% of crop-wise normal Sown Area*</p> <p>4. Soil Moisture: PASM/MAI--0%-75%</p> <p>5. Hydrology: RSI-->20% GWDI-->0.16% SFDI-->0.01</p>
3	<p>Keeping watch over breaching of set triggers of proxy indicators as mentioned above.</p> <p>Meeting of DLJC to be convened on breaching of any one of above triggers of excess rainfall, flooding, deficit rainfall and dry spells, drought, high/low temperature, Insect/Pest-Disease,</p>	<p>District Agriculture / Horticulture / Revenue Officer (i.e. convener of DLJC)</p>	<p>Meeting of DLJC to be convened with relevant data, to be placed before the Committee and decision should be taken within 7 days from the occurrence of adverse seasonal event and communicated through a letter for conducting joint loss assessment surveys in listed IUs.</p>
4	<p>Physical loss assessment survey to be carried out for at least 5% of crop sown area at 10 different locations randomly spread over Insurance Units (IU).</p>	<p>To be done by DLJC</p>	<p>Within 15 days of letter for carrying out loss assessment surveys by DLJC</p>
5	<p>Dispute/Disagreement of any stakeholder on the process of Loss Assessment Survey or Extent of assessed loss</p>	<p>By any stakeholder</p>	<p>Written notice within 7 days to Chairman-DLMC with proofs/data/reports substantiating the claim. DLMC to review the reports/evidences and resolve the dispute within 7 Days. In case the dispute is still unresolved, the affected stakeholder can make appeal to State Nodal Department, thereafter to STAC as per process defined in Grievance Redressal mechanism.</p>
6	<p>Assessment of likely losses & amount of 'on-account' payment based on the joint survey.</p>	<p>Insurance Company</p>	<p>Within one month from the date of DLJC letter to carry out loss assessment surveys subject to receipt of at least 1st instalment of advance Government Subsidy (both State and Central Government)</p>
7	<p>Payment to eligible farmers (25% of likely claims)</p>		
8	<p>Data pertaining to Loss assessment report finalized by DLJC and admissible claims will be uploaded on the NCIP against each eligible farmer.</p>	<p>Insurance Company</p>	<p>Within 7 days of the Survey</p>

*--Normal Sown Area will be Average of crop-wise Actual Sown Area of immediately preceding three seasons and will be made available by the concerned State Government on NCIP.

21.5 **Localized Calamity:**

21.5.1 The Scheme provides for insurance cover at the 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.

21.5.2 For the purpose of indemnification of crop losses due to inundation as localised calamity, Inundation is a situation where insured field is covered or submerged by water due to the 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 a prolonged period and causes visible damage to the crop.

21.5.3 **Eligibility Criteria:**

21.5.3.1 This add-on cover will only be available if this cover is notified by the State Government

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

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

21.5.3.4 State Government shall notify the predetermined input cost as percentage of the total Sum Insured for different stages of the crop life cycle from sowing to harvesting preferable at a interval of 15days in the Notification itself.

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

21.5.3.6 If the payout under the crop yield estimation (based on CCEs data) is more than localized losses, the higher claims of two will be payable to the insured farmers.

21.5.3.7 **Proxy-Indicators:** Rainfall data/ hailstorm/landslide/lightening (natural fire) incidences substantiated by reports in the local media or reports of the Agriculture/ Revenue Department supported by media Report and other evidences.

21.5.4 **Loss assessment procedure:**

21.5.4.1 **Time and method of reporting the loss/claims**

- A. Immediate intimation (within 72 hours) by the insured farmer as detailed in Para 21.6.4.2 below.
- B. Intimation must contain details of insured farmer's name, affected survey number-wise insured crop and acreage affected, Farmer's Application No as on NCIP, his/her Mobile Number etc. KCC A/c No. (in case of loanee farmer) or Saving bank Account (in case of Non-Loanee farmer as declared at the time of applying for crop insurance) for identification and verification purpose.
- C. Premium payment verification to be done from the portal and in case of need, may be verified from the bank. The bank shall provide the payment verification within the next 48 hours of receipt of such request.

- D. Mobile application may be used for reporting incidence of localized calamities for intimation of events including longitude/latitude details and pictures using Mobile App to be developed by DAC&FW.

21.5.4.2 **Channel of reporting i.e. Whom to be reported:** Intimation may be given within 72 hours by the farmer either directly, the “Crop Insurance App”, dedicated toll-free number, Centralized Call Centre number of concerned Insurance Company. The intimation may also be forwarded through the concerned bank branch, local agriculture department Government/district officials or through the toll free number. The first mode of intimation should be the “Crop Insurance App” and the centralised Toll-Free Number for this purpose. This can be followed by intimation through the Insurance Company’s toll free number or through the bank or district officials 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 the investigation/assessment.

21.5.4.3 Reporting of losses will be done through the Crop Insurance App and the Centralised Toll-Free Number (once operationalized), along with other channels. Other Channels will be phased out subsequently.

21.5.4.4 In case the intimation has been through the concerned bank branch or Government officials, the concerned IC should be informed within the next 48 hours.

21.5.5 **Documentary evidence required for claim assessment,**

21.5.5.1 Duly filled intimation form along with all relevant documents is necessary for initiation of loss assessment and 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, the form with complete details may be submitted.

21.5.5.2 The IC is responsible for ensuring that sufficient number of claim forms are available at the bank branch/local Government officials level. Any other additional documents can be collected directly from the farmer at the time of loss assessment by the representative/surveyor of the Insurance Company. Insurance Company shall complete all formalities for the payment of such claims like local newspaper cutting and any other available evidence to substantiate the occurrence of loss event and severity of the loss, if any.

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

21.5.6 **Appointment of Loss Assessors by the Insurance Company:**

21.5.6.1 The loss assessors would be appointed by the Insurance Company for assessment of losses due to incidence of Localized Calamities. The loss assessors appointed by the ICs should be in accordance with the IRDAI provisions. The loss assessors appointed should possess following experience and qualification:

- Diploma/degree in any subject with minimum 2 years relevant experience or bachelor degree in Agriculture and allied subjects with one year experience.
- Retired Government 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).

21.5.6.2 For compliance under the above provisions the ICs would utilize the empanelled loss assessors for using

their services as and when required.

21.5.6.3 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. Loss assessed by the Joint Committee at each individual field level should compulsorily be uploaded on NCIP to arrive at the Claim amount of the eligible insured farmers from the Portal.

21.5.7 **Time frame for loss assessment and submission of the report**

- A. Appointment of loss assessor within 48 hours.
- B. Loss assessment to be completed within the next 10 days.
- C. Claim settlement to be completed in next 15 days (subject to receipt of farmers premium & first instalment of Subsidy)
- D. Maximum liability would be limited to proportionate Sum Insured of damaged cropped area.
- E. Intimation of crop losses is compulsory for individual insured farmers through various channels in case of losses due to specified localized calamities. If the intimation of crop losses due to specified localized calamities is received by the State Government then they will enter the data of intimations of crop losses in a form that can be uploaded in the NCIP and provide the same to Insurance Company along with copies of the intimations received. The Insurance Company will upload this data in the NCIP. The number of intimations of the farmers will be compared with the number of insured farmers in a notified insurance unit.
- F. If the number of intimations as compared to the number of insured farmers for that particular crop is less than 25%, then an individual survey of all the farmers shall have to necessarily be done. This assessment shall have to be done for each insured crop individually in the IU.
- G. If the number of intimations as compared to the number of insured farmers in the IU is more than 25% for insured crops, then a survey of farmers will be done through random selection from the intimation list of the farmers using a random number table. The tentative sample size would be as under:

Intimation	Survey
Less than 25%	All Intimations would be surveyed
>25% to <=50%	25% of the Intimations would be surveyed
> 50%	30% of the Intimations would be surveyed

21.5.8 **Conditions:**

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

21.5.8.2 When the affected area is limited upto 25% of the total cropped 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. The intimation is a pre-condition to get benefit for the localized claim. Intimation at the time of the survey would also be considered

21.5.8.3 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 localized loss and would be eligible for

financial support. The percentage of loss would be arrived at by Insurance Company through a requisite number of sample survey as defined in the detailed protocol for area-based assessment and claim settlement.

- 21.5.8.4 In case the affected area is more than 25% of the total cropped area, the eligibility of claim settlement shall be decided based on the outcome of joint loss assessment surveys carried out by representatives of Insurance Company, District Administration/State Government Nodal Department and Farmers. In case of dispute/disagreement between the stakeholders regarding the quantum/extent of loss reported by the Joint Loss Assessment committee, the claim calculation will be done using technology derived solutions involving weather/remote-sensing indices along with loss assessment surveys with a weightage of 70%: 30% respectively for assessment and evaluation of the final extent of loss. Acceptance of the technology-driven extent of loss will be binding on all stakeholders.
- 21.5.8.5 STAC in coordination with State Remote Sensing Application Centre will conduct yield estimation and assessment of loss as mentioned in para 21.5.8.4 based on the protocol developed by MNCFC. STAC may take the help of MNCFC if they desire.
- 21.5.8.6 The pay-out under the cover would be disbursed by the Insurance Company only after the receipt of at least advance Government share of premium subsidy (1st instalment of both State & Central Government Share).
- 21.5.8.7 The Insurance Company would disburse the claim, if payable within 15 days of survey of loss.
- 21.5.8.8 If, at the end of the season, based on the yield data, the final admissible claim is more than the claim paid under this cover, the balance would be paid at the end of the season under widespread claims.
- 21.5.8.9 Farmers getting enrolled or whose premium is debited after the occurrence of insurance peril would not be eligible for financial support under this cover.
- 21.5.8.10 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.
- 21.5.9 **Illustration**
- Sum Insured for a crop=Rs.30,000
 - Assessed loss in the affected area due to operation of insured peril=40%
 - Claims Payable under this cover=Rs.30,000×40%=Rs12,000
 - End of season reported short fall in yield=60% w.r.t. TY
 - Claim estimated based on 'area approach' at IU level=Rs.30,000×60%= Rs.18,000
 - Balance payable at end of season = Rs. 18,000 - Rs. 12,000 = Rs. 6,000

21.5.10 Detailed Procedure and Timelines for payment of Localized claims is mentioned in Table 10 below:

Sl. No.	Actions required to be taken	Action to be taken by	Schedule for taking action
1	<p>Intimation may be given within 72 hours by farmer either through Mobile Application, Centralized Toll-Free Number, or directly to the insurance company through it's dedicated toll-free number or through the concerned bank, local agriculture department Government/district officials. However, the first mode of intimation should be the centralised Toll-Free Number.</p> <p>In case the intimation is given through concerned bank branch or Government officials, the IC should be informed within the next 48 hours.</p> <p>Intimation about the occurrence of localized perils/ calamities viz. Hailstorm, Landslide, Inundation, Cloud burst and natural fire due to lightening may be given upto 15 days before the normal harvest date as notified in the State Notification and supported by information of IMD / Local Media, Reports of Agriculture / Revenue Departments, Media Reports. The losses due to occurrence of localized perils within 15 days of normal harvest will be assessed based on combination of sample survey and CCEs with 50:50 weightage.</p>	Affected farmer(s) may intimate using mobile. landline or social media.. Farmer should provide his bank account number (loan account for loanee farmer and savings account for non-loanee farmer) or Enrolment number generated from the portal at the time of intimation	Within 72 hours from the occurrence of a peril
2	Forwarding of information/intimation of the farmer(s) to Insurance Company by either using company's web link or on NCIP	Bank/PACS, Local Agriculture Department/District officials	Within 48 hours from receipt of information/intimation from the farmer(s)
3	Appointment of loss assessor as per qualifications & experience laid down in OGs of PMFBY	Insurance company	Within 48 hours from receipt of information/intimation
4	Assessment of affected area in terms of % of area insured	DLJC	Within 10 days of the appointment of loss assessor by the company
5	Individual level assessment of loss (in case the affected area is < 25% of the total cropped area)	Jointly by Insurance Company & block level Agriculture Officer	
6	Verification of details of the affected insured farmer(s) from bank using the company's web link or on NCIP	Insurance company	Within 7 days of the loss intimation
7	Claim-payment to affected farmers	Insurance company	Within 15 days from receipt of loss assessment report subject to receipt of at-least the advance Government share of subsidy (1 st instalment of both State & Central Government
8	Data of loss assessment finalized by DLJC and the admissible claims will be uploaded on the NCIP against the farmer from whom loss intimation was	Insurance Company	Within 7 days of the survey

	received.		
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Protocol for Area-based Assessment: If affected area is >25% of the total cropped Area:

1	<p>Fulfillment of eligibility of localized calamities/losses on area-based loss assessment (i.e. affected area is >25% of the total cropped area) is to be decided based on the occurrence of any one of the proxy Indicators:-</p> <ul style="list-style-type: none"> • Wide-spread excess rainfall • Wide-spread flooding/inundation • Wide-spread cloud burst and landslide • Wide-spread natural fire due to lightning • Wide-spread hailstorm/hailing • Any other defined natural event including flooding/inundation which may lead to widespread effect and losses impacting > 25% of the crop sown area* <p>Supported by Satellite Image and Satellite Index based outputs to be provided by ISRO/SAC, MNCFC or any other Government approved agency, Government crop condition reports, and media reports, etc.</p>	DLJC	<p>Definitions & interpretations of proxy indicators would be applied as per IMD's guidelines as below:</p> <p>%age w.r.t. LPA</p> <p>Abnormal Weather Parameter: (±) 20 or more deviation than the Long Period Average</p>
2	<p>Keeping watch over the breaching of set triggers of proxy indicators as mentioned above. Meeting of the DLJC to be convened on the breaching of any one of the above triggers of unseasonal rainfall, cyclone or cyclonic rainfall and hailstorm.</p>	District Agriculture/ Horticulture/ Revenue Officer (i.e. convener of DLJC)	<p>Meeting of the DLJC to be convened. Relevant data to be placed before the Committee. The decision should be taken within 7 days from the occurrence of adverse seasonal event and communicated through a letter for conducting loss assessment surveys in the listed IUs.</p>
3	<p>Physical loss assessment survey to be carried out for at least the sample size (mentioned in para 21.5.7)</p>	To be done by the DLJC	<p>Within 15 days of the letter received for carrying out the loss assessment surveys by the DLJC</p>
4	<p>Dispute/Disagreement raised by any stakeholder on the process of Loss Assessment Survey or Extent of assessed loss</p>	Any Stakeholder	<p>Written notice within 7 days to be submitted to the Chairman-DLMC with proofs/data/reports substantiating the claim. The DLMC to review the reports/evidence and</p>

			resolve the dispute within 7 days. In case the dispute is unresolved, the affected stakeholder can make an appeal to State Nodal Department, thereafter to STAC, as per the process defined in the Grievance Redressal mechanism.
5	Finalization of likely losses & Payout		Within one month from the date of the DLJC letter to carry out the loss assessment surveys subject to receipt of full Government share of subsidy (2 nd instalment of both the State & the Central Government)
6	Payment to eligible farmers (25% of the likely claims)	Insurance Company	
7	Data of loss assessment finalized by DLJC and admissible claims will be uploaded on the NCIP against farmer from whom loss intimation has been received.	Insurance Company	Within 7 days of the survey

*1) Crop damage should have occurred on account of inundation, mere water logging without corresponding crop loss will not be considered.

2) Inundation peril is not applicable in the case of hydrophilic crops like Paddy, Sugarcane, Jute & Mesta.

** If affected area is more than 25% of the cropped area of notified crop in notified insurance unit then the losses are not considered as individual and are presumed to be widespread, therefore claim to all eligible insured farmers (who have given intimation/for whom intimation has been received) would be paid ad-hoc for such losses.

21.5.11 Illustration

- A - Sum Insured for a crop = Rs. 30,000
- B - % area affected out of the total area insured = 100%
- C - % cost of input incurred till the occurrence of event on the basis of sowing date & due to operation of insured peril as pre defined by the State Government in the notification = 60%
- D - % loss estimated basis joint physical survey of insurance company and district official = 80%
- E - Claims payable under this cover = $A \times B \times C \times D = \text{Rs. } 30,000 \times 100\% \times 60\% \times 80\% = \text{Rs. } 14,400$

21.6 Post-Harvest Losses:

21.6.1 Provision has been made for assessment of loss on individual plot basis in the 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 depending on nature of the crop in that area kept solely to dry upto a maximum period of two weeks (14 days) from harvesting. For indemnification of post-harvest crop losses, the provision of damage of harvested crops due to unseasonal rains shall trigger when the unseasonal rainfall is more than 20% over long period average over the month for that sub-district/district. However, this is subject to confirmation of the damage in the joint survey to be conducted by concerned State Government. and Insurance Company. The States/UTs have to

compulsorily notify the crops to be included under post-harvest losses along with the harvesting window in the Bid Document, Notification and on the NCIP. The crops not falling under the aforesaid category/not included in the tender shall not be included later for post-harvest loss cover.

21.6.2 Eligibility criteria:

21.6.2.1 This Add-on cover will only be available if this cover is notified by the State Government.

21.6.2.2 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.

21.6.2.3 Available for all notified crops which has been declared eligible for post-harvest losses as per the Government notification and damaged by specified perils during the process of drying in the field in “cut and spread condition”/small bundled conditions upto a period of 14 days from harvest. States/UTs shall also notify the normal harvesting period of each crop.

21.6.2.4 Proxy-Indicators: Rainfall data/hailstorm incidences substantiated by local media reports or reports of the Agriculture/ Revenue Department supported by media reports and other evidence.

21.6.3 Loss assessment procedure:

21.6.3.1 Time and method of reporting the loss/claims

- A. The State Government. would notify crop-wise and the agro-climatic zone or district-wise normal harvesting dates/harvesting period during which, this provision could be invoked. In the case of any event occurring beyond these dates/this period, this provision shall not be applicable under any circumstances.
- B. Immediate intimation (within 72 hours) by the insured farmer to Insurance Company through “Crop Insurance app” or any available channel of reporting as detailed in para 21.6.3.2 below.
- C. Intimation must contain details of insured farmer’s name, affected survey number-wise insured crop and acreage affected, Farmer’s Application No as on NCIP, his/her Mobile Number, etc. KCC A/c No. (in case of loanee farmer) or Saving bank Account (in case of Non-Loanee farmer as declared at the time of applying for crop insurance) for identification and verification purpose.
- D. Premium payment verification to be done from the portal and in case required, may be verified from the bank and bank shall provide the payment verification within next 48 hours of receipt of such request.
- E. Mobile application based “Crop Insurance App” may be used for reporting an incidence of a post harvest providing details of longitude/latitude and pictures .

21.6.3.2 Channel of reporting, i.e. Whom to be reported: Intimation may be given within 72 hours by farmer either through the Crop Insurance App or directly to the Insurance Company through the dedicated toll-free number, Centralized Call Centre number, concerned bank branch, local agriculture department, Government./district officials or through the Insurance Company’s toll-free number. The first mode of intimation should be through the Crop Insurance App, centralised Toll-Free Number, followed by intimation through Insurance Company’s toll-free number for conducting the individual level investigations. Crop loss intimation may also be forwarded through bank or district officials to Insurance Company. 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.

21.6.3.3 Reporting of losses will be done primarily through the Crop Insurance App and the Centralised Toll-Free

Number (once operationalized), along with other channels. Other channels will be phased out subsequently.

