

Bid Document

Invitation of bids for selection of Insurance Companies as Implementing Agencies (IA) for “Restructured Weather Based Crop Insurance Scheme (WBCIS)” for Kerala State for Kharif 2019 and Rabi I & II 2019-20 Season

1. Offers are invited from all public sector general Insurance Companies designated / empanelled by DAC&FW, Government of India for submission of their financial bid (as per **Annexure-I**) for carrying out implementation of “**Restructured Weather Based Crop Insurance Scheme (WBCIS)**” in the State for Kharif 2019 and Rabi I & II 2019-20 Seasons.
2. The Revised Operational Guidelines (OGs) issued by Government of India would be the final guidelines for implementation of this scheme and shall prevail in case of any conflict between the clauses in bid document and the OG’s.
3. For Kharif 2019 and Rabi I & II 2019-20 Seasons, the **Restructured Weather Based Crop Insurance Scheme (WBCIS)** will be implemented in all districts of the State of Kerala for the selected notified crops except for Alappuzha & Pathanamthitta where only PMFBY is implemented.
4. For the bidding purpose all the 12 districts wherein the selected crops are to be notified under RWBCIS are grouped into a single cluster. District-wise Crops notified, Sum Insured Limits /Scale of Finance, Expected Area & Expected Sum to be insured are as per **Annexure-II (1)**. The Premium & Claims for the corresponding season for the past years are as per **Annexure- II (2)**
5. Premium rates are to be quoted by the Insurance Companies for all the insurable crops as per Table I in **Annexure-I**. It is mandatory for the Insurance Companies to quote Premium rates for all the crops proposed to be covered in the all Districts, otherwise their Tender will be rejected.
6. The Bid/Tender documents can be downloaded from the Departmental Website www.keralaagriculture.gov.in. The hard copy of Tender in separate sealed covers for RWBCIS Kharif 2019 & Rabi I & II 2019-20 Seasons should reach Directorate of Agriculture Development and Farmers’ Welfare, Vikas Bhavan, Thiruvananthapuram-695033 (**TR Section**) on or before **25/04/2019 up to 10.30 am**. Date of time of Bid opening is 25/04/19 at 11.00 am at Chamber of Director of Agriculture.

The major Scheme clauses are as follows :

Coverage of farmers

I. Compulsory component:- All farmers availing Seasonal Agricultural Operation (SAO) loans from financial institutions (i.e. loanee farmers) for the notified crop/s are to be covered compulsorily.

II. Voluntary component:- The scheme is optional for non-loanee farmers. All farmers who have not availed any crop loan and are willing to get covered under WBCIS can purchase insurance through Banks/ Insurance Companies / their designated agents.

Exclusions

General exclusions:- Losses arising out of war and nuclear risks, malicious damage and other preventable risks (refer 5.1.6 of OGs of PMFBY).

Selection of Insurance Company as Implementing Agency (IA) :

The final selection of IA from the bidders shall be done based on the lowest weighted premium quoted by the company for all notified crops within the cluster of districts (refer 7.1.4 of OGs of PMFBY for more details). In Kerala there is only One cluster and in case any company does not quote for one or more notified crops in various districts within the cluster the bid will be rejected.

The insurance company quoting Lowest weighted premium rate in the cluster would be declared as L-1 and will implement PMFBY for both loanee and non-loanee farmers.if any company declines after being declared L1,the company may be barred for the coming season and the L2 may be given the cluster for implementing the crop insurance schemes at L1 district crop combination rates and so on to L3,L4 bidder as per the consent of the insurance company.if one bidder is there, L1 bidder will not allowed to withdraw their bid after opening of bids/allotment of work.If L1 bidder withdraws then financial loss, if any, to the State Govt 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.

Premium rate and subsidy:

All farmers (loanee or non-loanee) enrolled under WBCIS would be entitled for subsidy on the premium. The difference between the actuarial premium rate and

farmer share would be equally borne by the State Government and Central Government in the ratio of 50:50. (refer 13.2.1 of OGs of PMFBY) Farmers will have to pay maximum 2.00% of the Sum Insured or actuarial premium rate, whichever is lower, for food crops (all Cereals & Pulses) and oil seeds ie in Kerala for Kharif 2019 Season Paddy Crop & 1.5% of the sum insured or actuarial premium rate, whichever is lower, for food crops (all Cereals & Pulses) and oil seeds (ie Paddy Crop) for Rabi Season Paddy Crop and maximum 5% of sum insured or actuarial premium rate, whichever is lower, for all other Crops/Commercial/ Horticulture Crops notified during Kharif 2019 & Rabi 2019-20 Seasons in Kerala.

