**GOVERNMENT OF KERALA**

**AGRICULTURE DEVELOPMENT & FARMER’S WELFARE DEPARTMENT**

**Restructured Weather Based Crop Insurance Scheme (RWBCIS)**

**KHARIF 2019 SEASON & RABI 2019-20 SEASON**

**NOTIFICATION**

Reference is made to the Govt. of India, Ministry of Agriculture & Farmers’ Welfare, Department of Agriculture, Co-operation & Farmers’ Welfare, Krishi Bhavan, New Delhi letter No.13015/03/2016-Credit-II, dated 25th April 2018 regarding the ‘Administrative Approval for implementation of Restructured Weather Based Crop Insurance Scheme (WBCIS) & Letter No 11019/01/2015-Credit –II dated 23rd March 2016 regarding Operational Guidelines for Implementation of Restructured Weather Based Crop Insurance Scheme .

Accordingly the State Level Co-ordination Committee on Crop Insurance (SLCCCI)in its meetings held on 11.06.2019 & 14.06.2019 has decided to implement Restructured Weather Based Crop Insurance Scheme (RWBCIS) for Kharif 2019 and Rabi 2019-20 Seasons in Kerala State .Government vide (Rt) No.615/2019/AGRI dated 05.07.2019 authorized Director of Agriculture to issue Notification of RWBCIS in the State for this Season. In exercise of the powers conferred by the Government , now the following terms and conditions of Restructured Weather Based Crop Insurance Scheme (RWBCIS) implementation for Kharif 2019 and Rabi 2019-20 Seasons is hereby Notified as given under:

**1**.  **OBJECTIVE OF THE SCHEME**

Restructured Weather Based Crop Insurance Scheme (RWBCIS) aims to mitigate the hardship of the insured farmers against the likelihood of financial loss on account of anticipated crop loss resulting from adverse weather conditions relating to rainfall, temperature, wind, humidity etc. Restructured WBCIS uses weather parameters as “proxy‟ for crop yields in compensating the cultivators for deemed crop losses. Payout structures are developed to the extent of losses deemed to have been suffered using the weather triggers.

**2.** **CROPS COVERED AND IMPLEMENTING AGENCY :**

All the 12 Districts in the State has been considered as a single cluster for the implementation of Restructured WBCIS and Agriculture Insurance Company of India Ltd would be the Implementing Agency for the said Scheme for both the Seasons.

1. **CROPS & AREAS COVERED**:

The Restructured WBCIS is being implemented in all Districts, except Alappuzha & Pathanamthitta. The Crops notified for Kharif 2019 Season are Paddy, Banana , Pepper, Ginger, Turmeric, Pineapple, Sugarcane, Cardamom, Arecanut & Nutmeg while Paddy, Banana, Pineapple , Sugarcane, Cashew, Mango, Potato, Cabbage, Carrot, Garlic, Beans, Yard Long Bean, Snake Gourd & Bitter Gourd are notified for Rabi 2019-20 Season. The District-wise list of crops notified under Restructured WBCIS for Kharif 2019 Season is as per **Annexure WB-K-I and for Rabi 2019-20 Season is as per Annexure WB-R-I.**

1. **AREA APPROACH & REFERENCE UNIT AREAS (RUA’s), REFEENCE WEATHER STATIONS (RWS’s) & BACK UP WEATHER STATIONS(BWS’s)**

The WBCIS adopts an ‘Area Approach’ basis .For this the State Govt. has notified Reference Unit Area’s (RUA), which are essentially a Group of adjoining Panchayats/Municipalities/Corporation Limits , and a centrally located Reference Weather Station (RWS) has been notified for each RUA. The Claims for an RUA is calculated ONLY on the basis of Weather Data recorded at its notified RWS and the Term Sheet notified for that crop. Should the RWS data be unavailable for any day/interval during the risk period, the data of corresponding Back-up Weather Station (BWS) notified would be used for the purpose. The details of notified RUA’s, their RWS’s and BWS’s are appended as **Annexure WB-KR-II (For All Crops except Banana) & Annexure WB-KR-III (Exclusively For Banana Crop)** for both Kharif 2019 and Rabi 2019-20 Seasons.

1. **FARMERS COVERED**:
	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 notified/ insured crops.
	2. **Compulsory Component**

All the Loanee applicant Farmers who have a credit limit sanctioned for any of these notified Crops during this FY 2019 -20 till 31st July 2019 (For Kharif 2019 Season) & 15th January 2020 (For Rabi 2019-20 Season) have to be compulsorily insured under Restructured WBCIS by the respective Financial Institutions and for this purpose such loanee applicant farmers need not submit any application/proposal for insurance

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

* 1. **Voluntary Component**

The Scheme would be optional for the non-loanee farmers. The non-loanee farmers are required to submit necessary documentary evidence of land records prevailing in the State (Records of Right (RoR), Land possession Certificate (LPC) etc.) and/ or applicable contract/ agreement details/ other documents notified/ permitted by concerned State Government (in case of sharecroppers/ tenant farmers).

* 1. Special efforts shall be made to ensure maximum coverage of SC/ ST/ Women farmers under the scheme.
1. **SUM INSURED LIMITS:** The sum insured will be broadly based on the cost of cultivation of the crops . The Sum Insured for individual farmer is equal to the Sum Insured multiplied by acreage of the notified crop. ‘Area under cultivation’ shall always be expressed in ‘hectare’. The Sum Insured per Hectare for a crop is distributed under several Insurance Covers with different risk periods .For the details of Crop-wise Sum Insured Limitsplease refer **Annexure WB-K-V** for Kharif 2019 Season and **Annexure WB-R-V** for Rabi 2019-20 Season**.**

The claims are calculated only after the risk period of the particular crop is over subject to the timely availability of Weather Data from respective RWS’s . Under Restructured WBCIS Sum Insured per hectare for both Loanee and Non Loanee farmer is the same .