- 21.6.3.4 In case the intimation forwarded through the concerned bank branch or Government officials, the Insurance Company must be notified within 48 hours.
- 21.6.3.5 Intimation of crop losses is compulsory for individual insured farmers through various channels in case of losses due to specified Post Harvest Calamities. If the intimation of crop losses due to specified calamities is received by the State Government then they will enter the data of those intimations in a form that can be uploaded in the NCIP or provide the same to Insurance Company along with copies of the intimations received. The Insurance Company will upload this data in the NCIP. The number of intimations of the farmers will be compared with the number of insured farmers in a notified IU
- 21.6.3.6 If the number of intimations as compared to the number of insured farmers for that particular crop is less than 25%, then a individual survey of all the farmers shall be done. This assessment shall be done for each insured crop individually in the IU.
- 21.6.3.7 If the number of intimations as compared to the number of insured farmers in the IU is more than 25% for the insured crops, then the survey of farmers will be done through a random selection of the farmers from the intimation list using the random number table. In this case, the losses will not be considered as individual and will be presumed widespread. Therefore, the claim to all eligible insured farmers (who have given intimation/for whom intimation has been received) would be paid ad-hoc.
- 21.6.3.8 The tentative sample size would be as under:

Intimation	Survey
Less than 25%	All Intimations would be surveyed
>25% to <=50%	25% of the Intimations would be surveyed
> 50%	30% of the Intimations would be surveyed

21.6.4 **Documentary evidence required for claim assessment:**

- 21.6.4.1 A duly filled intimation form along with all relevant documents is necessary for initiation of loss assessment and payment of claims. However, if information against all the columns is not readily available, a semi-filled form may be sent to the Insurance Company and later within 7 days of the loss, the form with complete details may be submitted.
- 21.6.4.2 It is the responsibility of the Insurance Company to ensure availability of sufficient number of claim forms at the bank branch/local Government officials level. Any other additional documents can be collected directly from the farmer at the time of loss assessment by the representative/surveyor of the Insurance Company. Insurance Company shall complete all formalities for payment of such claims substantiating the occurrence of the loss and the severity of the loss, if any with evidence from local newspaper cuttings and any other available valid source
- 21.6.4.3 IMD report, media report, local newspaper cuttings, etc can be used to substantiate occurrence of loss event and severity of the loss, if any.

21.6.5 **Appointment of Loss Assessors by the Insurance Company:**

- 21.6.5.1 The loss assessors would be appointed by the Insurance Company for assessment of Post-harvest losses and ensure strict adherence to provisions. The appointed loss assessors should possess the following experience and qualifications:

- Diploma/degree in any subject with minimum 2 years of relevant experience or a bachelors

degree in Agriculture and allied subjects with one year experience.

- Retired Government. officials of Agriculture/ Horticulture/ Extension Department
- Retired Bank officials with experience of crop loaning or KCC.

21.6.5.2 For compliance under the above provisions the ICs would utilize the empanelled loss assessors for using their services as and when required.

21.6.5.3 The loss would be jointly assessed by a team authorized by the Joint Committee. It may comprise of the loss assessors appointed by the insurer, block level agriculture officer and the concerned farmer. Loss accessed by the Joint Committee at each individual field level should be compulsorily uploaded on NCIP for claim calculation of eligible insured farmers.

21.6.6 **Time frame for loss assessment and submission of report**

21.6.6.1 Appointment of the loss assessor within 48 hours from the receipt of information.

21.6.6.2 Loss assessment to be completed within next 10 days

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

21.6.6.4 **Conditions:**

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

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

21.6.6.4.3 If the affected area under a notified crop is more than 25% of the total cropped area in a notified IU, all the eligible farmers (who have taken insurance for the notified crop, which has been damaged, and informed about the occurrence of a calamity in the farm within the stipulated time in the notified IU) will be entitled to avail financial support under post harvest loss.. The Insurance Company would calculate the percentage of loss by conducting requisite number of sample surveys as defined in the detailed protocol for area-based assessment and claim settlement.

21.6.6.4.4 In case the affected area is more than 25% of the total cropped area, the eligibility of claim settlement shall be decided based on the outcome of the joint loss assessment surveys carried out by representatives of the Insurance Company, District Administration/State Government. nodal department and farmers. In the case of dispute/disagreement between the stakeholders regarding the quantum/extent of the loss reported by the Joint Loss Assessment committee, the claim calculation will be done using technology derived solutions involving weather/remote-sensing indices along with the loss assessment surveys with weightage of 70%: 30% respectively for assessment and evaluation of final extent of loss. The acceptance of the technology driven extent of loss will be binding on all stakeholders.

21.6.6.4.5 If the on crop yield estimation(CCEs) based claims is more than the claims calculated against Post-harvest losses, the difference in the claims will be payable to the affected farmers. If the claim calculated against Post-harvest loss is higher than the affected farmers will not be eligible for a recovery.

21.6.6.4.6 The pay-out under the cover would be disbursed by the Insurance Company only after the receipt of 2nd

Instalment of the Government share of premium subsidy (both State & Central Government Share).

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

21.6.6.4.8 If the end-eas on final admissible 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.

21.6.7 Illustration

- Sum Insured for a crop=Rs.50,000
- Affected area of the I.U.=80%(eligible for sample survey)
- Assessed loss in the affected area/fields due to operation of insured peril= 50%
- Claims Payable under Post Harvest loss=Rs.50,000×50%=Rs25,000
- End of season reported shortfall in yield=60% in respect of the Threshold Yield
- Claim estimated based on the 'area approach' at IU level=Rs.50,000×60%= Rs.30,000
- Balance payable at the end of season = Rs. 30,000 - Rs. 25,000 = Rs. 5,000

21.6.7.1 Detailed Procedure and Timelines for payment of Post Harvest Loss is mentioned in Table 11below:

Sl. No.	Actions required to be taken	Action to be taken by	Schedule for taking action
1	<p>Intimation may be given within 72 hours by the farmer (s) either through Mobile Application, the centralized Toll-Free Number, directly to the Insurance Company through it's dedicated toll-free number or through the concerned bank, local agriculture department Government./district officials. However, the first mode of intimation should be the centralised Toll-Free Number.</p> <p>In case the intimation has been given through concerned bank branch or Government. officials, the intimation should be given within 48 hours to the Insurance Company.</p> <p>Intimation about occurrence of hailstorm, cyclone, cyclonic rains and unseasonal rains may be given immediately after the event and within 14 days after the normal harvest date as notified in the State notification and supported by related information sourced from theIMD / local media and Reports of Agriculture / Revenue Departments.</p>	<p>Affected farmer(s) may intimate using mobile. landline or social media.. Farmer should provide his bank account number (loan account for loanee farmer and savings account for non-loanee farmer) or Enrolment number generated from the portal at the time of intimation</p>	<p>Within 72 hours from the occurrence of a peril</p>
2	<p>Forwarding information/intimation of the farmer(s) to Insurance Company by either using company's web link or via NCIP</p>	<p>Bank/PACS, Local Agriculture Department / District officials</p>	<p>Within 48 hours from the receipt of the information/intimation from the farmer(s)</p>
3	<p>Appointment of loss assessor as per qualifications & experience laid down in the OGs of PMFBY</p>	<p>Insurance company</p>	<p>Within 48 hours from the receipt of the information / intimation</p>

4	Assessment of affected area in term of the % of total cropped area	DLJC	Within 10 days of the appointment of the loss assessor by the company
5	Individual level assessment of loss (in case the affected area is < 25% of the total cropped area)	Jointly by the loss assessor, block level agriculture officer and affected farmer(s)	
6	Verification of the details of the affected insured farmer(s) from the bank using company's web link or on NCIP	Insurance company	Within 7 days of the intimation of loss
7	Claim-payment to affected intimated farmer (s)	Insurance company	Within 15 days from receipt of loss assessment report subject to receipt of full Government share of subsidy (2 nd instalment of both State & Central Government
8	Data of the Loss assessment report finalized by DLJC and admissible claims will be uploaded on the NCIP against the farmer from whom the loss intimation was received.	Insurance Company	Within 7 days of the Survey

Protocol for Area based Assessment: If affected area>25% of total cropped Area:

1	<p>Fulfilment of eligibility of the Post-harvest losses on the area-based loss assessment (i.e. affected area>25% of the total cropped area) is to be decided based on the occurrence of any one of the proxy Indicators:-</p> <ul style="list-style-type: none"> • Wide-spread Unseasonal Rainfall • Wide-spread Cyclonic Rains • Wide-spread Hailstorm/hailing • which may lead to widespread affect and losses impacting > 25% crop sown area* <p>Supported by Satellite Image and Satellite Index based outputs to be provided by the ISRO/SAC, MNCFC and any other Government approved agency or Government crop condition reports and media reports, etc.</p>	DLJC	<p>Definitions & interpretations regarding the proxy indicators would be applied as per the IMD's guidelines as below:</p> <p>%age w.r.t. LPA</p> <p>Abnormal Weather Parameter: (±) 20 or more deviation than the Long Period Average</p>
2	<p>Keeping watch over the breaching of set triggers of proxy indicators as mentioned above.</p> <p>Meeting of the DLJC to be convened on the breaching of any one of the above triggers of unseasonal rainfall, cyclone or cyclonic rainfall and hailstorm/hailing.</p>	District Agriculture / Horticulture / Revenue Officer (i.e. convener of DLJC)	<p>Meeting of the DLJC to be convened. Relevant data to be placed before the Committee. The decision should be taken within 7 days from the occurrence of adverse seasonal event and communicated through a letter for conducting loss assessment surveys in the</p>

			listed IUs.
3	Physical loss assessment survey to be carried out for at least the sample size (mentioned in para 21.5.8)	To be done by the DLJC	Within 15 days of the letter received for carrying out the loss assessment surveys by the DLJC
4	Dispute/Disagreement raised by any stakeholder on the process of Loss Assessment Survey or Extent of assessed loss	Any Stakeholder	Written notice within 7 days to be submitted to the Chairman-DLMC with proofs/data/reports substantiating the claim. The DLMC to review the reports/evidence and resolve the dispute within 7 days. In case the dispute is unresolved, the affected stakeholder can make an appeal to State Nodal Department, thereafter to STAC, as per the process defined in the Grievance Redressal mechanism.
5	Assessment of likely losses & amount of 'on-account' payment based on the joint survey.	Insurance Company	Within one month from the date of the DLJC letter to carry out the loss assessment surveys subject to receipt of full Government share of subsidy (2 nd instalment of both the State & the Central Government)
6	Payment to eligible farmers		
7	Data of loss assessment finalized by DLJC and admissible claims will be uploaded on the NCIP against farmer from whom loss intimation has been received.	Insurance Company	Within 7 days of the survey

22 Participation of Loss Assessors/Evaluators for Loss Assessment under of the Scheme

22.1 Empanelment Criteria:

22.1.1 The agencies having relevant field experience, financial and infrastructural strength, sufficient skilled manpower having Diploma in any subject with minimum 2 years of relevant experience or a degree in Agriculture and allied subjects with one year relevant experience in crop loss assessment and having desired operational capabilities shall be empanelled by the MoA&FW. This will be based on the detailed criteria/SOP of empanelment of such agencies for carrying out the crop loss evaluation/assessment across the country and shall be individually engaged/selected by the concerned State Government/Insurance Company for implementation of PMFBY. Agencies having infrastructure/capacity to provide technical services like Drones/RST/mobile/web applications will be given priority.

22.1.2 Once loss assessment/evaluation agency has been empanelled by the DAC&FW, it will be considered as a pre-qualified company to participate/engage with the concerned State Government/Insurance

Company to undertake loss evaluation/assessment of losses under the provisions of the Scheme, however concerned Insurance Company will be responsible for maintaining the quality of services being delivered by such agencies.

22.1.3 Once empanelled, the performance of such agencies will be evaluated every season against vital parameters defining service and quality standards as described below by the Committee headed by Joint Secretary/Additional Secretary of DAC&FW and the non-performing agencies shall be de-empanelled for a period of 2 consecutive seasons.

22.1.4 Detailed guidelines for the empanelment and accreditation of loss assessment agencies shall be prepared by the Committee comprising of members from the IASRI, NSSO, MNCFC, National Insurance Academy (NIA), Economic and Statistical Advisor-DES, selected representatives from the empanelled IC, GIC-Re, selected representatives from State Nodal Departments etc. These guidelines will enable empanelment/de-empanelment of agencies based on set performance parameters to maintain desired quality and standardization of protocols and processes.

22.1.5 As loss assessment is a vital activity under the Scheme and forms the basis of claims settlement, any malpractice/manipulation/misreporting will be taken very seriously, and appropriate legal and administrative action will be taken against the agencies and individuals associated with such agencies. Loss assessment agencies shall follow the guidelines issued by the concerned authorities and will share the details of individuals involved along with their mobile numbers with the State government and district administration.

Table 12: Criteria for Performance Evaluation and Ranking of Loss Assessment Agencies

S. No	Service Level Agreements (SLA's)	Source of data	Monitoring method	Periodicity	Points criteria
1	CCE Co-observance	Computed from the CCE uploaded data in National Crop Insurance Portal.	Co-observance of CCEs	Based on the CCE data compiled for each season	If 51% to 75% : 3 points If less than 50% : 5 points
2	Mid-term/Localized Loss Assessment/Post Harvest Loss Assessment	List of mid-term/Localized loss assessment/post harvest loss assessment reported on the Crop insurance Portal.	Loss Assessment with the timelines prescribed in the OGs	Based on the claims calculated each season	If partial timelines are met: 3 points If no timelines are met : 5 points
3	Availability of qualified and requisite manpower at each block/equivalent level	Report from National Crop Insurance Portal and verified by the concerned Insurance Company	Details of the manpower submitted on NCIP and verified by concerned Insurance Company	At least 15 days before the enrolment cut-off date	If not appointed before 15 days : 3 point If not appointed at all : 5 points

4	Organizing training/capacity building workshops as per the guidelines	Report from insurance company	Report by Insurance Company to State Department within 7 days of the completion of workshop	At least 15 days before the start of each season	If not conducted 15 days prior to the enrolment cut-off date : 3 points If not conducted at all : 5 points
5	District office is established in all the districts	List of offices with their contact details provided to the State Department by insurance company	District offices are established and staffed	Within 30 days from the award of work/bid opening	If not set up within 30 days from the award of work/bid opening : 3 points If partially set-up or not set-up at all : 5 points

22.2 Performance severity of Loss Assessors:

Threshold limit	Severity
5-8 points	1% of total service charge for the concerned agency for the season
9-14 points	2% of total service charge for the concerned agency for the season
15- 22 points	3% of the total service charge for the concerned agency for the season
>= 23 points	5% of total service charge for a season, cancellation of renewal/continuation for next season and de-empanelment
False intimations on any of the above parameters	Investigations against the loss assessment agency to be initiated& if found guilty, the agency may face cancellation of renewal/continuation of work for the next season and de-empanelment

23 Procedure for Settlement of Claims to the farmers

- 23.1 The Insurance Company should have received the tentative final share of Government subsidy (2nd instalment), both Central and State, on the basis of the business statistics finalized on the Portal after the 30 day period specified for auto approval of applications to enable the settlement of Actual Yield-based claims arising out of wide-spread calamity as well as post-harvest losses. However, for the settlement of On-Account payment of claims, advance subsidy (1st instalment) of 50% of 80% of the respective Central/State Government share in the corresponding previous season should be released for the season/area(s) in the case of claims against prevented sowing/planting/germination and localized calamity .Government.
- 23.2 Threshold Yield for all notified crops at each IU level shall compulsorily be a part of the notification for the season and shall not change at any point during that season. Crop-IU wise historical Average Yield, Calamity Years, Indemnity level and Threshold Yield shall be uploaded on the NCIP by the concerned State Nodal Department at the time of the release of the notification only and shall be verified and accepted by the concerned Insurance Company within the given timelines. In order to avoid manipulation/misuse of the information at field level, **threshold Yield shall not be a part of public information before the payment of claims for that season.**
- 23.3 The DLMC will be required to upload/enter the details of crop loss as per the Joint Loss Survey

conducted by DLJC for all intermediate loss events viz. prevented sowing/planting/germination failure & Mid-season Adversity on the NCIP. Similarly, the crop loss details for localized losses and post-harvest loss events shall be entered by the concerned Insurance Company on the Portal. Once the Actual Yield data is available on the Portal, the same shall be verified and approved by the concerned District/State authorities. For those experiments which were conducted offline/without mobile application, the Actual Yield data (result of optimization of CCE and 2 Step Yield Estimation process as defined in Para 18.3.2) shall be uploaded by the concerned District administration or State nodal department on the NCIP itself. **All the estimations of Yield / crop losses should be compulsorily uploaded within the stipulated timeline on the NCIP by the concerned stakeholders as envisaged above and the admissible claims will be calculated on the NCIP. The status of claims and the claim amount will accordingly be shared with the farmers through NCIP.**

- 23.4 The loss reports and Actual Yield data shall be approved/reverted (in case of any discrepancy/concern on the authenticity/correctness of report/data) by the Insurance Company. Based on the loss reports and actual yield data, eligible claims shall be calculated through the NCIP and accordingly the payment of claims shall be initiated by the concerned Insurance Company and remitted directly into the beneficiary account as per the pre-defined timelines. The application-wise payment details viz. amount, reference number, date etc. shall be entered/synchronised with the National Crop Insurance Portal for future reference and audit purposes.
- 23.5 In case of widespread calamity (end of season claims), once yield data is received/finalized from State Government. as per the decided cut-off-dates,, claims will be calculated on the National Crop Insurance Portal on the basis of the declarations/ approved proposals & covered farmer's data received from the banks / channel partners / insurance intermediaries for each notified area and crops. Accordingly, the claims will be approved by the Competent Authority of the implementing Insurance Company and all claims will be initiated through Public Financial Management System (PFMS)
- 23.6 In case the CCE data submitted through CCE Agri App is not approved within the stipulated timelines, it will be auto- approved and used for claim calculation. In case of non-submission of Actual Yield (AY) data by the State Government to the implementing IC within the stipulated timelines, Synthetic Yield data computed through a technology-based solution will be used for calculating admissible claims and subsequent settlement of claims to the eligible farmers. The cut-off date for submission of yield data to ICs is normally two months after completion of harvesting of a particular crop.
- 23.7 In case of farmers covered by financial Institutions, claims shall be released only electronically through PFMS directly into insured farmer's given bank account, followed by details containing claim particulars, to individual bank branches/ nodal banks. Bank Branch should display particulars of claim disbursement on the notice board to enable spread of awareness and inclination amongst farming community through crop insurance. Insurance Company is required to compulsorily upload the claim details against each insured farmer on National crop insurance Portal.
- 23.8 In case of farmers covered through intermediaries, payable claims will be directly credited to the saving bank accounts through PFMS of the concerned insured farmers and details of the claims will be intimated to them through SMS. The list of beneficiaries and the claims amount shall also be uploaded on NCIP immediately.
- 23.9 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 detailed procedure given in the relevant sections above.
- 23.10 The claim settlement intimation shall be sent to each beneficiary farmer through SMS from the NCIP.

State Government, CSCs, Banks & ICs shall ensure accuracy of the data before hand viz. Threshold Yield, Actual Yield, Insured Area, Sum Insured and Indemnity levels etc. Responsibility of any error, omissions and misreporting shall lie with the concerned State Nodal Department and Insurance Company. State Government. & ICs shall resolve all the grievances of the insured farmers and other stakeholders in the shortest possible time.

- 23.11 In any situation, the State Government. cannot reopen/ re-calculate claims, 30 days from the time of claim settlement for notified crop(s) at the notified unit. However, all States/UTs may compulsorily audit the calculation and payment of claims to the eligible farmers at the earliest and complete the process within one year. In the case of disputed claims/sub-standard claims, due to erroneous data, the matter may be referred to State Level Coordination Committee (SLCC)/STAC within this time and further to the Technical Advisory Committee (TAC), if required, for consideration and decision.
- 23.12 All the documents of the farmers pertaining to payment of claims shall be verified through PFMS and payment will be done through PFMS only. . In the case of a failed claims payment to banks it will be processed through the Aadhar Enabled Payment System (AEPS)

24 Important Conditions /Clauses Applicable for Coverage of Risks

- 24.1 ICs should have received the premium for coverage either from the bank, channel partner, insurance intermediary or directly. In case of 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.
- 24.2 **In case of any substantial misreporting by nodal bank /branch with respect to** loanee farmers coverage which may include incorrect insured and sown acreage and survey number details, bank account details & IU details etc., the concerned bank only shall be liable for such misreporting
- 24.3 Mere sanctioning/ disbursement of crop loans and the submission of proposals/declarations and remittance of premium by farmer/bank, without explicit intent to raise the crop, will not constitute acceptance of risk by Insurance Company.