Govt, both Centre & 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 (refer 13.2.3 of OGs of PMFBY)

Perils Covered & Trigger Levels: The Peril-wise /Period-wise Sum Insured distribution and Crop-wise weather covers, their Triggers and pay-out rate are as per **Annexure III (1-11) for each of the notified crop and district for Kharif 2019 Season & Annexure(1-15) for Rabi 2019-20 Seasons**

Claim liability:

1. Insurance company shall be responsible for all claims arising out of adverse weather incidence and shall settle claims strictly as per the terms and conditions of the scheme mentioned in the notification. In case of adverse weather incidence all the insured cultivators growing the notified crop in a RUA shall be deemed to have suffered the same level of adverse weather condition & same proportion of crop loss and become eligible for the same rate of claims.

2. Claims shall be assessed only on the basis of weather data recorded by the notified RWSs or BWS, as the case may be, and the claims process shall commence once the weather data is received (other conditions as per Clause No XV. Claims Assessment & Settlement of OG's)

3. Modalities for assessment of Loss due to localised perils of Heavy Wind, Inundation & Landslide as Add on Covers (refer 21.5 under PMFBY where ever applicable) .Refer the Annexure on Add On Covers Annexure for further details.

Bank Services Charges:

Bank and other financial institutions etc. shall be paid service charges @ 4% of the premium collected from farmers. Rural agents engaged in providing insurance related services to farmers may be paid appropriate commission as

decided by the insurance company, subject to cap prescribed under IRDA regulations.(refer 27.1.1 of OGs of PMFBY) Banks may submit their invoice in the format prescribed as **Annexure -IV**

Common Service Centres shall be paid service charges by Insurance Companies, as decided by GoI , per farmer application form successfully submitted by them (refer 27.2.1 of OGs of PMFBY)

Engagement of Common Service Centres (CSCs) & Intermediaries for coverage of Non-Loanee Farmers:

1.CSCs under Ministry of Electronics & Information Technology have been engaged to enrol non-loanee farmers. The insurance companies are required to enter into a separate agreement with CSC and pay service charges as fixed by DAC & FW ,GOI per farmer per village per Season(refer item no 8 & its subclauses of OGs of PMFBY)

Empanelled Insurance Companies have to necessarily register on the portal and submit list and details of agents/intermediaries engaged for enrolment on non-loanee farmers in the beginning of each Season within 10 days of award of work in the State.

Notification of Crops ,Areas & Sum Insured :

The Scheme shall operate on the principle of “Area Approach” in selected notified RUA. For the District-wise list of Crops & their Sum Insured Limits please refer **Annexure –II (1) for Kharif 2019 Season & Annexure -II (..) for Rabi 2019-20 Season .**

Seasonality discipline:

The below given Seasonality / Cut off dates is applicable for RWBCIS Kharif 2019 Season under Kerala context.

Sl. No.	Activities	Time lines
		Kharif 2019 Season
1	Loaning Period (for Loanee farmers covered on compulsory basis)	Upto 31 st July 2019
2	Cut-off date for Receipt of Proposals of farmers (Non-loanee/Debit of premium from farmers account (loanee & non-loanee)	31.07.2019

3	Cut-off date for receipt of consolidated declarations for Loanee (Compulsory) & Non Loanee Farmers (Voluntary) from Banks Branches(CBs & RRBs) directly to Implementing Insurance Company and DCB's for PACS.	16.08.2019 (Loanee) & 07.08.2019 (Non-loanee)
4	Cut-off date for receipt of proposals of non Loanee farmer's covered on Voluntary basis from designated insurance agents to Insurance Companies	Within 7 days of receipt of proposal/premium
5	Cut-off date for receipt of consolidated declarations for loanee (Compulsory) and non-Loanee farmers (Voluntary) from respective DCCBs to respective IA.	23.08.2019 (Loanee) & 14.08.2019 (non-Loanee)
6	Cut-off date for uploading of softcopy of the details of individual insured farmers by Bank branches/PACS & intermediaries	16.08.2019
7	Payment of claims based on yield data by designated Insurance Company	45 days from receipt of weather data for risk period

The below given Seasonality / Cut off dates is applicable for RWBCIS Rabi 2019-20 Season under Kerala context.

Sl. No.	Activities	Time lines
		Rabi 2019-20 Season
1	Loaning Period (for Loanee farmers covered on compulsory basis)	Upto 15.01.2020
2	Cut-off date for Receipt of	15.01.2020

	Proposals of farmers (Non-loanee/Debit of premium from farmers account(loanee & non-loanee)	
3	Cut-off date for receipt of consolidated declarations for Loanee (Compulsory) & Non Loanee Farmers (Voluntary) from Banks Branches(CBs & RRBs) directly to Implementing Insurance Company and DCB's for PACS.	31.01.2020 (Loanee) & 23.01.2020 (Non-loanee)
4	Cut-off date for receipt of proposals of non Loanee farmer's covered on Voluntary basis from designated insurance agents to Insurance Companies	Within 7 days of receipt of proposal/premium
5	Cut-off date for receipt of consolidated declarations for loanee (Compulsory) and non-Loanee farmers (Voluntary) from respective DCCBs to respective IA.	07.02.2020 (Loanee) & 31.01.2020 (non-Loanee)
6	Cut-off date for uploading of softcopy of the details of individual insured farmers by Bank branches/PACS & intermediaries	31.01.2020
7	Payment of claims based on yield data by designated Insurance Company	45 days from receipt of weather data for risk period

(For Seasonality Discipline Item No 16.1 & its subclauses of OGs of PMFBY, wherever applicable)

Responsibilities of Various Agencies

1. Central Government

a) Support and Co-ordination with the State/UT Govts for implementation of PMFBY including its awareness and publicity and issue of necessary instructions/guidelines from time to time for smooth and effective implementation.

b) Other role & responsibilities are same as detailed in items 35.1 and all its subclauses OGs of PMFBY.

2. State / UT Governments

a) 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

b) Release advance Premium Subsidy equivalent to 50% of 80% of corresponding previous Season within 15 days of enrolment Cut -Off Dates

c) To issue notification for On Account payment , if need arise

d) shall work out appropriate plan and conduct awareness and publicity on an on going basis and ear mark separate annual budget for the same

e) Other role & responsibilities are same as detailed in para XVIII 2 of OGs of RWBCIS & Applicable clauses of item No 35.2 of OGs of PMFBY.

3. Insurance Companies (IA)

a) Insurance Companies to liaise with State Govts and Agencies/Institutions/Committees involved in implementation of PMFBY

b) Claims processing, finalization and payment of the claims within 45 days of receipt of weather data subject to receipt of Government subsidy.

c) Underwriting responsibilities for processing and acceptance of risks

d) Other role & responsibilities are same as detailed in para XVIII.3 of OGs of RWBCIS & items 35.4 and all its clauses of OGs of PMFBY.

4. Financial Institutions/Banks

Lead Bank/Administrative Office of Commercial Bank,DCCBs RRB's

a) Communicate Notification, as well as other directives, guidelines etc to all agencies within their jurisdictional area

b) Ensure that all agencies within their jurisdictional area sanction additional loan component to loanee farmers towards premium payable by them

c) Ensure that all farmers sanctioned crop loans/SAO Loans/KCC loan for notified crops are compulsorily insured and the conditions stated in the OGs of the Scheme have been complied with.

d) Other role & responsibilities are same as detailed in para XVIII .4 of OGs of RWBCIS & item 35.5.2.1 of OGs of PMFBY.

e) If the concerned bank and its branches are not able to remit the amount of premium collected to Insurance Companies or submit declaration in prescribed format by the defined timeline then they will be liable to pay admissible claims to farmers who are deprived from the insurance cover to their crop.

5.Lending Banks / RFIs :Refer items 35.5.3 and its subclauses of OGs of PMFBY.