25 Acreage discrepancy

- 25.1 Some areas in the past have reported excess insurance coverage vis-à-vis planted/sown acreage, leading to over-insurance. Any discrepancy in coverage of excess area should be handled at the individual applicant level along with their Aadhaar number to protect the interest of farmers with genuine insurance coverage. All suitable measures shall be taken by concerned stakeholders for de-duplication with the help of Aadhaar Number, land records, banks records, revenue records and proposal/loan application of insured farmers. The details of individual insured farmers are being collected on National Crop Insurance Portal for de-duplication. Integration of digitized land records with the Portal is being initiated to resolve the problem of multiple coverage on the same parcel of land. Alternatively, details of the land record of each insured farmer is also being captured on the Portal to facilitate processing and de-duplication of the farmers. Any misreporting in acreage will be verified by the concerned Insurance Companies with the land record available on the portal in case of non-loanee farmers or from the concerned branches in case of loanee farmers .The scheme also covers the risk of prevented sowing/germination failure which is not being included in sowing areas furnished by the State Government for arriving at sown area of crop during the season.Hence, the comparison of excess

coverage with the sown area is not justifiable. However, misreporting of area insured, land not available for cultivation or farmers not sowing/non- intent to sow/declare the crops in the application etc. should be verified, eliminated/de-duplicated from the coverage. The State Government/Insurance company may take appropriate measures for verification of land/area sown at ground level. The Scheme also provides for the option to change the insured crop by the insured farmers. Hence, Bank Branches and other agencies may publicize this provision adequately along with the consequences of over insurance/malpractices in advance amongst the farmers.

- 25.1.1 The ICs should also verify sufficient number of insured land/locations for each notified major crop by visiting those Insured fields and report the same through android app to MoA&FW/MNCFC.
- 25.1.2 Under the scheme, notified crops are being insured by the Insurance Companies on the basis of actuarial premium rate, hence, it is not their prerogative to reduce the Sum Insured and resultant claims on the application of ACF. However, to rationalize the government subsidy, it is the responsibility of all concerned stakeholders including farmers and financial institutions to insure the crop which the farmer actually intends to sow or is sown. The option to change the insured crop has also been provided under the scheme for reporting of crop(s) actually sown for the insurance. There is also a provision to indemnify the crop losses due to the localized perils on the basis of a survey of individual plot/field under insured crops. Incorrect reporting of insured crops i.e. if the crop actually sown and insured are different, may lead to forfeiting of claims,
- 25.2 Any case of large scale irregularities/anomalies regarding insurance of excess area i.e. more than the published cultivable area at Taluka level/abnormally high insured area as compared to previous years should compulsorily be brought to the notice of the State Government and MoA&FW. This should be submitted in writing after the cut-off date of enrolment but before the period specified for reconciliation with banks/other agencies along with facts/documents and the list of bank branches etc so that the same may be examined by the State Government and rectified by the concerned bank/agencies itself before finalisation of business Statistics for the season on Portal.
- 25.3 In spite of all suitable measures taken by the Insurance Company for de-duplication / elimination of ghost farmers/ Excess area insured by the individual farmers, all Insurance Companies have to necessarily report excess insured area in the prescribed format to the MoA&FW well before the start of crop cutting experiments for verification of the claims made by concerned Insurance Company and for taking necessary corrective measures, if required. It is the responsibility of the Insurance Company to verify the sown area before the time prescribed for auto approval of application. In case of any financial loss incurred by the Government in respect to subsidy claimed against the non-genuine farmers, the Insurance Company will be liable for recovery and appropriate action will be taken. The decision for application of ACF will be taken by the MoA&FW based on the field reports submitted by Insurance Company, thorough evaluation of the situation and the decision of MoA&FW in regard to the applicability of discrepancy in insured area shall be binding on all. The format for such reporting is given in **Annexure-II**.
- 25.4 If at all, ACF has to be applied in the case of established gross irregularities on ground, until the land integration and real-time reconciliation remains in abeyance for development, the MoA&FW will be allowed to apply the ACF only on those major crops for which normal sown area at block/Taluka level is available as per the prescribed Standard Operating Process as defined below.
- 25.5 If the difference between insured area and sown area (maximum of preceding last three years) is greater than 30% at the Block/Tehsil/Taluka level, the matter should be compulsorily brought to the notice of the MoA&FW, GoI in the prescribed format. The MoA&FW, will examine these cases. If

required, the MNCFC will also be asked to provide normal area sown data for the same. The concerned Insurance Company is required to provide requisite ground level data (at-least covering 20 location per block)collected using the android app to the MoA&FW/ MNCFC to generate accurate area sown data at block/tehsil level. The data of the revised insured area on the application of ACF, if any shall be uploaded on NCIP as well.

- 25.6 Accordingly, after scrutiny, excess insured area, if any shall be treated as un-insured and corresponding farmer's premium will be forfeited. The same will be surrendered to the Technology Fund of the GOI and may be utilized for leveraging technology in PMFBY to support technology-based solutions/research/Impact assessment etc and towards assisting States to cover the cost of incremental CCEs.
- 25.7 Premium subsidy refunded by ICs due to application of ACF shall be refunded to the Central/State Government in their subsidy sharing ratio through fund routing agencies.

26 Information Education and Communication (IEC)

- 26.1 Information, Education and Communication (IEC) and Capacity Building activities through awareness drives, campaigns, trainings and handholding support are the focus areas under revamped PMFBY. It is imperative to create awareness about PMFBY amongst farmers and bridge knowledge gaps among various implementing stakeholders. As ICs will be allocated business for three years from Kharif 2020, they will have adequate time for awareness generation and building capacities of the different stakeholders. Therefore, systematic management of IEC and training activities is essential for a scheme like PMFBY, where multiple stakeholders are involved at various stages of scheme implementation. The primary target groups for conducting IEC and training and capacity building activities are farmers, State level and district level officials of the State Government, Banks, Primary Agriculture Co-operative societies (PACS), Common Service Centres (CSCs), field functionaries and primary workers of different departments and implementing ICs.
- 26.2 Major challenge in this is the multiple layers of hierarchy within each stakeholder and their different levels of understanding about scheme implementation aspects. Thus, IEC and training needs of the stakeholders are not uniform but vary in its functional areas. Since, different stakeholders represent PMFBY to the farmers, any deficiency in the knowledge or services greatly impacts the claim settlement process. Since, the Revamped PMFBY is being implemented from Kharif 2020, and has been made voluntary for all the farmers, it has become even more important to generate awareness on the benefits of the scheme, build trust in the scheme and the satisfaction of farmers. Instilling behavioural change towards creating an enabling environment in favour of the concept of crop insurance, therefore, has great significance in streamlining scheme implementation.
- 26.3 It requires sensitization of higher authorities of the targeted stakeholders at the national/state/district level, massive awareness generation and error free implementation at the ground level throughout the season. It equally requires focus on all implementation aspects, right from scheme publicity, enrolment of farmers, yield/loss assessment, claim calculation, claim settlement and addressing grievances of farmers. Broad objective of IEC and capacity building is to build overall literacy on crop insurance among the stakeholders and capacitate farmers to take informed decisions.
- 26.4 Following would be the broad strategies that need to be focussed for desired outcomes:
- 26.4.1 All IEC and Training and capacity building activities need to be carried out in three phases. First phase will comprise of awareness generation at a mass level and sensitization of key stakeholders at highest levels

through sensitization programmes. The second phase will comprise of engagement of stakeholders actively involved in scheme implementation at the field level through continuous trainings and time to time handholding support. In the third phase, greater emphasis will be on developing long term synergy with apex training institutes for knowledge management in crop insurance sector on a sustained basis.

- 26.4.2 At the beginning of each crop season, concerned ICs need to prepare a stakeholder-wise micro level IEC and training activity plan and ensure strict implementation of the same. The GoI will facilitate in finalizing the micro activity plan in consultation with other stakeholders. It will also provide a standard template detailing target groups, select activities to be undertaken, timeline, frequency, responsibility etc. before the commencement of season.
- 26.4.3 The ICs to undertake an exercise of activity mapping and corresponding budget allocation for IEC and Training. This would help in planning diverse activities with maximum outreach and concentrating on few select activities with limited impact.
- 26.4.4 Adequate publicity and awareness generation needs to be conducted in all the villages of the notified districts/areas by all the implementing stakeholders in co-ordination with each other. All possible means of mass communication such as, print, digital traditional and social media may be utilised to create and disseminate awareness about the provisions and benefits of the Scheme among the farmers and the agencies involved in implementing the Scheme.
- 26.4.5 Awareness generation and training and capacity building activities need to be carried out on regular basis starting from three months prior to the beginning of the enrolment period till the claim settlement for a season. ICs need to start the work immediately, within 15 days of award of contract and submit a comprehensive plan to the concerned State Government and the GoI.
- 26.4.6 IC to prepare a dynamic social media calendar for generating awareness and addressing issues raised on social media.
- 26.4.7 State Government to facilitate all the implementing stakeholders in organizing training and capacity building workshops/sensitization workshops on key implementation activities on crop insurance/revamped PMFBY/RWBCIS.
- 26.4.8 ICs should spend 0.5% of the Total Gross Premium for expenses on publicity, awareness generation, training and capacity building activities at the field level. Implementing ICs need to submit corresponding details of expenses to the GoI and State Government at the end of every season.
- 26.4.9 0.25% of the total Gross Premium out of the earmarked 0.5% of the total Gross Premium will be pooled at the central level in the form of a knowledge repository comprising of IEC and training material such as interactive videos, short films, training manuals, booklets, brochures, pamphlets, e-learning material and courses, its designing and dissemination, and knowledgeable IEC specialists. This would involve using existing infrastructure by engaging apex training institutes at the national/regional/state level, etc. An advisory Committee will function under the supervision of Joint Secretary / CEO-PMFBY, DAC&FW to plan and undertake aforesaid activities.
- 26.4.10 The ICs shall deposit the unspent balance in the centralised IEC Fund of the GoI within 3 months of the cut-off date for enrolment. However, ICs working in NER, Hilly States and UT administration need to spend more on IEC and training activities and any deficits on earmarked allocation can be adjusted against the savings of the earmarked pooled fund of 0.25% of the Gross Premium.

- 26.4.11 All the publicity material/information/training material should necessarily be uploaded on the NCIP along with the coverage/frequency/ duration date, etc for better execution and effective monitoring.
- 26.4.12 Resources from central pool may be used to support the engagement of apex/premier institutes at the national and state level having institutional infrastructure and skilled human resources to impart training, developing E-learning modules, organizing seminars, conferences, workshops on technical aspects and conducting research on crop insurance for various stakeholders.
- 26.4.13 All the stakeholders to contribute in developing a pool of resource persons/master trainers on the subject of crop insurance across the country.
- 26.4.14 ICs to contribute in building institutional capacities by providing training and support to the Faculty Members of select apex/premier training institutes (identified/empanelled by GOI) in the country. Infrastructure of these training institutes may further be used for conducting trainings at its premises through sponsorship and the provision of offering honorariums to faculties/resource persons
- 26.4.15 Strict monitoring and tracking of all the activities planned and executed by the ICs at national/state level would be necessary for desired outcomes.

27 Service Charges

27.1 Bank HQs and Bank Branches:

- 27.1.1 Bank and other financial institutions etc. shall be paid service charges @ 4% of the farmer's share of premium by Insurance Company for the farmers enrolled by the bank branches, as generated from the Portal within the 15 days of the finalization of business statistics. Rural agents engaged in providing insurance related services to farmers may be paid appropriate commission as decided by the Insurance Company, subject to a cap prescribed under IRDAI regulations. If there is a delay in the payment of service charges by the Insurance Company beyond 15 days of finalization of business statistics, the amount needs to be paid with interest @12% p.a. to Banks/FIs
- 27.1.2 Even if the farmer's share of premium is contributed/financed by the concerned State Government. the applicable service charges on total farmers' share of premium shall be paid by the concerned Insurance Company only.
- 27.1.3 The bank Head Office for all its branches or respective bank branches separately can request service charges from ICs. The Bank HQ or branches should compulsorily enter the Goods & Services Tax (GST) number (Central Goods & Services Fund (CGST)&State Goods & Services Fund (SGST) both) and details of the bank accounts for remittance of bank service charge in the credential/login page of the Portal to facilitate online generation of the bank service charge invoice for the use of concerned Insurance Company and remittance of the same by them.
- 27.1.4 No service charges will be payable to the concerned bank/branch for the applications involving anomaly/deficiency/misrepresentation of details/data and has been rejected by the Insurance Company. **However, service charges will not be reduced/forfeited on application of the ACF.**
- ### 27.2 CSC, BCs & Other Intermediaries:
- 27.2.1 Common Service Centres, Banking Correspondents shall be paid service charges by ICs, as decided by GOI against the successful submission of each farmer application form by them. This includes charges

for submission of electronic data of farmers along with uploading of the copy of Land Possession Certificate (LPC)/Land records/ /contract document or any other document defined by the concerned State Government to identify share-cropper/tenant farmer, self declaration of the intent to sow the proposed crop or sown crop/sowing certificate as notified by the State, Bank Passbook upto 5 pages and printout of one page of the premium acknowledgement receipt.

- 27.2.2 No service charges will be payable to the CSC for the applications for which any anomaly/ deficiency/ misrepresentation of details/data is found and which have been rejected by the Insurance Company.
- 27.2.3 The service charges/Insurance Commission shall also be paid by the concerned Insurance Companies for enrolment of non-loanee farmers by Insurance Agents/Intermediaries.
- 27.2.4 All payments of commission, rewards & service charges by the Insurance Company will be subject to the applicable circulars and regulations issued by the Ministry of Agriculture & Farmer's Welfare, GoI and the IRDAI from time to time.

28 Goods & Service Tax (GST)

- 28.1 Collection of premium under the Scheme is exempted from applicability of Goods & Service Tax (GST)

29 Monitoring and Review of the Scheme

- 29.1 The State Level Coordination Committee on Crop Insurance (SLCCCI) of the concerned State will be responsible for the monitoring of the Schemes in its State. However, a National Level Monitoring Committee (NLMC) under the chairmanship of Secretary, MoA&FW will monitor the Scheme at the national level.
- 29.2 The following monitoring measures are proposed to ensure the effective implementation of the Scheme during each crop season ensuring maximum benefits to the farmers:
 - 29.2.1 The Bank branches/CSCs/ intermediaries may collect the details of individual insured farmers (both loanee and non-loanee) like name, fathers' name, Bank Account number, Aadhaar number, village, categories – small and marginal/SC/ST/women, insured acreage, insured crop(s), sum insured, premium collected, Government subsidy etc and submit the information electronically using the web or CBS Integrated module along with the electronic submission of crop wise consolidated declarations on or before final cut-off date. Yield data based on CCEs shall be made available online on NCIP to the concerned Insurance Company by the State Government within a month from the date of final harvest of the individual crop.
 - 29.2.2 The calculation of excess insured area if any shall be reported immediately after the completion of coverage period/uploading of data of individual insured farmers on the Portal but no later than the onset of CCEs. Similarly, any anomaly in the actual yield data shall be brought to the notice of the concerned State Government no later than 15 days from the final receipt of actual yield data as detailed in section 25.
 - 29.2.3 ICs shall calculate crop-wise, IU wise payable claims based on the actual yield data and threshold yield

given at the time of tendering. Accordingly, the payable claims subject to payment of applicable premium share by the Central and State Govt for the season shall be remitted by the ICs directly into the benefitted farmer's accounts electronically. Payment details shall be updated on the NCIP on a daily basis.

- 29.2.4 After the finalization of the claim amount from the concerned ICs, the same will be shared with the financial institutions/banks. They should display the list of the beneficiaries/details of claims (both loanee and non-loanee) on the notice board of the branch within seven days with the details of beneficiaries like Name of farmers/beneficiaries, crops insured, sum insured, amount of claims received etc.
- 29.2.5 The list of beneficiaries (Bank-wise and insured area-wise) shall also be uploaded/ placed on the website of the concerned ICs with proper provisions and mechanisms of public grievance redressal/feedback etc. The States./UTs should ensure that crop insurance products provide comprehensive insurance coverage to the farmers on sound insurance principles and provide the best value for the premium. State Government may also review the progress of the Scheme periodically and undertake impact assessment after the completion of each season and send their suggestion/ recommendations to DAC&FW for making further improvements in the Scheme.
- 29.2.6 About 5% of the beneficiaries may be verified by Regional Offices/Local level Offices of ICs who will send the feedback to concerned DLMC and State Government/SLCCCI on Crop Insurance.
- 29.2.7 At least 10% of the beneficiaries verified by the IC may be cross verified by the concerned DLMC. and they should send the feedback to the State Government
- 29.2.8 1% to 2% of the beneficiaries may be verified by the Head Office of the IC/Independent Agencies appointed by the Central Government/NLMC and they should send the necessary feedback to the Central Government.

30 Grievance Redressal Mechanism

- 30.1 Each implementing State/UTs and empanelled ICs are required to compulsorily set up a stratified and a robust grievance redressal mechanism with requisite infrastructure upto the level of block/taluka to address grievances of all stakeholders particularly insured farmers
- 30.2 At the initial level, for grievance redressal, each district shall designate taluka and district level grievance redressal officer preferably **Tehsil/Taluk or District Agriculture/Horticulture Officer** to record & respond to the grievances of Farmers, Banks, ICs etc. within 7 days of receipt of grievance. In case of dissatisfaction, the matter may be brought before **District Level Grievance Redressal Committee (DGRC)**
- 30.3 **District Level Grievance Redressal Committee (DGRC):** In line with the DLMC, DGRC shall also be constituted for redressal of grievances of Farmers, Banks, Insurance Company, District Authority/Department. This Committee will be headed by the District Magistrate/Collector and the representatives of Farmers, Lead District Manager (LDM/Banks, District Development Manager (DDM) NABARD, Insurance Company and concerned District Authority/Department (i.e. Agriculture/Horticulture/Cooperative/Revenue/Agricultural Statistics etc.) shall be appointed as members. This Committee may also invite subject specialists/experts from University/IMD/commodity Boards/Research Institutions, SRSAC etc. if deemed necessary. The DRGC will dispose the matter within 15 days. The decision of the Committee shall be accepted by all the parties and in case of disagreement with the decision; the same shall be represented to the State Level Grievance Redressal Committee

(SGRC) within 15 days from the decision of DGRC. In case the DGRC doesn't take the matter for discussion within 7 days from submission of grievance or the grievance has wider scope of effect impacting more number of districts or there is a breach of guidelines by any of the stakeholder or the grievance matter exceeds Rs. 25 Lakh in monetary terms, the matter may be directly raised at the State Level Grievance Redressal Committee. Similar grievance redressal committee should also be constituted at the block/Tehsil level under the chairmanship of block/Tehsil level agriculture/horticulture officer to facilitate the district level grievance redressal committee.

- 30.4 **State Level Grievance Redressal Committee (SGRC):** States/UTs may also nominate the State level Grievance Redressal Officers at the rank of Deputy Secretary/Director to register and dispose off grievances not in the purview of direct registration by the District Level Grievance Officer. The State shall also constitute a State Level Grievance Redressal Committee for redressal of grievance of Farmers, Banks, Insurance Company, District Authority/Department unsettled at the level of the DGRC. This Committee will be headed by the Principal Secretary/Secretary of the Nodal Department, SLBC/Banks, Chief General Manager (CGM) NABARD, Insurance Company and the concerned State Authority/Department shall be appointed as members. This Committee may also invite subject specialists/experts from University/IMD/research institutions/commodity Boards/, State Remote Sensing Application Centre, STSU, STAC etc. if deemed necessary. The Committee will dispose the grievance within 15 days time of receipt of grievance. The decision of the Committee shall be accepted by all the parties. States/UTs shall notify the constitution of such a grievance redressal committee and make wide publicity amongst farmers along with the name, address, email ID and contact number of grievance redressal officer. In addition, the States / UTs shall strictly comply and take the responsibility of the following activities.
- A. Strengthening of the Grievance Redressal Committee (GRCs) for resolving the grievances at the ground level (Taluka / District level)
 - B. Required capacity building shall be provided to the officials concerned with Grievance Redressal and its timely resolution and disposal
 - C. Systematic functioning of the Grievance Redressal Committees at various levels with proper reporting mechanism and documentation
 - D. Timely disposal of the Grievances and intimation of the status of disposal to the complainant with proper tracking mechanism
 - E. Avoiding procedural delays in channelizing the Grievances to officials / organisations for taking necessary action and strict adherence to the timelines as per the clauses in the OGS.
 - F. Proper documentation of the Grievances and Disposal status shall be ensured for further tracking by the State / Centre Governments and for RTIs or by any such Government / Citizen rights mechanism as part ensuring greater transparency and accountability of the Scheme.
 - G. The status of the grievance receipts and disposal shall be regularly updated on social media handles of PMFBY maintained by the State/ UT and the links of the same shall be made available to the implementing Department and Government of India, for any reference.

30.5 **National Level Centralized Grievance Redressal Mechanism:**

A dedicated Centralised Toll-free Number should be set-up for query resolution and grievance redressal. Any query or complaint of the farmer will be registered on the NCIP against a unique ticket number. The ticket number will be shared with the farmer through SMS indicating the tentative resolution timeline. Query or complaint registered with the call centre will be further forwarded/displayed to the concerned Stakeholder. The Stakeholder can forward it further down in the hierarchy or to another stakeholder as

required and provide the resolution/redressal within given timelines. The solution/redressal shall be intimated to the farmer through telephonic call and also through SMS generated by NCIP.

30.6 Grievance Redressal Mechanism by Insurance Company:

30.6.1 Each implementing Insurance Company will put in place an effective and resilient Grievance Redressal Mechanism for resolution and disposal of all grievances received through multiple channels viz. Centralized Call Centre, Toll-Free Call Centre, Social Media, Tehsil Level Grievance Cell, DGRC, SGRC, IRDAI, Insurance Ombudsmen, Banks, SLBC, Centralised Public Grievance Redressal and Monitoring System (CPGRAMS), respective State Grievance Redressal and Monitoring System (GRAMS) and similar entities and directly through farmer in the form of application/complaint letter. A designated resource/manpower at each tehsil level shall be equipped to handle and resolve grievances of farmers at local level and he/she should be able to participate in Tehsil/Taluk level grievance meetings and dispose-off the grievances.

30.6.2 Similarly, senior resource persons at the District and State level should be equipped to participate in DGRC and SGRC meeting to resolve such grievances.

30.6.3 Insurance Company ensure that details of the grievance redressal officers along with the name, address and contact number and email id is publicized widely among farmers. ICs will have to dispose the grievance within 7 day's time of receipt of each and every grievance/complaint.

30.6.4 Insurance Company shall have to mandatorily prepare and submit monthly report containing details of all such grievances reported and their disposal status to respective Grievance Redressal Committees in the 1st week of next month.

30.7 Committee to examine the additional claims arising due to errors/omissions/commissions of the Financial institutions:

30.7.1 A committee will be constituted under the chairmanship of Chief Executive Officer (PMFBY)/Joint Secretary (Credit), DAC&FW with the representatives of Internal Finance Division (IFD), DAC&FW, concerned State Government, ICs to examine and settle the issues related to additional claims arising due to errors/omissions/commissions of the Financial institutions specially in the remittance of premium, uploading of information on portal etc to facilitate the early settlement of claims to eligible farmers.

30.7.2 Committee will also invite the senior executive/officers of concerned banks to present their cases before the committee.

30.7.3 The Committee will take final decision in this regard including recommendation for the payment of admissible government subsidy to facilitate the payment of admissible claims and/ or payment of additional/full liabilities towards admissible claims by concerned financial institution or concerned Insurance Company.

30.7.4 All the aforesaid committee constituted for redressal of grievances of the stakeholders should examine and dispose of grievances as per the Revamped Operational Guidelines. Any clarification / interpretation of provision of the Revamped Operational Guidelines solely lies with DAC&FW, MoA&FW, Government of India.

31 Empanelment and Selection of ICs

31.1 Empanelment Criteria

- 31.1.1 The Public Sector (AIC& others) and Private Sector General IC empanelled by DAC&FW and selected by concerned State Government / Union Territory (UT) shall implement the PMFBY. The IC mainly engaged in agriculture/rural insurance business and having adequate experience, infrastructure, financial strength and operational capabilities are empanelled by DAC&FW. **Once an Insurance Company has been empanelled by MoA&FW, it is considered as pre-qualified company to bid for the selection of Implementing Agency (IA) to undertake implementation of the Scheme/Programme of MoA&FW.**
- 31.1.2 L1 bidder shall not be permitted to surrender partial clusters/districts. If any Insurance Company declines after being declared L1, it will be de-empanelled/ de-barred to implement crop insurance Scheme for the coming/next season(s) in the concerned State and L2 may be given the cluster for implementing the crop insurance Scheme at L1 district-crop combination rates and so on to L3, L4 bidder with their consent. All Such bidders will be required to simultaneously furnish appropriate reasons for withdrawal/surrender/non acceptance in writing to the State Government. with the copy to the DAC&FW to enable further corrective measures and appropriate administrative & legal action accordingly. Financial losses, if any, to the State Government, in retendering due to withdrawal of selected bidders, will be recovered from the withdrawing L1 bidder.
- 31.1.3 Each Insurance Company should compulsorily bid for any 4 NER, 2 Hilly States and 2 UTs. Suitable penalty may be imposed to the defaulters by MoA&FW, Gol.
- 31.1.4 Core businesses such as Underwriting, Grievance Redressal and claim calculation cannot be outsourced by the Insurance Company to any third party outside of the organization. Suitable penalty may be imposed to the defaulters by MoA&FW, Gol and will also send recommendations to IRDAI for taking necessary action in the matter.
- 31.1.5 Since premium rate is being decided on the basis of transparent bidding process, pre-bidding co-insurance will not be allowed. All companies have to inform such arrangements if any in advance to the Gol and in such cases only one company will be allowed to participate in the bid. If its found that more than one company having co-insurance arrangements have participated and successfully qualified as implementing agencies, then crop wise lowest premium rate quoted by these companies will be applicable.

31.2 Selection Criteria of ICs as Implementing Agency (IA)

- 31.2.1 The selection of Insurance Company from the empanelled list of ICs to act as Implementing Agency (IA) shall be done by the concerned States/UTs for implementing the Scheme in their State. Selection of IA will be made by adopting the cluster approach. In the case of smaller States, the whole State may be assigned to one IA.
- 31.2.2 Before the commencement of the crop season, State **Government would invite the pre-qualified companies as mentioned in the preceding para through open tender for submission of district-wise and crop-wise actuarial premium rates in percentage of Sum Insured (financial bid).** Indemnity Level, Threshold Yields, Sum Insured etc. will be the same for all ICs for the season. The participating empanelled companies have to bid the premium rates for all the crops notified / to be notified in the cluster by the State Government. Non-compliance will lead to rejection of the bid.
- 31.2.3 Based on the district-wise and crop-wise actuarial premium rates quoted by the pre-qualified

companies, the total premium amount and weighted average premium rates for cluster of districts will be calculated to arrive at L1. The L1 Bidder will be selected to act as the Implementing Agency in the concerned cluster.

- 31.2.4 Selection of IC has to be made for three years as mentioned above. Ensuring long-term continuity will facilitate the IC to build its credibility among the farmers by investing its premium savings in various activities aiming at the welfare and socio-economic development of the farmers like the creation of the facilities of drinking water/ healthcare/education, farm levelling, Weather Forecasts, CSCs, etc. It is also anticipated that long term continuity gives an opportunity to Insurers, Bankers, State Government and other stakeholders to achieve a supportive and collaborative interaction and business relationship and service effectiveness.
- 31.2.5 The insurance coverage in terms of the number of farmers and acreage should be at least at the level of the corresponding previous season. In case of fall in coverage, GOI may get the facts examined and if found at fault, it may impact the negative ranking of the ICs and the State Government and warrant corrective action including penal action .Government
- 31.2.6 The State Government may provide the requisite data about past yield of the last 10 consecutive years or more, threshold yield, crop-wise sum insured, indemnity level, insurance unit levels, names of notified units, calamity years etc. in a digital form by uploading the same on NCIP before floating the formal tender notice.

32 Clustering /clubbing of districts for bidding by the State

- 32.1 In order to diversify/ spread the risk and cover high risk/ low risk districts/ area equally, the State Governments are required to group the districts/ area in such a way that each group contains a mix of districts/ area with different risk profiles. Prior to inviting the bid, the State Government, especially the large States have to divide the State into multiple clusters of districts depending on the volume of risk associated in the crops and district/areas proposed to be notified under the Scheme. The purpose of clustering is to divide the States into different groups of districts, so that expected sum insured (ESI) becomes low and risk is shared and diversified. The States may form the clusters of districts based on mixed agro-climatic zones. i) Districts of high risk and low risk areas, ii) districts of different agro-climatic zones, and iii) ESI of each cluster should be in similar order.

The district having a very high risks exposure may be divided into clusters, combining few blocks as a cluster. However, while dividing the District in more than one clusters, administrative convenience may also be considered. Prior to the bid invitation, details on the cluster formation may also be made available to the ICs.

- 32.2 **The objectives of Clustering/ Clubbing of districts should be done to achieve the following objectives:**
- A. Cluster formation shall be applicable for upto 3 years and shall not be changed during the contract period. Different Clusters may be defined based on the risk profile of the district so as to increase the diversification of risk within a cluster and enable risk spreading for insurer.
 - B. Cluster may contain districts with mixed agro-climatic zones so as to increase the diversification of a risk within a cluster.

C. Crop-wise associated risk may also be diversified among the clusters and shall be factored in cluster formation.

32.3 Hence, one of the major requirements of clustering is the risk analysis of different districts. For the purpose of clustering/clubbing of districts and determination of L1 bidder, the risk is analyzed based on the long-term data of yield by (a) computing the average burn cost (percent difference between actual yield and threshold yield) and b) computing the level of variability in the long-term yield. Since, availability of high quality long-term yield data is difficult, especially at the lower administrative level, other methods (including the use of satellite data) can be tried for risk assessment.

32.4 Satellite data, of moderate resolution (e.g. Resourcesat, Advanced Wide Field Sensor (AWiFS), Terra/Aqua MODIS) are available, for the long-term, i.e. at least around 15 years. The long-term Vegetation Indices, which are indicators of crop health, derived from these satellites can be used to assess the year to year variations and thereby understanding the risk potential of an area. It can be combined with many other satellite derived products, such as flood maps, drought assessments and vulnerability and long-term weather data to carry out the risk analysis. States are advised to take the support of concerned National or State level research organizations (e.g. ISRO- NRSC/SAC, MNCFC, SRSAC, SAUs, etc.), to use the above mentioned technology for carrying out risk analysis of the Districts/ Talukas/ Blocks towards improvement in clustering.

32.5 The above listed approaches are only to provide guidance to the States. The State Governments are free to follow the recommended approaches or any other method devised by them however, ensuring that the DAC&FW is intimated.

32.6 The detail illustration for classification of risks, clubbing/clustering of risks and districts and determination of L1 bidder are at **Annexure-III**.

33 Assessment of Performance and De-empanelment of Insurance Companies

33.1 The performance of the empanelled ICs shall be closely monitored by the concerned Nodal Department of the State Government at the end of the completion of each 1 year interval comprising of atleast two crop seasons i.e. Kharif and Rabi through ascertaining the company's skills, commitment and efficiencies for providing cost effective and efficient insurance services to farmers. For the purpose, a detailed performance evaluation matrix containing key performance indicators with assigned weightage has been worked out and is as given at **Annexure -IV**

33.2 The Nodal department at the end of two complete seasons of a year may initiate performance evaluation of the ICs working in their state on the specific parameters as prescribed in the Insurance Company's Performance Evaluation Matrix as outlined in **Annexure-IV** and complete the activity as per timelines defined in the Seasonal Discipline, i.e. within 1 month each year.

33.3 The base data to be used for the evaluation shall be extracted from NCIP. The Nodal department will share their evaluation report with respective Insurance Company by 20th of the month for their

comments and confirmation. Each Insurance Company should be given enough opportunity to present their views and substantiate their observations with valid data/proofs. Nodal Department shall evaluate such additional data/proofs submitted by Insurance Company and accordingly review their evaluation report and submit to MoA&FW, GoI latest by 31st July each year.

- 33.4 MoA&FW, GoI will have the final authority to implement/execute the performance evaluation report after thorough evaluation and validation of facts. MoA&FW, GoI may ask for additional data/proofs from Insurance Company or Nodal Department of State Government to substantiate the facts as stated in the report.
- 33.5 Once the Performance Evaluation report has been accepted and finalized by MoA&FW, GoI, the corresponding actions will be taken by the Ministry along with similar actions by the Nodal Department of the state.

34 Evaluation of Efficiency of Nodal Department of the State

- 34.1 The efficiency evaluation of the State Nodal Department shall also be closely monitored by MoA&FW on every 1 year interval through ascertaining the State's efficiency and execution / implementation of the Scheme. For the purpose, a detailed performance evaluation matrix containing key performance indicators with assigned weightage has been worked out and is as given at **Annexure- V**.

35 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.

- 35.1 **Central Government**
- 35.1.1 Support and Coordination with the State/UT Governments for implementation of PMFBY including awarenesscreation,publicity and the issuance of necessary instructions/ guidelines from time to time for smooth and effective implementation.
- 35.1.2 Issue of directives to RBI, NABARD, Commercial Banks, RRBs and Cooperatives for compliance with the terms and conditions of PMFBY and its operational modalities.
- 35.1.3 Maintain NCIP
- 35.1.4 Setting up of the TSU/CPMU with adequate infrastructure and expertise as defined in Section 15.
- 35.1.5 Constitution/Revamping of TAC as defined in para 19.3
- 35.1.6 Facilitate States in strengthening of AWS/ARG network on PPP Mode by providing 50% fund for the same.
- 35.1.7 Release the advance premium subsidy equivalent to 50% of 80% of Central share of premium subsidy of corresponding previous season under the Scheme to ICs within 15 days of the enrolment cut off date for allocated clusters.

- 35.1.8 The balance of premium subsidy, for the season shall be released within 15 days of finalization of district-wise business statistics by ICs on NCIP
- 35.1.9 Review and monitor the implementation of PMFBY including premium rates, product-benchmarking and other matters and issue necessary directives to ICs. Review the performance of participating ICs and suggest modifications/ improvements wherever required.
- 35.1.10 Organize Capacity building training/workshops for the State Government officials, Banks, CSC and ICs. To Interpret the provisions of the Scheme and take decision on matters of risk/ dispute in settlement of claims.
- 35.1.11 Provide necessary assistance, guidance and resources for adoption of new technology for transparency, better administration of Scheme and timely payment of claims to insured farmers.
- 35.1.12 0.25% of the total Gross Premium (out of 0.5% of the total Gross Premium earmarked for awareness and publicity) will be pooled at the central level to build a knowledge repository.
- 35.1.13 To review the performance of the State Government for effective implementation of PMFBY
- 35.1.14 Maintenance of Crop Insurance App. Ensure compulsory use of the app for Localized Calamity and Post-Harvest Loss reporting.
- 35.1.15 To develop Technology related protocols including the protocols for Two Step Yield Estimation and Smart Sampling Techniques, Optimization of CCEs and Technology Based Claims settlement in case of delay in sharing of yield data by the State Government
- 35.1.16 Empanelment of agencies for Loss Assessment
- 35.1.17 Empanelment of ICs
- 35.2 **State/UT Governments**
- 35.2.1 To constitute the SLCCCI with adequate representation of all stakeholders as detailed in section 6.1.8. The composition of SLCCCI may be strengthened suitably from time to time to give representation to all the concerned participants including farmers in the implementation of the Scheme.
- 35.2.2 To set up and notify State level Technical Advisory Committee (STAC) and State level Grievance Redressal Committee (SGRC) at State level.
- 35.2.3 To set up and notify the District Level Monitoring Committee (DLMC), District Level Grievance Redressal Committee (DGRC), District Level Joint Committee and District Level Steering committee for CCEs and to hold regular meeting and ensure frequency of meetings at the district level.
- 35.2.4 SLCCCI meeting to be held well in advance to finalize clusters, issue bid notice, selection of Implementing Agency and issuance of Notification. Notification of the State Government shall contain all information as outlined in Section 7.
- 35.2.5 Take suitable action for adoption of new technology including Two-step Yield Estimation Methodology, Optimization of CCEs and Smart Sampling Technique for early loss assessment and better administration of Scheme.
- 35.2.6 Issue necessary directives to all agencies/institutions/Government departments/Committees involved in implementation of Scheme.

- 35.2.7 Notify insurance unit area at Village/Village Panchayat or other equivalent units for major crops. Unit size may be above the level of Village/Village. Panchayat Unit size may be above the level of Village/Village Panchayat for other crops.
- 35.2.8 Furnish in advance insurance unit-wise (or of higher unit, if unit level data not available) yield data of past 10 years of all crops notified under PMFBY, previous 10 years season-wise, crop-wise & IU-wise loss cost data, past 5 years season-wise, crop-wise, IU-wise coverage and claim data and other relevant data as per section & of the Operational Guidelines in soft copy format in English as per the formats detailed in model tender document issued by GoI to ICs.
- 35.2.9 Issuance of necessary instructions to Regional Meteorological Centres of IMD and other Government/ quasi Government agencies for supplying weather data on near/real-time basis to Insurance Company.
- 35.2.10 Plan and conduct awareness and publicity three months prior to the start of the coverage period, to maximize coverage of the farmers especially non-loanee farmers in co-ordination with implementing ICs. State Government may also earmark separate annual budget for the same.
- 35.2.11 Release advance premium subsidy equivalent to 50% of 80% of Central share of premium subsidy of corresponding previous season under the Scheme to ICs within 15 days of the enrolment cut off date for allocated clusters.
- 35.2.12 The balance of premium subsidy, for the season shall be released within 15 days from the time of finalization of District-wise business statistics by ICs on NCIP
- 35.2.13 Notify District-wise and crop-wise cut-off date for end of harvesting
- 35.2.14 Submission of yield data for all notified crops and insurance units to IC in a standard format in an electronic form (editable format) preferably on portal within the stipulated timelines.
- 35.2.15 Assist IC for assessment of crop loss of the individual insured farmers caused by localized perils and also assist in assessment of the post-harvest losses.
- 35.2.16 To undertake requisite number of CCEs in the notified area as per the GCES/State manual. Provide the yield data to the Insurance Company within the prescribed cut-off date, along with results of the individual CCEs.
- 35.2.17 Relevant documents may be provided to the IC only for those CCEs co-observed by the ICs. It is only in cases of CCEs Co- observed by ICs, can objections be raised by the company on any contradiction in yield data.
- 35.2.18 To notify district-wise and crop-wise seasonality discipline including normal sowing dates and cut-off date for completion of harvesting.
- 35.2.19 To provide crop-wise, IU-wise data of normal area sown, crop-wise cost of inputs at different crop stages and notify cut-off dates for invoking provisions of prevented/failed sowing/transplantation/germination clause.
- 35.2.20 Approval of CCE data on portal and uploading of missing CCE data to facilitate calculation of claims on portal.
- 35.2.21 Ensure mandatory use of Mobile Application/ other technology like RST for improvement in the quality of CCEs and digitization of CCE-wise yield on NCIP.
- 35.2.22 To issue notification for On-Account payment, for prevented sowing/failed germination and in case of mid-season adversity if required.