6.Designated Insurance agents : Refer items 35.8 and its subclauses of OGs of PMFBY.

7. Loanee farmers : Refer items 35.9 and its subclauses of OGs of PMFBY.

8. Non-Loanee farmers : Refer items 35.10 and its subclauses of OGs of PMFBY.

9. Common Service Centre-Special Purpose Vehicle & Common Service Centres(VLEs) : Refer items 35.6 & 35.7 and its subclauses of OGs of PMFBY.

10. Weather Data Providers

1. The data provider should ensure that all the equipments, weather sensors etc. of AWSs / ARGs should be standard, installed properly and regularly maintained as per the specification detailed in the Guidelines issued by IMD / DAC&FW and the equipments should also be calibrated regularly
2. The data provider should maintain the quality of weather data and standards for dissemination, retrieval & validation of weather data etc.
3. The data provider should work independent from the insurer (insurance Company) and insured (farmer).
4. Other role & responsibilities are same as detailed in para XVIII.8 of OGs of RWBCIS.

Annexure-I

Date:

Format of financial bid

From

[insert name & address of the Bidder]

To

Dear Sir,

Sub: Financial Bid for Implementation of Restructured WBCIS, Kharif 2019 and Rabi I & II 2019-20 Seasons

With reference to your Tender Document dated (Insert Date) we, [insert name of Bidder], wish to submit our Financial Bid for the award of the Contract(s) for the implementation of Restructured WBCIS in the Kerala State for Kharif 2019 and Rabi I & II 2019-20 Seasons.

1. We hereby submit our Financial Bid, which is unconditional and unqualified. We have examined the Tender Documents.
2. We acknowledge that the State Government will be relying on the information provided in the Financial Bid for evaluation and comparison of Financial Bids received from the designated / empanelled Insurance companies by DAC&FW

for the award of the implementation of the Restructured WBCIS in the State. We certify that all information provided in the Financial Bid is true and best to the knowledge of the company.

3. We shall make available to the State Government any clarification it may find necessary or require to supplement or authenticate the facts & figures in Financial Bid.
4. We acknowledge and declare that the State Government is not obliged to return the Financial Bid or any part thereof or any information provided along with the Financial Bid, other than in accordance with the provisions set out in the Tender Documents.
5. We are quoting the following Premium rates district-wise crop-wise for the following clusters :

Table-1

Cluster	District	Crop	Premium Rates (in % of Sum Insured)
Cluster 1	District-1	Crop-1	
		Crop-2	
		Crop-3	
	District-2	Crop-1	
		Crop-2	
		Crop-3	

Table is indicative .Please add districts and crops as per the cluster approach adopted by the State Government

[Note to Bidders: The Bidders are required to quote the Premium up to two decimal points.]

6. We acknowledge, confirm and undertake that we have an adequate reinsurance support to safeguard the interest of the farmers, State Government and Central Government

7. We agree and undertake to abide by all the terms and conditions of the Tender Document and OGS of PMFBY/Restructured WBCIS.
8. This Bid shall be governed by and construed in all respects according to the laws for the time being in force in India. The competent courts at State capital will have exclusive jurisdiction in the matter.

In witness thereof, we submit this Financial Bid under and in accordance with the terms of the Tender Documents.

Dated this *[insert]* day of *[insert month]*, 2019

[signature]

In the capacity of Chief Underwriting Officer
Duly authorized to sign this Bid for and on behalf of *[name of Bidder]*

Annexure-IV

Bank Name _____ Invoice No. _____

Address of Bank _____ Date _____

PAN No.

Tin No.

To

Name of Insurance Company

Address of Insurance Company

Description	Rate Total	
Bank Service charges, for servicing the crop insurance scheme as per state Govt. notification no. _____ Dated _____ issued by the State Govt of _____	4% of the farmer share remitted to insurance company	
	Sub Total	
	Service Tax @ _____ %	
	Total due	

Service Tax Registration No. _____

Your invoice total in Rs. _____ only.

All payments may be transferred through NEFT in bank account No. _____

Name of the Bank _____ IFSC Code _____

If you have any questions concerning this invoice, contact phone _____

For _____ Bank

Authorized Signatory