- 35.2.23 Setting up of the State TSU with adequate infrastructure and expertise
- 35.2.24 To provide office space to implementing ICs at its district office
- 35.2.25 Undertake performance evaluation of implementing ICs, and calculate penalty on ICs as per OGS
- 35.2.26 Timely preparation, updation and digitization of Village level master (Location master) on the NCIP
- 35.2.27 Ensure no condition is enforced in violation of the provisions mentioned in the OGS.
- 35.3 **National Technical Support Unit/State Technical Support Unit**
- 35.3.1 Monitoring of the implementation of Crop Insurance Schemes.
- 35.3.2 Calculation of Scheme-wise/season-wise/crop-wise Loss Cost.
- 35.3.3 Design & development of Weather Based Crop Insurance products for the crop / areas based on the local weather conditions.
- 35.3.4 Appraisal / benchmarking and standardization of crop insurance products (weather based) for various participating ICs.
- 35.3.5 Undertake the evaluation / impact / co-relation studies.
- 35.3.6 Capacity building and training of all the stakeholders engaged in crop insurance.
- 35.3.7 To provide technical input to Government & ICs regarding crop insurance products.
- 35.3.8 To develop methodology for assessment of yield including assessment through remote sensing, suggest improvements in the method for yield assessment through CCEs & other alternatives etc.
- 35.3.9 Development of integrated database for crop insurance.
- 35.3.10 Development of Internet / Web-enabled Evaluation & Management Information System (E&MIS).
- 35.3.11 Other related works entrusted by the Central/State/ UT Government
- 35.4 **Insurance Companies(IA)**
- 35.4.1 ICs to liaise with State Governments. and Agencies/ Institutions/Committees involved in the implementation of PMFBY and regular participation in meetings conducted.
- 35.4.2 Undertake underwriting—responsibilities for processing and acceptance of risk strictly as an in-house activity. It should not to be outsourced.
- 35.4.3 Claim processing / finalization on receipt of yield data from States/UTs and payment within the prescribed timelines. Claims shall be remitted directly into the designated bank accounts of farmers through the portal after the activation of necessary module.
- 35.4.4 Obtain Re-insurance arrangements, if necessary.
- 35.4.5 To verify the bank/land records when claims are reported due to clerical errors/omissions. This can be done only before the approval of claims
- 35.4.6 Disclose details of the designated Agents in writing before the inception of non-loanee farmers enrolment for the season to the concerned authority
- 35.4.7 Ensure timely payment of commission/ service charges to banks/CSCs /BCs for implementing the Scheme.

- 35.4.8 Awareness and publicity – undertake extensive efforts to create awareness and generate publicity at the grass-root level including bank branches. Also coordinate with the States and other agencies for awareness and publicity of the Scheme. Refer to the IEC and Training activities detailed in **Section 26 of the guidelines**.
- 35.4.9 Provide requisite returns/statistics/information demanded by the Central and State Governments.
- 35.4.10 Handhold Bank branches and facilitate their training and capacity building especially in terms of timely digitizing details of the insured farmers with all requisite details on NCIP.
- 35.4.11 Ensure intermediaries/ agents digitize the details of insured farmers and beneficiaries with all requisite details on NCIP well in time.
- 35.4.12 Redressal of all Public Grievances within the time fixed by the IRDAI. Maintain a centralized farmer's help line number (Toll Free Number) to be used for addressing the grievances of farmers. It will be based on a docket system with the provision of forwarding the grievances to respective ICs for resolution. Maintenance of the record of grievances received from different sources and its disposal.
- 35.4.13 The coverage of eligible loanee farmers should be carried out by ICs through the banks/FIs. Coverage through agents/ brokers is not allowed.
- 35.4.14 Establish a functional office at the sub-district level i.e. Tehsil/Block level in each District and at least one agent should be deployed at each Tehsil/Block level office in the allocated Districts. The district office be headed by the IC representative who should be an Agri Graduate. Details of the offices at the district level including contact number of the person should compulsorily be uploaded on NCIP.
- 35.4.15 Deployment of sufficient manpower to co-observe CCEs and allied activities. Ensure compulsory co-observance through CCE-Agri App.
- 35.4.16 At the beginning of each crop season, concerned ICs need to prepare a stakeholder-wise micro level IEC and training activity plan and ensure strict implementation of the same. Undertake IEC activities as detailed in Section 26.
- 35.4.17 ICs to compulsorily share the list of the beneficiary farmers along with the claim details to the bank branches to be displayed for the information of farmers
- 35.4.18 Develop crop-yield and weather data bases, along with related agri-insurance data bases.
- 35.4.19 Provide necessary inputs to the State Government/SLCCCI as required as per the notification or otherwise.

35.5 Financial Institutions/Banks

- 35.5.1 For purpose of PMFBY, scheduled banking institutions engaged in disbursing Seasonal Agricultural Operations (SAO) loans/KCC loan as per relevant guidelines of NABARD/RBI shall be reckoned as Banks.
- 35.5.2 Notification, as well as other directives, guidelines, etc., shall flow as Insurance Company → District Lead Bank/Administrative offices of Commercial banks/RRBs/DCCBs → Service /Individual Bank Branch /PACS.
- 35.5.3 Communicate Notification, as well as other directives, guidelines, etc. to all agencies that fall within their jurisdiction.
- 35.5.4 Ensure that all agencies within their jurisdiction sanction additional loan component to loanee farmers towards premium payable by them.
- 35.5.5 Adequate publicity for Opt out process and intimation of farmers. Recordkeeping of all Opt out

applications.

- 35.5.6 Ensure that all service (subordinate) bank branches within their jurisdiction serve all non-loanee farmers desiring and eligible to take insurance cover under PMFBY. Such service will include opening of bank account of non-loanee farmers, guiding them to fill up the proposal forms, accepting premium from them and maintaining records etc.
- 35.5.7 Ensure that the premium for both loanee and non-loanee farmers shall be remitted to the concerned ICs and the related data is uploaded on NCIP within the prescribed time.
- 35.5.8 Lead bank/Administrative Offices of Banks should ensure that all farmers sanctioned crop loans/seasonal operational loans/KCC loan for notified crop(s) are necessarily insured (except for those opted out) and strict adherence of all conditions stated in the Operational Guidelines of the Scheme. No eligible farmer should be deprived of an insurance cover. Lead banks/ Administrative Offices of Banks therefore, should make all efforts and pursue their branches for enrolling all eligible loanee farmers and interested non-loanee farmers under crop insurance. In case, claims have arisen during crop season then respective defaulting bank and its branches would be made responsible to make payment of the admissible claims to loanee farmers who were deprived of insurance cover
- 35.5.9 Concerned Bank and its branches should ensure digitization of insured farmer details on NCIP along with details of remittance of premium within stipulated time. The consolidated premium of farmers' share will be remitted electronically through the payment gateway of NCIP followed by the compulsory entry of payment details on the Portal for proper and timely reconciliation by the ICs. If the Concerned Bank and its branches are not able to remit the amount of premium collected /debited within defined timeline to the concerned ICs then they will be liable to pay the admissible claims to farmers who are deprived of insurance cover.
- 35.5.10 The IC shall acknowledge the receipt of the farmers premium and declarations submitted by the banks and any clarification/rectification sought by ICs should compulsorily be replied/addressed by the bank within 7 days. The banks should cross check with their records and aberrations, if any, should be brought to the notice of the IC immediately. If no response is received from banks within cut off time/reconciliation period, the details submitted on the Portal shall be considered final and no changes would be accepted later on. ICs will thereafter may act as deemed fit as per applicable provisions.
- 35.5.11 The list of beneficiary farmers with claim amount shall be obtained from the concerned IC by the Bank Branch/PACS to display at its branch and a copy shall also be provided to the Chairman/ Sarpanch/ Pradhan of the village Panchayat.
- 35.5.12 To permit IC access to all relevant records / ledgers related to insured farmers at the Nodal Bank/ Branch/ PACS for the purpose of scrutiny, if desired by them.
- 35.5.13 Banks should ensure that farmer are not deprived of any benefit under the Scheme due to errors/omissions/commissions of the concerned branch/ PACS, and in case of such errors, the concerned agencies shall have to make good of all such losses.
- 35.5.14 To educate the farmers on the Scheme features, especially the voluntary nature of scheme.
- 35.5.15 To guide the farmers on filling up the insurance proposal in the prescribed forms and collecting the required documents, particularly in case of non-loanee farmers.
- 35.5.16 To collect Aadhaar Number and Mobile number of all eligible farmers well before the start of enrolment/debit of premium.

- 35.5.17 Maintaining the records of the proposal/declaration forms and other relevant documents and statements for the purpose of scrutiny/ verification by the IC or its authorized representatives and DLMC, if necessary.
- 35.5.18 To reconcile, validate and provide clarification, if necessary, on the coverage details to the IC within next 15 days from the cut-off date for data uploading on the NCIP and within 7 days of the receipt of such request from IC
- 35.5.19 Debit /collect the applicable premium from the farmer's account on or before cut-off-date and remit it entirely to the concerned Insurance Company electronically.
- 35.5.20 Not to re-enrol the farmers under crop insurance for the same crop if the State/District has notified prevented/failed sowing/germination.

35.6 Common Service Centre-Special Purpose Vehicle (CSC-SPV):

- 35.6.1 To ensure enrolment of non loanee farmers through its SPV/VLE
- 35.6.2 To educate and train the VLEs on marketing and sale of crop insurance through the NCIP and /or through concerned ICs at the District level.
- 35.6.3 To electronically remit the premium collected from the CSCs to the concerned ICs in batches but no later than 3 days of receipt of premium from farmers.
- 35.6.4 To reconcile the premium from farmers to the concerned ICs in T+1 timeline
- 35.6.5 To send the daily MIS of the premium remitted along with the summary of insured farmers to the IC
- 35.6.6 To reconcile the data uploaded on NCIP and premium remittance to the concerned ICs within 7 days post cut-off date for enrolment of farmers.
- 35.6.7 To raise an invoice for pre-agreed service charges per farmer per crop-season application to the respective IC on or before 10th of following month.
- 35.6.8 To ensure post sales services and facilitate grievance redressal of the insured farmers.
- 35.6.9 Will be responsible for accuracy of details and document of individual farmers uploaded on NCIP and liable for claim payment due to errors and omissions committed by SPV/VLE.

35.7 Common Service Centres - Village level Entrepreneurs (CSC-VLE):

- 35.7.1 To educate the farmers especially non-loanee farmers on the feature of the Scheme . While accepting the application from the individual farmers, CSC-VLE will explain the provisions and provide details of the documents required. They must also make the farmers aware of the consequences of incorrect submission of information/documents. Further,they must ensure that all the documents submitted by the farmers should be scrutinised thoroughly, verified and uploaded on NCIP in legible form to avoid any anomaly in the coverage of that particular farmer by Insurance Company.
- 35.7.2 To display the advertisement, publicity material, banner, poster, leaflets in its premises for farmers as provided by the ICs/State Government
- 35.7.3 To fill up the online insurance proposal in the prescribed format and collect the required documents from non- loanee farmers only.
- 35.7.4 Collect the premium on behalf of the implementing IC, strictly as per the provisions of the Scheme.

- 35.7.5 To fill up the correct details of non-loanee farmers and upload the requisite documents along with their mobile number on NCIP. Due care should be taken in filling up the details in the application form of each of the insured non-loanee farmer and it should be cross-checked with the documents attached in the application.
- 35.7.6 The VLE should ensure that the insured farmers are not deprived of any benefit under the Scheme due to errors/ omissions/ commissions by them, and if such a case is reported, necessary administrative and legal action will also be taken for lapses in service/malpractices.
- 35.7.7 To issue acknowledgement receipt to the concerned farmer.
- 35.7.8 To facilitate post sales services, claim intimation and grievance redressal of the insured farmers

35.8 Designated Insurance Agents/Insurance Intermediaries:

- 35.8.1 To educate the farmers about the features of the Scheme .
- 35.8.2 To guide the farmers in filing the insurance proposal/application in the prescribed format and collecting the required documents along with Aadhaar number and Mobile number from non-loanee farmers.
- 35.8.3 Collect the premium on behalf of the IC, as per the provisions of the Scheme and issue acknowledgement receipt of proposal to the farmer.
- 35.8.4 To enter details along with requisite documents of the individually insured farmer on NCIP, transfer the consolidated premium to the concerned IC electronically and digitize the payment details compulsorily on the NCIP within the respective cut-off dates. Insurance coverage will only be valid for those insured farmers whose farmers premium is remitted electronically to the ICs and remittance details are entered/ uploaded on NCIP within the respective cut off dates.
- 35.8.5 Ensure that the insured farmers are not deprived of any benefit under the Scheme due to errors/ omissions/ commissions., and if any, the Insurance Company shall make good all such losses. Necessary administrative and legal action may also be taken for lapses in service/malpractices, if, reported.

35.9 Loanee Farmers:

- 35.9.1 As the Scheme is made optional for all loanee farmers availing SAO loans/KCC loans for notified crops, it is mandatory for all loanee farmers to submit a signed declaration in case they want to opt-out of the insurance coverage under the Scheme for a particular season anytime of the year but at-least 7 days before the cut-off date for enrolment and premium debiting. In case no such "Opt-out" declaration is submitted by the farmer for the season, he/she will be automatically covered for the season. Any change in the crop plan should be brought to the notice of the KCC/ agri-loan sanctioning bank-branch immediately but no later than 2 days prior to the cut off date for the enrolment and premium debiting. This should be supported by a sowing certificate issued by the concerned village/ sub-district level official of the State.
- 35.9.2 All loanee farmers are compulsorily required to submit Aadhaar number/copy of Aadhaar card or authenticate themselves through Aadhaar enabled e-KYC along with mobile number for enrolment under the crop insurance before the prescribed cut-off date. All banks have to compulsorily take Aadhaar/Aadhaar enrolment number as per the notification under Aadhaar Act before sanctioning of crop loan/KCC under Interest Subvention Scheme. Hence the coverage of loanee farmers without Aadhaar doesn't arise and such accounts need to be reviewed by the concerned bank branch regularly.
- 35.9.3 Insurance Proposals are accepted only upto a stipulated cut-off date, which will be decided by the SLCCCI. Hence, loanee farmers may ensure from the concerned bank branches that applicable premium

has been debited and remitted to the ICs within the cut-off date and details are uploaded on the Portal.

35.9.4 Give information of any loss due to a localized risk or a post-harvest loss due to specified perils to the concerned bank branch/ financial institution/ channel partner/insurer within 72 hours.

35.9.5 Loanee farmer should not avail KCC/Agriculture Loan from multiple banks on the same land or insure the same land through more than one bank or insure the same land more than once as a non-loanee farmer. If any such cases are reported/identified, the insurance cover will be terminated, the premium shall be forfeited and necessary administrative and legal action may also be taken for such malpractice.

35.10 Non-Loanee Farmers:

35.10.1 Non-loanee farmers desirous of availing insurance under PMFBY for any notified crop in any notified insurance unit may approach the nearest bank-branch/PACS/authorized channel partner/ CSC/insurance intermediary of Insurance Company or directly fill-up the online application form on the NCIP within cut-off date and simultaneously upload/ submit the requisite documents and applicable premium to concerned agency.

35.10.2 Applicants must sign/authorize electronically (along with copy of Aadhaar Card/Aadhaar enrolment ID (if Aadhaar seeding/eKYC has not been completed) along with the copy of LPC/Land Records/contract document or any other document defined by the concerned State Government to identify share-cropper/tenant farmer, sowing certificate or self declaration of intent to sow the proposed crop and copy of Pass Book to the Bank/Intermediary.

35.10.3 All non-loanee farmers willing to enrol through CSCs are compulsorily required to submit mobile phone numbers and Aadhaar numbers. They must authenticate themselves through Aadhaar enabled e-KYC for enrolment under crop insurance before the prescribed cut-off date along with the copy of LPC/Land Records/contract document or any other document defined by the concerned State Government to identify share-cropper/tenant farmer, sowing certificate or self declaration of intent to sow the proposed crop, and the copy of Pass Book.

35.10.4 The farmer desiring coverage under crop insurance should open/operate an account in the branch of the designated bank, and the details should be provided in the proposal/application form.

35.10.5 The farmer should mention his/her land identification number in the proposal/application.

35.10.6 The farmer must provide documentary evidence with regard to the possession of cultivable land.

35.10.7 To notify implementing Insurance Company in the event of change of crop or sown area being different from the details declared in the proposal form, the CSC or other channel.

35.10.8 The farmer must furnish area sown confirmation certificate/self declaration of intent to sow the proposed notified crop(s).

35.10.9 Non-loanee farmers being covered through other than online channels of CSC and direct through NCIP etc. shall submit the duly filled proposal/application form along with the copy of Aadhaar Card, Bank Passbook, Land Ownership proof /contract document or any other document defined by the concerned State Government to identify share-cropper/tenant farmer, sowing certificate or self declaration of intent to sow the proposed crop.

35.10.10 Non-Loanee farmer should ensure that the crop on the same land is not insured more than once or insured through two different agencies. If any such cases are reported/ identified, the insurance cover will be terminated, the premium shall be forfeited and necessary administrative and legal action may also be taken for malpractice.

- 35.10.11 Give information of any loss due to a localized risk or a post-harvest loss due to the specified perils to the concerned bank-branch/ financial institution/ channel partner/insurer within 72 hours.

36 Enhanced Version of National Crop Insurance Portal (EV-NCIP) for administration of Crop Insurance Program (www.pmfby.gov.in)

- 36.1 In the implementation of the scheme, multiple stake holders are involved from enrolment of farmers to the claim disbursement to farmers. A hallmark of the Scheme is leveraging technology adoption for the effective scheme administration. In an endeavour to integrate technology in the implementation and execution of the Scheme, the Ministry of Agriculture & Farmer's Welfare, Government of India has designed and developed a National Crop Insurance Portal (NCIP) (<https://pmfby.gov.in>) which serves as a centralized digital platform for all stakeholders. The idea behind developing a web-based, integrated digital platform is to speed up service delivery, unify fragmented databases, achieve a single view of data, eliminate manual processes and thus provide faster insurance services to farmers. This in turn will bring in better administration, transparency and coordination amongst stakeholders viz., Farmers, States, ICs, Banks, Common Service Centre (CSC) & other channels and real time dissemination of information. The NCIP captures the entire data relating to insured crops and also serves as the repository for the data relating to the crop insurance scheme.
- 36.2 The NCIP is being further enhanced to provide a single Information Technology (IT)enabled platform for digitization of processes and information data bank and dissemination mechanism, automation of administrative procedures, integration of information and systems across multiple sources, information validation and premium and claim calculation and remittance etc. This IT driven system aims at addressing the issues which affect the current system of programme administration, thereby reduce its efficacy and lead to denial/ delay in benefit transfer to farmers viz. selective/layered information access, manual interventions, multi-step procedures, documentary evidence/proofs, delayed/defective information sharing etc. Hence, integration of IT platforms of banks, ICs, State Govts. Yield/weather data providers, Land Records, UIDAI with National Crop Insurance Portal directly or through interface for fetching in information is felt essential to avoid errors for timely transmission of requisite information amongst major stakeholders, early settlement of claims, proper monitoring and transparent administration of the Schemes. Once the entire linking of IT platforms of all stakeholders with the Web Portal is established, it would also lead to faster processing of claims due to electronic flow of information. Currently, this Portal is available in two languages – Hindi and English and it will be converted into all regional languages.
- 36.3 The conceptualisation and development of web-portal has already been completed and launched and facilitates for the notification digitisation, farmers application enrolment, application management, user management etc. **subsidy release management, claim disbursement and other functionalities are proposed to be made available in the next version of NCIP wherein following modules have been planned.**
- 36.4 **Modules of NCIP**
- 36.4.1 Integration of NCIP with the tech systems of the ICs using Block Chain technology:**
- ICICs are one of the stakeholders for the implementation of the scheme and provide crop insurance to the farmers. Farmers' applications, entered into the portal from different sources, are validated by the

ICs and approval or rejection of applications happen. The ICs have their own system to process the application and claim calculation. Integration of NCIP with the internal tech system of the ICIC will be done for the flow of information to and fro in an automated manner over block chain network. Block chain nodes shall be created at NCIP and at the IC's end. Farmer Applications and other relevant details will be replicated to the respective IC database. NCIP and IC's nodes shall always be in sync. Changes in NCIP node will automatically update the information on IC node over block chain network. NCIP node will be the primary source of data.

36.4.2 Integration with Public Fund Management System:

The NCIP shall be integrated with PFMS and a platform shall be developed for managing financial transactions to facilitate release of State/Gol share of premium subsidy, account verification and payment of insurance claims by the companies to the farmers.

Online remittance of premium by Financial Institutions:

Data related to the farmers, having crop loan from Banks, is being entered by the Banks on the portal and the corresponding farmer premium, which is deducted by the banks, is remitted to corresponding IC. However, the transactions related to such remittance are not executed through the Portal at present. Such transactions take place directly from the Banks' system to the account of the ICs. It is proposed to develop a platform for remitting the consolidated farmer premium by the Bank branches to the ICs through a third-party payment gateway.

A third-party payment gateway will be integrated with NCIP for the remittance of farmer premium by the Bank branches. The remitted amount will be added in a wallet of the Bank-Branch. Bank-Branch can remit the amount multiple times. For each transaction, an Unique ID (UTR) will be assigned. Branch will add the farmer application against the UTR up to the UTR amount. As soon as an application is added, the farmer premium amount of the application will be deducted from the UTR amount and the balance amount will be shown.

36.4.3 Add-on Coverage of Crop Risk:

The State/UT has the option to notify Add-on Cover perils cover with or without Basic Cover(Yield base cover). Selection of risk will be made available on portal as per the provisions available in the guidelines. In the notification module, option will be provided to the States/UTs to select the add-on coverage separately according to the crop and insurance unit along with the Basic Cover as per the notification. Claim will be calculated as per the add-on coverage opted for the crop and IU.

36.4.4 Change of Crop:

Farmers, having crop loan from financial institutions, covered under the Scheme, can change the insured crop upto 2 working days before the cut-off-date. Farmer can raise the crop change request for the current season as per the revised guideline through NCIP, Crop Insurance app, call centre or through concerned financial institutions. Intimation of the crop change request and its status will be shared with the farmer via SMS. Also, interface will be provided on NCIP/Crop Insurance app to check the request status. Crop change request will be displayed to the corresponding stake holder for necessary action.

Due to crop change, sum insured, and premium will change accordingly. Changes in application details due to change in crop will be carried out on the next version of NCIP under which a crop change facility shall be provided. Option to manage excess and short farmer premium will be provided and amount/area will be managed accordingly.

36.4.5 Land Record Integration:

Land record detail is one of the major requirements under the PMFBY scheme. Manual verification of the land record data is a challenge. Many States/UTs have digitized land record system, however their hierarchical system and practices are different. DAC & FW is moving forward to integrate the States/UTs land record system with NCIP to validate the farmer's land parcel with land record system.

States will share the land record API subsequent to which integration of land records of the State(s) with NCIP shall be executed. The land record details of the farmers will be entered during enrolment process and rest of the details shall be fetched through the State land record portal. The user will be required to verify the land record details.

36.4.6 Centralised Call Centre:

Ministry of Agriculture & Farmer's Welfare has setup Kisan Call Center for the farmers. The services of Kisan Call Centre shall be utilized for PMFBY also. Kisan Call Centre operator will access this application to answer farmer's queries.

Claim related query can be raised through this platform by Farmers. Information available with NCIP is to be communicated to the farmers through the created platform. Any information not available under NCIP can be logged and displayed to the State and corresponding insurance company for providing the same to the farmer.

Any query or complaint of farmer will be registered on the NCIP against a unique ticket number. The ticket number will be shared with the farmer through SMS indicating the tentative resolution timeline.

Query or complaint registered with call centre will be further forwarded/displayed to the concerned Stakeholder. The Stakeholder can forward it further down in its own hierarchy or to another stakeholder if the matter concerns some other stakeholder. Query/Complaint will be resolved by the concerned stakeholder. Progress status will be intimated to the farmer via SMS and the same will be updated on portal.

36.4.7 Integration with IMD/ Weather Data Provider:

Restructured Weather Based Crop Insurance Scheme (RWBCIS) is based on the weather parameters for the claims. Weather parameter is provided by India Meteorological Department (IMD) or other agencies notified by State. Integration of IMD or other weather agency's platform with NCIP shall be made for faster claim calculation. **Term sheet digitization option will be incorporated in NCIP.** The option will be customized as per the request of the State Government. API based integration between NCIP and the IMD/Weather agency identified by the State for the sharing of weather parameters data to NCIP is proposed. Claims calculation will be done for RWBCIS by the system based on the weather data shared by the weather agency and the digitized term sheet.

36.4.8 Integration with Mahalanobis National Crop Forecast Centre (MNCFC):

To streamline the flow of information amongst stakeholders, the portal will also be integrated with the system/data being developed by MNCFC.

- a) Settlement of Yield data disputes or disputes relating to crop loss.
- b) ACF (Area Correction Factor) for insured crop for every season.
- c) Satellite data-based Clustering
- d) Integration of smart sampling tool for CCE plot selection
- e) Integration of innovative technology driven approach for rationalisation of CCE.
- f) Integration with the technique that is being developed for estimation of crop yield at gram panchayat level
- g) Cadastral level crop and land ownership verification
- h) Smart Sampling technique and Optimisation of CCE: Integration between MNCFC and NCIP through API

36.4.9 Location Master Management:

Location master is the base for the implementation of the PMFBY Scheme. The scheme PMFBY is based on the State's revenue hierarchy. The revenue hierarchy is dynamic, differs from State to State and there might be changes from season to season on account of reorganization of revenue units or creation of new units. NCIP is therefore required to be equipped with related provisions to capture the reorganisation of the hierarchy.

Option for addition, amendment and deletion of revenue unit is being considered under the revenue location hierarchy in the NCIP database. The option will work in a maker and checker scenario. Stakeholders like Bank, CSC, Districts, etc. can request for the addition of the location unit. State will verify the request and either approve or reject. System will validate the request and display its analysis to the States as a helping tool.

36.4.10 Conversion of data into regional languages:

Existing crop insurance portal supports 11 regional languages including Hindi. However, the data is entered in English only. To support the multilingual data, it is required to convert the data into State specific local language. Web pages of the EV-NCIP will be made enabled in all the supporting languages along with English.

36.4.11 Monitoring Framework/MIS Reporting:

Module wise web reports for monitoring the progress of scheme on different parameters.. Reports shall be drillable and printable till the lower level. Reports will be developed with the development of the corresponding entry modules. Comparative reports with earlier respective seasons on different parameters for the users shall be available. Downloaded reports will have unique name as per the report number with date and time stamp.

Search module will be available in each stakeholder's login on different parameters like Policy search, Farmer search, Notification search, Bank-Branch Search, Location master Search, User Search etc. Further the search is to be made available by sub attribute also. Advance Search will be available on sub attributes of the parameters.

36.4.12 CCE Agri App:

Mobile application has been developed and is being used for capturing the CCE data from the field and for uploading on the server. CCE Agri app works in both online and offline mode. CCE Agri app captures, Form-1 and Form-2 data along with geo-coordinated photographs. It is customizable as per the requirement of the States. Further, following functionalities are to be enabled:

a. CCE schedule digitisation:

State schedules the CCE for the insurance unit and crop. State selects the village (If IU is at higher level) and plot (Survey/Sub Survey no.) randomly for conducting the CCE. There will be two ways to select the CCE plot i.e. through smart sampling technique or conventional method. In State's login, option to declare the randomly selected village of the IU and survey number /sub survey number of CCE field for a crop. State will declare the locations for the selection of CCE field according to smart sampling technique or the conventional technique. In smart sampling technique, the geo-coordinates and survey/sub survey number for the CCE field will be shared by MNCFC through API. The schedule of the CCE will be approved by the State. The approved schedule will be available to the corresponding insurance company for the co-observance.

b. Smart Sampling technique:

MNCFC will share the Geo-coordinates of the CCE field through API and the same will be shared to the CCE-Agri app based on the declaration done by the State for the use of smart sampling technique. CCE app will validate the CCE primary worker's geo-coordinate with the co-ordinates shared for smart sampling technique. A significant buffer distance between CCE primary worker's geo-coordinates and smart sampling will be allowed.

c. State Specific customization:

CCE specifications may differ from State to State i.e. measurement units of CCE field, shape of CCE plot etc. State specific customization is required for the smooth implementation of CCE through CCE app.

36.4.13 Crop Insurance App:

Crop Insurance App is mobile based app developed for the farmers. Through this app, farmers can enroll themselves directly and can track the status of their application and the status of the claims. The app will be also enabled for **crop loss intimation and Crop Change Intimation**.

36.4.14 Claim module and its alignment with PFMS module:

Claim module is to be developed under NCIP with functionality for claim calculation, claim approval/rejection etc. State will be facilitated to upload the IU and crop wise AY and TY season wise. Provisions for following Claims Type will be made:

- a. CCE based widespread Calamities
- b. Mid-Season Adversity
- c. Prevented Sowing
- d. Localized Risks

e. Post-Harvest Losses

f. Weather based Claims for RWBCIS

36.4.15 Calculation of Service Charges:

It is proposed to calculate the Bank and CSC charges through NCIP on the basis of the number of applications and to automatically transfer the service charges to the respective channel through the NCIP interface. In cases, where the farmer's premium is borne by the Government, the service charges shall be calculated on the actual farmer premium irrespective of the amount deducted/paid.

Bank and CSC service charges will be calculated on NCIP as per the approved application. It will be calculated at the end of the season to minimize the variation. Auto calculated service charges will be available in insurance company login for approval. The approved, commission will be paid to the Bank and CSC through the third party payment gateway.

36.4.16 Seasonality Discipline:

Scheme PMFBY/RWBCIS are driven by seasonality discipline and accordingly the provisions under the portal for different users shall be automated as per the dates notified.

36.4.17 Intermediary Module:

Intermediaries are the representatives of empanelled ICs and responsible for the enrolment of the of the non-loanee farmers. Intermediaries web interface is enabled for the enrolment of farmers. As of now the option is enabled for the insurance company for which the cluster is allocated i.e. L1 insurance company as per tender. As per the guidelines , other empanelled ICs which have participated in the bidding and are keen for enrolment of non loanee farmers in the cluster may also be allowed to enrol non-loanee farmers at L1 premium rate. The interested companies have to inform their willingness in writing within seven days of finalisation of tender/issuance of work order to L1.

Empanelled ICs which have participated in the bidding will be mapped with the district under NCIP. The option will be available in the State user/ State admin login. The mapped insurance company must agree/approve the mapping as per the willingness shown to State for the coverage. This option will be available in the IC's admin login.

Provided that, in order to ensure control over the sources of enrolment, such companies shall carry out enrolment only through the intermediary channel. For depositing the collected farmer premium to the insurance company account, challan or wallet system will be implemented.

36.4.18 Email and SMS platform:

Email and SMS platform will be enhanced for sending the intimations or acknowledgement to the stakeholders. SMS will be sent for every change in the status of the application for the farmer. System generated mails will be sent to the Bank, insurance company, CSC etc.

36.4.19 Amount based notification and differential notification:

Notification is the base for the enrolment of application of farmers under NCIP. Under notification, the

State declares the crop, premium rate, scale of finance and other parameters. Currently, premium amount is calculated on the basis of the premium rate and scale of finance defined under notification. Revised guidelines allow State to exempt the farmer's premium but, in such cases, differential premium will be borne by the State Government. However, in this scenario at least Rs.1 will be taken from farmer as token money to have the record of such applications on the Portal. Also, if the State provides the exemption for the farmer's premium for certain limit of land area, then there will be a provision of same on Ev-NCIP.

a. Absolute amount-based farmer premium:

Enabling option in notification to declare the farmer premium in absolute amount. In such cases the State will enter the premium amount instead of percentage. However, total amount of farmer premium will not exceed the amount calculated in terms of percentage defined in the tender notification. Also, the State may define that this exemption will be facilitated on the first cum first serve basis upto certain limit. For example, for the first 100 applications the farmer premium may be Rs.1 only.

b. Limited area-based notification:

State limits the farmer premium subsidy upto certain limit of the insured area for a farmer. If the insured area exceeds the defined limit, then farmer has to pay the full premium for the exceeded area insured. The notification module will be customizable as per the State requirement based on key parameters.

36.4.20 Integration of NCIP with Crop Insurance portal of States:

Some States e.g., Karnataka have their own crop insurance portals and farmers data is captured on their State portal. Integration of State's portal with the NCIP is required for the flow of information for centralized monitoring.

State will share the API for transferring the data from State's Portal to NCIP. The APIs will be tested with the input parameter for the desired output. All the attributes related to farmer, farmer enrolment, threshold yield, actual yield, claims etc. will be shared. Any update in the records must be brought into sync with the NCIP.

36.4.21 Aadhaar Vault implementation:

Aadhaar number and Aadhaar related information to be encrypted by a reference key and stored in Aadhaar Vault ; all protocols to be defined as per UIDAI guidelines will be followed.

36.4.22 Subsidy release framework:

Subsidy is an important part of the scheme. Govt and State Government share the insurance premium subsidy. Subsidy release framework is to be implemented through NCIP to keep track of the movement of subsidy from the State and Central Government to the ICs.

Option to auto-calculate the State and Central Subsidy by the system itself as per the OGs and on the basis of applications approved on NCIP. Insurance company can raise the subsidy release request with the State Government through NCIP.

All the subsidy release sanction order will be entered by the State and GoI in NCIP. Insurance Company will enter the transaction details on the NCIP.

36.4.23 Intermediary Mobile Module/Web Module:

Intermediaries are the representatives of empanelled ICs and responsible for the enrolment of the non-loanee farmers. Development of the mobile based application for capturing the date of farmer enrolment and premium collection.

Option will be enabled in the intermediary app to enrol the farmer's application for the selected season and year. Enrolment will capture all the required fields and necessary document through app and will be available on NCIP. Option to pay the farmer premium of the enrolled application will be implemented through wallet or challan system.



Add-on coverage for crop loss due to attack by wild animals

1. Coverage for Crop Loss due to Attack by Wild Animals

- 1.1 The provision for cover against losses to crops due to attack of wild animals wherever the risk is perceived to be substantial (Indemnity level + 10% loss), is identifiable and is not frequent/regular will be covered. It is intended for farmers whose crop field is likely to be affected by raiding/grazing or by the impact of damage by wild animals occasionally affecting the individual isolated farms. This cover is intended to provide protection against such incidences causing irreversible damage to the standing and insured crop.
- 1.2 The definition of wild animals will be as per the categorization of the MOFE&CC/ state forest department based on historic yield losses faced. Hence, the State government should obtain the consent of MOFE&CC/ state forest department for notified area/IU wise notification of Wild animals.

2. Risks Covered:

- 2.1 Initially this add-on cover would be available on a pilot basis. In the initial stages of pilot, the add-on cover against losses due to wild animals would be available for those crops only which have a history of demonstrable economic loss by attack of wild animals. List of these wild animals will be notified by State Government, preferably notified area/IU wise.
- 2.2 Notification of the wild animals covered under add-on cover will be done in area(s)/crop(s) to be notified under PMFBY or separately.

3. Risk Acceptance:

- 3.1 As substantial historic yield data is not available for the economic losses to crops by attack of wild animals, actuarial pricing is not possible at present for this add on cover. However states having 10-12 years historic yield loss data to crops by wild animals can float a separate tender for this add-on cover to decide the actuarial premium rate by the ICs along with the PMFBY tender, however the add-on actuarial premium rate will be considered separately and shall not form a part of the evaluation of L1. Further, one Insurance company will implement PMFBY and add-on cover of loss due to attack by wild animals. L1 bidder of PMFBY will be asked to match the add-on coverage rate of L1 bidders. In case L1 PMFBY bidder doesn't agree to match the L1 Add-on coverage rates, State may negotiate with L1 PMFBY bidder for coverage of add on cover due to wild animals.. Alternatively State may also adopt alternative – II.

States may ensure that the actuarial premium rate quoted by the ICs should be rational to the past loss experience. Under this provision all risks will be borne by the concerned IC. (*refer as alternative - I*)

- 3.2 Alternatively, those states not having requisite historical yield loss data to crops damaged by the attack of wild animals to determine the rational actuarial premium rate can consider to implement this add-on cover on corpus model. However, there should be some past experience of demonstrable crop losses by wild animals (*refer as alternative - II*)
- 3.3 In case any farmer has benefitted upto 100% of the sum insured from the add-on cover due to attack of wild animals then the farmer will not be eligible for any claims under PMFBY yield loss. The total liability under both cases combined would be limited to 100% of the sum insured.

Alternative – II(Corpus Fund): In case both PMFBY yield losses and add-on coverage losses due to wild animals are triggered then first liability of claims will be met through yield-based coverage and the remaining liability will be met from the corpus fund. Payment of claims will be done based on the incidence and occurrence of risk and the liability will be adjusted at the end of the season.

Example –

Case – I:

Sum Insured = ₹ 100,000,
Yield Based Claims = ₹ 60,000
Claims due to Add-on Coverage (Wild Animals) = ₹ 40,000
Total admissible claims to the Farmers = ₹ 60,000
Liability of claims on ICs = ₹ 60,000
Liability on Corpus Fund = Nil

Case – II:

Sum Insured = ₹ 100,000,
Yield Based Claims = ₹ 40,000
Claims due to Add-on Coverage (Wild Animals) = ₹ 60,000
Total admissible claims to the Farmers = ₹ 60,000
Liability of claims on ICs = ₹ 40,000
Liability on Corpus Fund = ₹ 20,000

Note: If the loss due to add-on cover happens mid season in Case II, corpus would pay Rs. 60,000 first to the farmer. As per area approach end of season yield estimation, if loss determined is Rs. 40,000, Insurance company would pay the corpus Rs. 40,000. (Refer 11.5 & 11.6 in Annexure I)

- 3.4 State governments opting for corpus model for the implementation of this add-on cover will create a corpus fund at the State level to provide claims to eligible farmers over and above the premium collected. Any claims arising for this add-on cover will be paid from the corpus fund with 100% contribution from concerned the State Government and the State Forest Department, if they have the provision/allocation for the same. Detailed modalities of Corpus fund and its management will be framed by the concerned State Government in consultation with their concerned department/Organisation well before floating the tender for greater transparency and better understanding of the add-cover among the other stakeholders.
- 3.5 The IC under PMFBY for the respective season will also act as an implementing agency for this add-on cover at defined rational administrative charges notified by the state government at the time of the tender in consultation with the IC. The notional premium of the farmers should at least be equivalent to the administrative charges of the implementing IC.
- 3.6 This add-on cover would run concurrently and follow the cut-off dates as specifies in seasonality discipline of PMFBY. Farmers who opt for this cover will be enrolled after payment of a notional premium notified by the state government at the time of the notification for both alternatives mentioned *in para 3.1 & 3.2 above*.
- 3.7 As mentioned in *para 5.2.5* of these OGs of PMFBY, the financial liability of this cover will be borne by the concerned State government only. However, the fund available in other related schemes of the State Governments and assistance aid of MOEF&CC may also be utilized for meeting the financial liabilities of States.
- 3.8 State governments may provide requisite information related to historic crop losses by wild animals etc. to the IC and also discuss the issues in the SLCCCI meeting.

4. Eligibility Criteria of farmers:

- 4.1 Available to all insured farmers to indemnify the losses at farm unit level, affected by the above mentioned peril in a Notified IU growing notified crops for which insurance has been availed.
- 4.2 The add-on cover will be optional for both the loanee and non-loanee farmers. If a farmer opts for the cover, he will have to pay notional premium rate. However, the concerned State Government will provide remaining premium as subsidy or eligible claims from the corpus fund for alternative I & II respectively.
- 4.3 Non-loanee farmers will opt for this add-on cover at the time of enrolment and loanee farmers will inform the concerned Bank branches to opt for this cover in writing at least 2 working days prior to the prescribed cut-off date of enrolment/debit of premium. Provision in this regard will be explored in NCIP if the coverage is adequate. However, State government and concerned ICs will maintain the granular data of insured farmers including add-on coverage. If the L1 under PMFBY and L1 for add-one coverage are different the L1 of the PMFBY will provide all requisite data of farmers and support to L1 of add-on cover.

- 4.4 Only those farmers would be eligible for financial support under this cover who have paid the premium or the premium has been debited from their account.
- 4.5 This add-on cover will be available initially for major crops only
- 4.6 The State Government would notify the list of wild animals, which inhabit the region, IU and crop-wise which will be covered under this add-on cover in consultation with state forest department.
- 4.7 The add-on cover would be applicable from 30 days after sowing to harvesting during the crop duration. The coverage duration should compulsorily be notified in notification in *dd.mm.yyyy* format.
- 4.8 Indemnity would be payable only when the area affected by notified wild animals is more than 25% of the individual insured field/plot or 0.1 acre, whichever is lower, and the affected notified crop has less than 25% chances of crop revival till harvest. This provision may be reviewed by the respective implementing States.
- 4.9 If the pay out under area approach (based on CCEs data) is more than losses under this add-on cover, the balance claims, if any, will be settled at the end of season.

5. Proxy-Indicators:

- 5.1 Incidence of raiding/grazing by wild animal must be substantiated by media reports/coverage in the local media or the reports of the Agriculture/Forest/Revenue department. The State governments may also consider other reports of damage including reports of Panchayati raj/ Gram Sabha etc. as intimation and quantity of loss. However, only report of the State government in the matter will be considered for deciding the payouts/claims.

6. Sum Insured:

- 6.1 The sum insured will be same as notified under PMFBY. There would not be any additional sum insured for this add-on cover.

7. Time and method of reporting the loss/claims:

- 7.1 Immediate intimation (within 72 hours) by the insured farmer to any reporting channel as detailed in the para 8 of Annexure I.
- 7.2 Intimation must contain details of survey number-wise insured crop and acreage affected with stage of crop at the time of damage by wild animals and the chances of regrowth of the crop.
- 7.3 Premium payment verification to be done from the 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.
- 7.4 Crop Insurance App may be used for reporting incidence of damage of notified crops due to wild animals for intimation of events including longitude/latitude details and pictures.

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

- 8.1** Intimation may be given within 72 hours by farmer either directly through “Crop Insurance App” to the IC or through a dedicated toll-free number, Centralized Call-Centre number of concerned IC. The intimation may also be forwarded through the concerned bank branch, local agriculture department Government/district officials or through toll-free number. First mode of intimation should be the “Crop Insurance App” and the centralised Toll-Free Number for this purpose, followed by intimation through the Insurance Company’s toll free number or through the bank or district officials to the IC 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.
- 8.2** Primarily reporting of losses will be done through the Crop Insurance App and Centralised Toll-Free Number (once operationalized), along with other channels. Other Channels will be phased out subsequently.
- 8.3** In case the intimation has been given through the concerned bank branch or Government officials, the same should compulsorily be given within the next 48 hours to concerned IC. In case the concerned farmer’s details are not available on NCIP, 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.

9. Documentary evidence required for claim assessment

- 9.1** Duly filled claim form preferably in vernacular language along with all relevant documents is necessary for payment of the claims. However, if information on all the columns is not readily available, semi-filled form may be sent to the IC and later within 7days of the loss, filled form may be submitted.
- 9.2** Evidence of crop loss through capturing pictures using mobile applications i.e. Crop Insurance App
- 9.3** Media report, local newspaper cutting to substantiate occurrence of loss event and severity of the loss, if any.

10. Appointment of Loss Assessors by the Insurance Company:

- 10.1** The loss assessors would be appointed by the IC for assessment of crop losses due to attack of wild animals. The loss assessors appointed by the IC should be in accordance with the IRDAI provisions and should possess the following experience and qualification:
 - 10.1.1** Graduate in Natural sciences, Wild life Sciences, retired officials of forest department and other allied sciences
 - 10.1.2** Diploma in any subject with minimum 2 years of relevant experience /degree in Agri and allied subjects with one year experience.

- 10.1.3 Retired Government officials of Agriculture/ Horticulture/ Extension Department having Diploma/B.Sc. (Ag.) degree.
- 10.1.4 Retired Bank officials with experience of crop loaning or Kisan Credit Card (KCC)
- 10.2 For compliance under the above provisions, the ICs would Utilize the empanelled loss assessors for using their services as and when required.
- 10.3 The loss would be jointly assessed by a team comprising of loss assessor appointed by the insurer, block level agriculture officer, local forest department officer and the concerned farmer.

11. Time frame for loss assessment and Claims Payment:

- 11.1 Appointment of loss assessor within 48 hours from the receipt of information to the ICs
- 11.2 Loss assessment to be done only after lapse of minimum 7 days (for assessing the chances of revival) and must be completed within next 20 days of the receipt of information of loss.
- 11.3 Claim settlement/payment to the farmers to be completed in next 10 days (subject to receipt of premium).
- 11.4 The payable claim would be in proportion to the input cost incurred up-to the incidence of crop loss by wild animals based on the stage of crop.
- 11.5 Claims paid under this cover would be adjusted based on the area approach and claims paid under other covers for the same insured field. Maximum claims would be subject to Sum Insured.
- 11.6 Any saving between add-on cover claims and admissible claim under PMFBY will be transferred to the Corpus Fund by the implementing IC.

12. Franchise:

- 12.1 Claims amounting to less than Rs. 100/- per intimations will not be paid to reduce the administrative cost towards claims settlement. The claims equal or more than Rs. 100/- will be paid in full.

ANNEXURE- II

FORMAT FOR REPORTING OF EXCESS AREA INSURED/ ACREAGE DISCREPANCY FOR CONSIDERATION OF APPLICATION OF AREA CORRECTION FACTOR BY INSURANCE COMPANY

(Annexure of letter No. 11019/02/2019-CrII (FTS No. 66955) dated 23rd April, 2020)

All areas in Hectare

Details available at Notified Insurance Unit Level or Block/Taluka Level (If sown area not available at IU level)											
	District	IU	Block	Name of lowest unit areas at which sown area data is available	Total Geographical Area at the lowest unit area	Net Cultivable/sown area at the lowest unit level	Total Insured areas under all notified crops at lowest unit areas	Name of Insured Crop#	Area sown during the season for last three years (at lowest available unit of area) under reported crop		
									Year 3	Year 2	Year 1
A	B	C	D	E	F	G	H	I	J	K	L
1											

All areas in Hectare

Details available at Notified Insurance Unit Level or Block/Taluka Level (If sown area not available at IU level)													
Maximum of Last Three Years	Sown Area during current year (If available) at same unit level	Insured area of last two previous seasons/years (at same level of Unit) under the reported crop						Insured area during current season(at same level of Unit) under reported crop			% Excess of Area Insured over max sown areas at Col. (M)	% Excess of Area Insured over max insured areas at Col. Q or T	
		Year 2			Year 1			Loane	Non-Loanee	Total			
		Loane	Non-Loanee	Total	Loane	Non-Loanee	Total						
M	N	O	P	Q	R	S	T	U	V	W	X	Y	

details of each insured crops are reported separately in separate column

DEDUPLICATION MEASURES / WORK DONE BY INSURANCE COMPANY BEFORE REPORTING OF AFORESAID FORMAT AS MENTIONED IN REVISED OPERATIONAL GUIDELINES:

Outcome: List of Activities carried out and No. of applications eliminated

- I. Aadhar Based Deduplication
- II. Land Record Deduplication

- III. Bank Records / Loanee Verification / Deduplication
- IV. CSC Applications processings / Deduplication
- V. Communication with Banks Branch excess insured area
- VI. Irregularities / Anomalies reported to State Govt and Action taken by them
- VII. View / Consent of State Government, If any
- VIII. Any other activities for Deduplication



Illustration for classification of risks, clubbing/clustering of risks and districts and determination of L1 bidder

Method 1

Define Risk Level

- i. Calculate Loss Cost for each district as per illustration given for District1, Notified Area 1 (NFA1) and Crop1, on the basis of immediate past ten years of yield data:

Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Average	TY (Kg/ha)
Yield	2877	2558	1800	2097	2503	1500	2855	2734	1200	2987	2311	2041
LC (%)	0%	0%	12%	0%	0%	27%	0%	0%	41%	0%	8.00%	

District Name	NFA Name	Crop	Last year Area Insured (In Ha)	Sum Insured (Rs./ha)	Weight (ESI) in Rs.	Average Loss Cost	Expected Claim Amount
A	B	C	D	E	F=D*E	G	H= F*G
District 1	NFA1	Crop1	400	10000	4000000	8%	320000
District 1	NFA1	Crop2	300	4000	1200000	10%	120000
District 1	NFA2	Crop1	200	10000	2000000	6%	120000
District 1	NFA2	Crop2	150	4000	600000	5%	30000
District 1	NFA3	Crop1	125	10000	1250000	10%	125000
District 1	NFA3	Crop2	250	4000	1000000	7%	70000
Total					10050000		785000

Weighted Average Loss Cost (%) of District 1 = $785000 / 10050000 = 7.80\%$

- ii. List the districts with their loss cost (%)

Sl. No.	District Name	District Loss Cost
1	District 1	7.80%
2	District 2	8.60%
3	District 3	5.40%
4	District 4	3.20%
5	District 5	4.60%

Low	District Loss Cost < 1/3 percentile value
Medium	District Loss Cost >= 1/3 and < 2/3 percentile values
High	District Loss Cost >= 2/3 percentile value

1/3 percentile value	4.87%	= PERCENTILE(district Loss Cost,1/3)
2/3 percentile value	7.01%	= PERCENTILE(district Loss Cost,2/3)

iii. **Define Coverage Level**

- Estimation of the Area Insured (in ha):** The area insured for the ensuing season would be based on the previous year area insured. However, as per best judgment and concurrent situation, States may adjust estimated area insured by +/- 10% of previous year area insured.
- Estimated area insured as per (a) above for current season-year** will be multiplied with sum insured (Rs. /ha) to arrive the Expected Sum Insured (in Rs.) for each and every district-crop combination. The district level Expected Sum insured (ESI) will be the total of each district-crop combination within the districts.

Example given for District 1:

District Name	Crop	Estimated Area Insured (in Ha)	Sum Insured (Rs./ha)	Expected Sum Insured (in Rs.)
A	B	C	D	E = C * D
District 1	Crop1	725	10000	7250000
District 1	Crop2	700	4000	2800000
District 1 Expected Sum Insured (in Rs.)				10050000

In the similar manner calculate Expected Sum Insured (ESI) in Rs. for all the districts.

- Calculate 1/3 and 2/3 Percentile values of Expected Sum Insured (ESI) for entire district within State. Define Coverage Level as per following percentile values:

Coverage Level	Percentile
Low	District ESI < 1/3 percentile value
Medium	District ESI >= 1/3 and < 2/3 percentile values
High	District ESI >= 2/3 percentile value

1/3 percentile value	3500000 = PERCENTILE(DistrictESI,1/3)
2/3 percentile value	8833333 = PERCENTILE(DistrictESI,2/3)

1/3 percentile value	3500000 = PERCENTILE(DistrictESI,1/3)
2/3 percentile value	8833333 = PERCENTILE(DistrictESI,2/3)

District Name	Expected Sum Insured (inRs.)	Coverage Level
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District 1	10050000	High
District 2	9000000	High
District 3	8500000	Medium
District 4	1000000	Low
District 5	700000	Low

Risk Level	Coverage Level	Code
High Risk	High Coverage	1
Medium Risk	High Coverage	2
Low Risk	High Coverage	3
High Risk	Medium Coverage	4
Medium Risk	Medium Coverage	5
Medium Risk	Low Coverage	8
Low Risk	Low Coverage	9

d) Allocation of codes to different districts:

- Arrange the districts in any order.
- Write risk level and coverage level corresponding to each district.
- On the basis on above code table allot codes to each district.
- Arrange the districts in ascending order of allotted codes.
- Write ESI against each district in next column and arrange ESI in descending order of the district within the same code.

Illustration:

District Name	Expected Sum insured (in Rs.)	Risk Level	Coverage Level	Code
District 1	10050000	High Risk	High	1
District 2	9000000	High Risk	High	1
District 3	8500000	Medium Risk	Medium	5
District 4	1000000	Low Risk	Low	9

Cluster1		Cluster2		Cluster3	
District Name	ESI (in Rs.)	District Name	ESI (in Rs.)	District Name	ESI (in Rs.)
District 1	10050000	District 2	9000000	District 3	8500000
		District 5	700000	District 4	1000000
	10050000		9700000		9500000

For other codes, the distribution may be done to achieve balancing of ESI.

- e) Make suitable minor changes in the distribution of districts to clusters for achieving the objective of clustering.

Applicable conditions for Clustering/Clubbing of districts:

- i. Within the cluster, ICs would be required to quote the premium rates for all district-crop combination for their bids to be evaluated.
- ii. Company not quoting even for one of the total district-crop combinations within the cluster would be disqualified from the bidding period.
- iii. There would be no further negotiations with the L1 bidder to accept L1 rates of other bidder for any district crop combination i.e. the rates quoted by the L1 bidder for different district-crop combination would be applicable within the cluster. Bidding and negotiation conditions will be as per Central Vigilance Commission (CVC) guidelines vide its circular nos. No.005/CRD/012 dated 03rd March 2007 & No.005/CRD/012 dated 20th Jan 2010.
- iv. L1 bidder shall not be permitted to surrender partial clusters/districts. If any company declines after being declared L1, the company may be barred to implement crop insurance scheme for the coming 1 season in the concerned State and the L2 may be given the cluster for implementing the crop insurance scheme at L1 district-crop combination rates and so on to L3, L4 bidder as per the consent of insurance company. Such bidders will be required to furnish appropriate reasons for withdrawal/surrender in writing to Ministry of Agriculture & Farmer's Welfare, Government of India within 10 days from opening of the bids to enable further corrective measures and appropriate administrative & legal action against defaulting bidders.

Selection of Implementing Agency:

Illustration:

Weighted Premium Rate (%) for companies		
Company X	Company Y	Company Z
0.044289	0.046435	0.044221
4.43%	4.64%	4.42%

L1 in Cluster1 is Company Z. Similar process would be followed other clusters.

Method 2

Agriculture output in the area/ district is influenced by the agro-climatic conditions of that area/district. On the basis of the variation in agriculture output (crops) in each district during the last 10 years, districts may be divided in to three categories of low, moderate and high risks to agriculture. If variation in agriculture output in the district during the last 10 years worked out to be plus minus <15% then district may be categorized as low risk. Similarly, districts of variation ranging plus minus 16-30% may be categorized of moderate risks and variation of plus minus >30% as high risks districts to agriculture operations. Accordingly, all districts of the State would be identified as low/moderate/high risk. Number of clusters to be formed shall be decided according to total no. of districts in the State. Total no. of each category of low, moderate and high risks districts shall be divided by no. of clusters to be formed in the State. Then, equal no. of low risk districts shall be selected randomly for each cluster of districts. Similarly, moderate and high risks districts would be selected.

Example:

State– UP, No. of districts – 75

Based on the last 10 years variation in output, category-wise No. of districts identified:

Low risks 40, Moderate risks 20, High risks 15,

No. of clusters (of preferably 15-20 districts each) to be formed: $75/19 = 3.95$ say 4

Then, no. of low risks districts in each cluster: $40/4 = 10$

Similarly, moderate risks districts: $20/4=5$ and high risks districts: $15/4=3.75$ say 4 As such,

Sample calculation to find L1:

Table-1: Calculation to arrive company's weighted average premium in a district of the cluster

Cluster	Formation of clusters			Total districts in cluster
	No. of low risks districts	No. of moderate risks districts	No. of high risks districts	
C 1	10	5	4	19
C 2	10	5	4	19
C 3	10	5	4	19
C 4	10	5	3	18

District: D1 Company –Y

Crops Notified in a District of the Cluster	Expected Area to be insured (in ha)	Notified SI per ha (Rs.)	Total SI (Rs. Lakh)	Premium Quoted by company	Premium Amount (Rs. Lakh) X(% of SI)
Paddy	10000	30000	3000	5	150
Maize	6000	20000	1200	10	120
Cotton	8000	35000	2800	12	336
Arhar	9000	50000	4500	15	675
Groundnut	5000	40000	2000	13	260
Above all crops	38000		13500		1541

District: D1 Company –Z

Crops Notified in a District of the Cluster	Expected Area to be insured (in ha)	Notified SI per ha (Rs.)	Total SI (Rs.Lakh)	Premium Quoted by company Z(% of SI)	Premium Amount (Rs. Lakh)
Paddy	10000	30000	3000	7	210
Maize	6000	20000	1200	9	108
Cotton	8000	35000	2800	11	308
Arhar	9000	50000	4500	15	675
Groundnut	5000	40000	2000	14	280
Above all crops	38000		13500		1581

Table-2: Calculation to arrive at company's weighted average premium in a cluster of districts

For Company: X

Districts of the Cluster	Expected Area to be insured (in ha)	Total SI (Rs. Lakh)	Premium Amount (Rs. Lakh)	Weighted average Premium of company X(% of SI)
District D1	38000	13500	1541	
District D2	40000	14000	1600	
District D3	35000	13000	1400	
District D4	45000	15000	1650	
District D5	30000	12750	1350	
Above all Districts	188000	68250	7541	11.05

For Company: Y

Districts of the Cluster	Expected Area to be insured (in ha)	Total SI (Rs. Lakh)	Premium Amount (Rs. Lakh)	Weighted average Premium of company Y(% of SI)
District D1	38000	13500	1446	
District D2	40000	14000	1500	
District D3	35000	13000	1425	
District D4	45000	15000	1675	
District D5	30000	12750	1400	
Above all Districts	188000	68250	7446	10.91

For Company: Z

Districts of the Cluster	Expected Area to be insured (in ha)	Total SI (Rs. Lakh)	Premium Amount (Rs. Lakh)	Weighted average Premium of company Z(% of SI)
District D1	38000	13500	1581	
District D2	40000	14000	1550	
District D3	35000	13000	1475	
District D4	45000	15000	1600	
District D5	30000	12750	1275	
Above all Districts	188000	68250	7481	10.96

Districts of the Cluster	Expected Area to be insured (in ha)	Total SI (Rs. Lakh)	Premium Amount (Rs. Lakh)	Weighted average Premium of company Z(% of SI)
District D1	38000	13500	1581	
District D2	40000	14000	1550	
District D3	35000	13000	1475	
District D4	45000	15000	1600	
District D5	30000	12750	1275	
Above all Districts	188000	68250	7481	10.96

The company of the lowest weighted average premium in the cluster will be selected as L1. Hence, company Y qualifies for L1 in the cluster of 5 districts and like-wise for other clusters and companies.

Penalty and performance Monitoring/evaluation of Empanelled ICs

State Level Performance Indicators*(More points indicate more penalty/negative rating)*

S. No.	Topic	Pre-condition/ Remarks	Remarks on Monitoring method	Remarks on Points criteria	Rationale
Key Penalty/Performance Indicators					
1	Withdrawal of Bids after being L1	State follows the OGS for calling for bids and selection of Insurance Company. Post tendering, no additional terms/clauses allowed Announcement of L1 bidder within 3 working days of schedule opening date of bids and provisional work order given within 3 weeks.	Selected L1 bidder withdraws its bid after the announcement of L1 bidder is made and/or provisional work order is released	If bids are withdrawn by the Insurance Company: a) 1 cluster/state : 5 Points b) > 1 cluster/State : 15 Points Additionally, financial losses, if any, to the State Government, in retendering due to withdrawal of selected bidders and additional premium subsidy due to increase in actuarial premium rates from previously declared L1 rates, will be recovered from withdrawing L1 bidder.	With a view to ensure well worked out rational rating practice and professional handling of bids
2	Grievance Redressal Mechanism	This would be applicable for location where Insurance Company is implementing the scheme	All grievances/complaints received through all modes should be disposed off within 7 days from receipt. Insurance Company to appoint and designate resources as Grievance Redressal officers (GROs) at Sub-district level within 30 days and at District, State and National level within 15 days from date of Notification of award and list with Name, email ID and Phone number of such officer to be uploaded on NCIP simultaneously.	i) % of grievances/complaints remain unresolved at the end of 7 days: • between 5% -10 % : 1 Point • between 25 % - 50 % : 5 Points • > 50 % : 10 Points • > 75 % : 15 Points ii) Designation of GRO - a) If GRO at all levels not designated within 30 days: 10 Points b) If contact details GRO not published/uploaded on NCIP within one week of designation of such officer: 5 Points c) If district representative/GROs not placed within 6 months: 20 Points	Effective grievance redressal mechanism for faster resolutions and disposal of grievances of farmers and other stakeholders

S. No.	Topic	Pre-condition/ Remarks	Remarks on Monitoring method	Remarks on Points criteria	Rationale
3	Settlement of Claims within 21 Days	<p>This would be applicable for location-crop combination where yield data is undisputed and received within notified and specific cut-off date.</p> <p>Any dispute in yield data should compulsorily be intimated in proper format indicating IU-Crop wise details along with valid reasons to concerned State Govt within 7 days of receipt of yield data from State Govt and/or publishing on NCIP, whichever is earlier. Otherwise, the yield data would be treated as “undisputed”.</p>	<p>All eligible undisputed claims should be released within 21 days from the data of AY uploaded on the GOI Portal subject to receipt of applicable premium subsidy as per Section 13 of these Operational Guidelines.</p>	<p>% of the undisputed claims remain unpaid at the end of 21 days</p> <ul style="list-style-type: none"> • between 5% -10% : 1 Point • between 25 % - 50 % : 5 Points • > 50 % : 10 Points • > 75 % : 15 Points <p>Penal interest @ 12% per annum will be recovered on admissible pending claims amount, if ICs keep claims pending beyond 30 days after uploading of AY on Portal and releasing all admissible subsidy for the crop(s) of district, without any genuine reason(s) acceptable to the Government.</p>	<p>Swift and timely settlement of claims</p>
4	Add-on Coverage claim Settlement	<p>This clause would be applicable only if State Govt provides the required support during surveying by District Level Joint Committee (DLJC).</p> <p>Any dispute in crop loss survey data should compulsorily be intimated in proper format along with valid reasons to concerned State Govt within 7 days of conduct of survey. Otherwise, the crop loss survey data would be treated as “undisputed”.</p>	<p>As per time-line for claim disbursement under this cover as per OG.</p>	<p>% of the undisputed claims remain unpaid at the end of completion of given timelines for each add-on cover</p> <ul style="list-style-type: none"> • between 5% -10 % : 1 Point • between 25 % - 50 % : 5 Points • > 50 % : 10 Points • > 75 % : 15 Points <p>Penal interest @ 12% per annum will be recovered on admissible pending claims amount, if ICs keep claims pending beyond allowed timelines even after release of admissible subsidy for the crop(s) of district, without any genuine reason(s) acceptable to the Government.</p>	<p>Swift and timely settlement of claims of add-on covers</p>

S. No.	Topic	Pre-condition/ Remarks	Remarks on Monitoring method	Remarks on Points criteria	Rationale
5	District/Sub-District Office and Human resources		<p>a) To be appointed within 1 month in case of functional district office and 15 days in case of district level representative from the date of notification.</p> <p>b) Opening of sub-district level offices with requisite infrastructure and manpower. The details of offices and human resources deployed at each sub-district and district should be uploaded within three weeks of award of work or at least two months before the cut of date of enrolment, whichever is later.</p>	<p>1) District Office</p> <p>a) If functional district office not set up within 30 days : 5 Points</p> <p>b) If functional district office not set up within 6 months : 15 Points</p> <p>2) District Representative</p> <p>a) If district representative not placed within 15 days : 5 Points</p> <p>b) If district representative not placed within 6 months : 10 Points</p> <p>3) Sub-District level office</p> <p>a) Sub-district level offices not setup within timelines : 5 points</p> <p>b) Sub-district level office not setup within 6 months: 15 points</p>	To facilitate development of adequate infrastructure by ICs thereby improving service delivery and accountability

Other Performance Indicators:

6	Non-serious participation	It should not be compulsory for ICs to participate in one or more clusters in the State	<p>Non-serious participation if :</p> <p>a) Deviation of rate quoted by Insurance Company from the L1 rates is</p> <table border="1"> <thead> <tr> <th>Average Rate</th> <th>Deviation</th> </tr> </thead> <tbody> <tr> <td><5%</td> <td>>75%</td> </tr> <tr> <td>>=5% to 10%</td> <td>> 75%</td> </tr> <tr> <td>> 10%</td> <td>> 50%</td> </tr> </tbody> </table>	Average Rate	Deviation	<5%	>75%	>=5% to 10%	> 75%	> 10%	> 50%	<p>a) If non-serious in >25 % clusters and upto 50% of clusters :5Points</p> <p>b) If non-serious participation in >50 % of clusters : 10 Points</p>	Non serious participation has been defined with a view to encourage competitive bidding by ICs.
Average Rate	Deviation												
<5%	>75%												
>=5% to 10%	> 75%												
> 10%	> 50%												

S. No.	Topic	Pre-condition/ Remarks	Remarks on Monitoring method	Remarks on Points criteria	Rationale
7	Preparation of brochures, etc.	If the notification is delayed and cut-off date is less than 7 days from the date of notification, then this clause will not be applicable	Brochures/Pamphlets/Leaflets, etc. pertaining to crop insurance schemes not be less than half of the number of farmers covered during the previous similar (Kharif/Rabi) season in the district. Payment to vendor would be the deciding criteria	If printing is less than: a) 50% : 2 Points b) 25% : 5 Points	Number of farmers insured in previous is available, hence number of pamphlets/leaflets, etc is pre-decided
8	Training, workshop, etc	If the notification is delayed and cut-off date is less than 15 days from the date of notification, then this clause will not be applicable	Organization of at least one banker's sensitization programme and not less than 5 farmers awareness Block level/Panchayat level programmes in each district during the season	a) If banker's sensitization programme not conducted : 10 Points b) farmers awareness programme: < 2 : 5 Points <5 : 2 Points	To help sensitize bankers and the farmers
9	CCE Co-observance	This clause would be applicable only if State Govt provides CCE schedules timely to the officer nominated by ICs in District Level Steering Committee	Co-observance of CCEs scheduled by the concerned department in the district	Co-observance between 20 % to 30 % of total CCEs conducted in allotted Districts: 10 Points Less than 20% : 15 Points	CCE witnessing is in the interest of the Insurance Company, therefore Insurance Company will take suitable steps to witness maximum number of CCEs wherever required
10	Crop Survey and De-Duplication Exercise to eliminate duplicate/bogus application	Requisite to process the application before seeking premium subsidy from the Government This process is mandatory and has to be conducted using CCE app/crop survey app and will be used for verification purposes	To finish the verification of applicant fulfilling the eligibility criteria within stipulated timelines	Mandatorily Conduct 20 survey for each notified crop in a district If achieve 100 % of the Target – 0 points Upto 75% - 5 points Upto 50% - 10 points	Crop survey at the field level helps in verification of actual crop grown on the ground

S. No.	Topic	Pre-condition/ Remarks	Remarks on Monitoring method	Remarks on Points criteria	Rationale
11	Auto-approval of applications on NCIP	If farmer applications are auto-approved by GOI on NCIP due to delay by ICs in processing applications	Percentage of farmer applications auto approved on National Crop Insurance Portal (NCIP)	No applications auto approved – NIL Less than 20% applications auto approved – 5 points >=20% and <=40% applications auto approved – 10 points >40% applications auto approved – 15 points	To ensure timely processing of farmer applications by ICs

Performance severity of Insurance Company at State Level:

Threshold limit	Severity
0 - 20 Points	Insurance Company nominated for Annual National Award
21-40 points	Insurance Company nominated for Technical/RST Pilot Project through Technology Fund
41 - 50 points	Deduction of 0.5% of total Premium amount for the concerned Insurance Company for a Year (Kharif & Rabi seasons)
51 - 60 points	Deduction of 1% of total Premium amount for the concerned Insurance Company for a Year (Kharif & Rabi seasons)
61 – 70 points	Deduction of 1.5% of total Premium amount for the concerned Insurance Company for a Year (Kharif & Rabi seasons)
71 - 80 points	Deduction of 2% of total Premium amount for the concerned Insurance Company for a Year (Kharif & Rabi seasons)
81 - 90 points	Deduction of 3% of total premium for a Year (Kharif & Rabi seasons) - cancellation of renewal/continuation for next season
>90points	Deduction of 5% of total premium for a Year (Kharif & Rabi seasons) - cancellation of renewal/continuation of extant business subject to provisions under Para 7.1.14 of these guidelines and blacklisting of Insurance Company for 1 year in the State
False intimations on any of the above parameters	Investigations to be called against the insurance company and if it is found that company has falsified data - cancellation of renewal/continuation of extant business subject to provisions under Para 7.1.14 of these guidelines and dis-empnelment of Insurance Company for 2 years.

*All fund collection due to imposition of penalty would go to Technology Fund except penalty due to delay in release of claim by ICs which shall be passed on to the concerned beneficiary farmers. The penalty amount shall be deposited by the concerned ICs within one month of publication of Ranking by GOI.

National Level Performance Indicators

(More points indicate more penalty/negative rating)

S. No.	Topic	Pre-condition/ Remarks	Remarks on Monitoring method	Remarks on Points criteria	Rationale
1	Non-Participation in Bidding		States in which Insurance Company has participated	i) Non-Participation in States - a) If participated in <35% of States: 5 Points b) If participated in <20% of States: 10 Points ii) If IC has not participated in at least 4 North Eastern States, 2 Hilly States and 2 Union Territories: 10 points	Non-participation has been defined with a view to ensure participation in maximum number of States by the companies.
2	Enrolment of non-loanee farmers	1) At least 30 days marketing window should be available to ICs post notification.	Applicable If number of farmers enrolled during the season is decreased over similar season during previous year. The comparison would be made for same district coverage during previous year, even if the district was allotted to other company.	If company-wise at all India level coverage of Non-Loanee farmers decreases by: (a) 10 –25 % : 5 Points (b) >25% : 10 Points	To increase coverage under the Scheme
3	States with high penalty		Penalty Points received in State Evaluation	%age of States where > 70 penalty points has been awarded to IC – a) > 25%: 20 Points b) > 10% up to 25%: 10 points	To ensure effective implementation and service delivery by ICs
4	State with medium penalty		Penalty Points received in State Evaluation If a State is already considered in imposition of penalty under “States with high penalty”, it should not be counted twice here	%age of States where > 50 penalty points has been awarded to IC – a) > 25%: 10 Points b) > 10% up to 25%: 5 points	To ensure effective implementation and service delivery by ICs

Performance severity of Insurance Company at National Level:

Threshold limit	Severity
11points to 20points	Equivalent to additional 0.5% of total National Premium amount for the concerned Insurance Company for a Year (Kharif & Rabi seasons)
21 points to 30points	Equivalent to additional 1% of total National Premium amount for the concerned Insurance Company for a Year (Kharif & Rabi seasons)
31points to 40 points	Equivalent to additional 2% of total National Premium amount for the concerned Insurance Company for a Year (Kharif & Rabi seasons)
41 or more points	Equivalent to additional 3% of total National Premium amount for the concerned Insurance Company for a Year (Kharif & Rabi seasons), Cancellation of all extant business of the Insurance Company subject to provisions under Para 7.1.14 of these guidelines, and dis-empnelment for 1 year
False intimations on any of the above parameters	Investigations to be called against the insurance company and if it is found that company has falsified data - cancellation of all extant business of the Insurance Company subject to provisions under Para 7.1.14 of these guidelines and dis-empnelment for 2 years

*All fund collection due to imposition of penalty would go to Technology Fund. The penalty amount shall be deposited by the concerned ICs within one month of publication of Ranking by GOI.

Illustrative Evaluation of Efficiency of Nodal Department of the State

S. No	Service Level Agreement's (SLA's)	Source of data	Monitoring method	Periodicity	Points criteria
Key Performance Indicators					
1	Release of Tender at least 3 months before the commencement of the season Tender results should be displayed and uploaded on national Portal.	The available information on the National Crop Insurance Portal	Date of Tender Document release and the onset of respective crop season	For each tender	Tender result on Portal within stipulated timelines: 5 points
2	Release of Physical Notification/GO by the State at least 2 months before the commencement of the season	The available information on the National Crop Insurance Portal	Date of Notification release and the onset of respective crop season	For each season and scheme separately	<ol style="list-style-type: none"> 1. Release of Notification/GO as per timelines : 5 points 2. Release of Notification/GO after timelines but before commencement of season : 3 points 3. Release of Notification/GO after commencement of season : 0 point 4. Release of Notification/GO after commencement of the season but within 60 days of enrolment cut off date : (-2) points 5. Release of Notification/GO after commencement of the season but within 15 days of enrolment cut off date : (-5) points
3	Digital notification on the National Crop Insurance Portal at least 30 days from the commencement of season.	The available information on the National Crop Insurance Portal	Date of complete Digitization of Notification	For each season and scheme separately	<ol style="list-style-type: none"> 1. Release of digital notification within timelines : 10 points 2. Release of digital notification before commencement of season : 5 points 3. Release of digital notification after commencement of season: (-2) points for each fortnightly delay
4	Level of Notification (Village/GP/Mandal/District)	The available information on the National Crop Insurance Portal	Level	Each season	<ol style="list-style-type: none"> 1. If >75% Insurance Unit in a state notified at village/GP level : 5 points 2. If < 75% Insurance Unit in a state notified at village/GP level : 0 point
5	Notification of Maximum Gross Cropped Area	The available information on the National Crop Insurance Portal	Total hectares insured	Both seasons together	<ol style="list-style-type: none"> 1. Gross Cropped Area (GCA)Notified under Crop Insurance >40% : 15 Points 2. GCA Notified under Crop Insurance between 30 to 40% : 10 Points 3. GCA Notified under Crop Insurance GCA <20% : (-5) Points

S. No	Service Level Agreement's (SLA's)	Source of data	Monitoring method	Periodicity	Points criteria
6	Payment of State share of Premium Subsidy to Insurance Company (As prescribed in Operational guidelines)	Computed from the data available on the National Crop Insurance Portal/to State Government Premium Requisition (PR) raised by the concerned Insurance Company on National Crop Insurance Portal/to State Government	The premium requisition made on basis of Portal data and the payment actually made by the State.	Based on the requests made for each season and scheme	1. Release of premium within timelines : 10 points 2. Release of premium after timelines : 0 point
7	Initiatives and monitoring taken for increasing enrolment of loanee farmers	List of insured farmers on the crop insurance Portal	Increase in number of enrolled loanee farmers over same season of the previous year.	Based on the enrolments made for each season	1. > 10% Increase in overall enrolment : 5 points 2. 5-10% Increase in overall enrolment : 2 points 3. <5% or no Increase in overall enrolments : 0 point 4. decrease in overall enrolments : (-5) points
8	Initiatives taken for increasing enrolment of non-loanee farmers	List of non-loanee insured farmers on the crop insurance Portal	a) Share of non loanee famers in total enrolment	Each season	1. If % NL farmers insured w.r.t total farmers insured is >25% : 10 points 2. If % NL farmers insured w.r.t total farmers insured is between 10-25% : 5 points 3. If % NL farmers insured w.r.t total farmers insured is < 10% : 0 point
			b) Increase in number of enrolled non-loanee farmers over same season of previous year.		1. % Increase over previous season >10% : 5 points 2. % Increase over previous season between 5-10% : 2.5 points 3. % decrease over previous season : (-5) points
9	Reporting of CCEs through mobile/ CCE App	The available information on the National Crop Insurance Portal	Total CCEs reported through Mobile/CCE App out of gross no of CCEs planned	For each season	1. Reporting of > 90% CCEs through Mobile App : 15 points 2. Reporting of between 75% to 90% CCEs through Mobile App : 10 points 3. Reporting of between 50% to 74% CCEs through Mobile App : 5 points 4. Reporting of <25% CCEs through Mobile App : (-10) points 5. No reporting of CCEs through Mobile App: (-15) points
10	Uploading of TY, AY, Historical Yield data, on Portal	The available information on the National Crop Insurance Portal		For each season	1. Uploading of > 90% of data within timelines : 15 Points 2. Uploading of between 50% to 90% of data within timelines: 10 Points 3. Uploading of between 25% to 49% of data within timelines : 5 Points

S. No	Service Level Agreement's (SLA's)	Source of data	Monitoring method	Periodicity	Points criteria
					4. No data uploaded on Portal within timelines : 0 Point
Other Parameters					
11	Setting up of State Technical Support Unit	Report from the State Government	Within 12 months from release of Operational Guidelines		1. Setting up of STSU within timelines : 5 points 2. Non-setting up of STSU or after the timelines : 0 points
12	Setting up of DGRC and SGRC for settlement of Grievances	Notification issued regarding formation of DGRC and SGRC	Within 60 days after publishing of Operational Guidelines	Based on the details of DGRC/SGRC constituted and uploaded on the Portal	1. Setting of DGRC & SGRC as per timelines : 5 points 2. Setting of DGRC & SGRC after the timelines : 0 points
13	Preparation of brochures/pamphlets /posters/banners/to be used for publicity. 30 days before the commencement of enrolment	Printed brochures/pamphlets /posters with a report from State Government	Pamphlets/ leaflets to be distributed through all channels.	Each season separately Based on information furnished/upl oaded on Portal by State Govt	1. Awareness and extension activities as per timelines : 5 point 2. No Awareness and extension activities or after the timelines : 0 points
14	Folio Distribution by the Banks to Farmers	Report from the National Crop Insurance Portal and from State Government/SLBC	Report by State Department to MoA&FW uploaded on Portal	Within 60 days after premium cut-off date for each season	1. Folio distribution to > 90% farmers : 5 points 2. Folio distribution to between 75% to 90% farmers : 3 points 3. Folio distribution to between < 75% : 0 point 4. No distribution of Folios : (-5) points
15	Organizing State level training/capacity building workshops as per the guidelines for Districts Officials for <ul style="list-style-type: none"> • Banks, CSCs and Departmental workers • For Crop Cutting Experiments 	Report from State Department	Report by State Department to MoA&FW within 7 days of workshop and information upload on Portal	At least 60 days from premium cut-off date and Harvesting period each season	1. Organizing Workshops as per timelines : 10 points 2. Organizing Workshops after the timelines : 5 points 3. N workshop organized : 0 point
16	Setting up of District Level Monitoring Committees in each notified District and fortnightly review	The available information of committees on the National Crop Insurance Portal	Date of formation of DLMC and data of review meetings shared on Portal	upon commencement of each season	1. Setting up of DLMC as per timelines : 10 point 2. Setting up of DLMC after the timelines: 5 point 3. Not Setting up of DLMC as per timelines: 0 points

S. No	Service Level Agreement's (SLA's)	Source of data	Monitoring method	Periodicity	Points criteria
17	Constituting District Level Joint Committee (DLJC) in each notified District	The available information of committees on the National Crop Insurance Portal	Date of formation of committee shared on Portal	Upon commencement of each season	<ol style="list-style-type: none"> 1. Setting up of DLJCas per timelines:- 10 point 2. Setting up of DLJC after the timelines : 5 point 3. Not Setting up of DLJC: 0 point
18	Sharing of CCE Schedule with Insurance Company	The available information on the National Crop Insurance Portal	Sharing of information as per the timelines as prescribed in OGs	For each season	<ol style="list-style-type: none"> 1. Sharing of CCE schedule for > 85% Notified IU Level as per timelines : 5 point 2. Sharing of CCE schedule after timelines : 0 point
19	Timely approval and sharing of CCE data with stakeholders	The available information on the National Crop Insurance Portal	Within 30 days from final harvest	For each season	<ol style="list-style-type: none"> 1. Approval and sharing of CCE data within prescribed timelines : 5 point 2. Approval and sharing of CCE data after timelines : 0 point 3. Approval and sharing of CCE data after 2 months of prescribed timelines : (-5 points)
20	Mapping of villages and upper Revenue/Administrative hierarchy with Census Codes and mapping of AWS/Back up AWS with village census codes	The available information on the National Crop Insurance Portal	Total villages/AWS/Back up AWS actually mapped against gross no of villages	Before commencement of the season	<ol style="list-style-type: none"> 1. Completion of 100% mapping before digitization of Notification within timelines : 5 point 2. Request for any change/updation after digitization of Notification : 0 point
21	Use of new technology, RST, NDVI and smart sampling for crop health monitoring, loss assessment and dispute/ grievance redressal at State Level.	The available information on the National Crop Insurance Portal and report by the State Government	Use of Technology vs conventional modes employed	For each season	<ol style="list-style-type: none"> 1. Use of Technology : 10 points

Performance Severity of States

Threshold limit	Severity
Non-Payment of State Share of Premium subsidy	1% additional Interest per month after 3 months from date of premium requisition by Insurance Company
>300 points	Nomination for National Award on PMFBY Implementation
>200-300 points	No central financial assistance for technology upgradation to States
<100-200 points	States categorised as non-serious States (Non performers).
<100 points	No Central subsidy assistance to States on Premium

* Provisional ranking of State shall be released on seasonal basis. However, final ranking will be release on yearly basis and incentives/disincentives shall be applied on the basis of final ranking

* The total score for both seasons and the score obtained in annual criteria shall be considered for determining the performance as per the table above.



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