The criteria for covering Loanee Farmers on a compulsory basis is based on the availability of ‘**Sanctioned Credit Limit**’ for the crop within the cut-off date prescribed for the purpose. The final eligible Sum Insured is to be arrived on the basis of the acreage of the crop declared by the farmer in the loan application multiplied by the pre-fixed Sum Insured per hectare as per the Annexures mentioned above

1. **PREMIUM RATES AND SUBSIDY :**

The Actuarial Premium Rate (APR) would be charged under Restructured WBCIS by Implementing Agency (IA). However , farmers would be paying maximum of 2%/1.5% for Food crops &Oilseeds (Paddy in Kerala for Kharif & Rabi Seasons respectively ) and 5% for Annual/Perennial Commercial/ Horticultural crops .

The difference between actuarial premium rate and the rate of insurance charges payable by farmers shall be treated as Rate of normal premium subsidy, which shall be shared equally by the Centre and state. The Crop-wise Premium rates & Subsidy are given in **Annexure WB-K-V** for Kharif 2019 Season and **Annexure WB-R-V** for Rabi 2019-20 Season**.**

1. **SEASONALITY DISCLIPLINE:**

The Seasonality Discipline and various Cut-off dates are notified as per **Annexure WB-K-VII** for Kharif 2019 Season and **Annexure WB-R-VII** for Rabi 2019-20 Season

1. **WEATHER PERILS COVERED & PERIOD OF RISKS**

The Crop-wise perils covered & the period of coverage of these risks (Insurance Period) are as per **Annexure WB-K-IV** for Kharif 2019 Season and **Annexure WB-R-IV** for Rabi 2019-20 Season .State Governments will also continue to conduct the requisite number of Crop Cutting Experiments (CCEs) in areas where Restructured WBCIS is implemented to enable the Implementing Agency to make analytical study for assessing performance of the Scheme *vis-à-vis* yield Index based crop Insurance Schemes (i.e. PMFBY) and Benchmarking of products .

1. **CLAIM ASSESSMENT & SETTLEMENT**

 1. 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. All payouts under the scheme are settled by Implementing Agency (IA), and to the extent possible within 45 days from the end of the risk period subject to the availability of weather data for the coverage period and receipt of State Government Share of Premium Subsidy.

3. 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. The weather data providers should ensure that the exposure conditions of AWS, their standardization / calibration, maintenance and weather data transmission meet the guidelines issued by the Government.

4. Claims processing should be strictly as per the insurance Term Sheets, Payout structure and the Scheme provisions. Claims shall be worked out as per the Insurance Declarations received from the Nodal Branches/ Nodal Banks for each notified area and crop.

5. A **Term Sheet** is the Scheme document which details the Insurance Covers notified for each Crop , their Risk Periods,THE Trigger Levels of notified Weather Parameters and details How & When the claim becomes payable for each crop. The Term Sheets for all the crops Notified under WBCIS are appended as **Annexure WB-K-VI (1-11)** for Kharif 2019 Season & **Annexure WB-R-VI (1-17)** for Rabi 2019-20 Season.

6. Administrative structure for collection of premium, insurance proposal and remittance of admissible claim along with other return will be same as PMFBY.

7. All standard Claims should be processed and paid within 45 days from the end of the risk period. Further verification & collection of relevant documents / papers, if required, in respect of affected farmers should be completed within a period of 30 days from payment of standard claims of season.

8.Insurance Companies should verify & satisfy themselves about the insured farmers, crops & areas before approaching the Government for release of Subsidy. Cases of area discrepancies under WBCIS will be settled as per procedure explained in Section 25. Acreage Discrepancy of Revised OGs of PMFBY

 9. In case of farmers covered through Financial Institution, claims shall be released only through electronic transfer directly into insured farmer’s given bank account, followed by details containing claim particulars, to individual bank branches/ nodal banks; Bank Branch should also display particulars of claim disbursal on notice board to enable spread of awareness and inclination amongst farming community for risk mitigation through crop insurance.

10. In case of farmers covered on voluntary basis through intermediaries/ directly, payable claims will be directly credited to the concerned bank accounts of insured farmers and details of the claims may also intimate to them. The list of beneficiaries may also be uploaded on the crop insurance portal immediately.

11. Disputed claims / sub-standard claims, if any, shall be referred through State Government to DAC&FW for disposal by the insurance company and the decision or any interpretation of DAC&FW of provisions of scheme or disputes shall be binding on all concerned.

12. If observed index value falls below or above, (as the case may be) the notified trigger value, then claims per unit shall be calculated using following formula depending upon index definition:

**Claims per Unit = (Difference between Observed & Notified index values) X Notional Payout** .

**10. CLAIM ASSESSMENT UNDER LOCALISED CALAMITIES**

Inundation ,Landslide and Heavy Wind Damage are notified for specific Crops and Areas as per **Annexure WB-KR-VIII** for both Kharif 2019 & Rabi 2019-20 Seasons .The assessment and settlement would be strictly based as per the conditions laid out in the **Annexure WB-KR-VIII** . The general rules of Localised Risks under PMFBY as per Clause No 21.5 and its various subclauses holds good for RWBCIS also.

**11. IMPORTANT CONDITIONS /CLAUSES APPLICABLE FOR COVERAGE OF RISKS**

1. Insurance companies should have received the premium for coverage either from bank, channel partner, insurance intermediary or directly. Any loss in transit due to negligence by these agencies or non-remittance of premium by these agencies, the concerned bank / intermediaries shall be liable for payment of claims.

2. In case of any substantial misreporting by nodal bank /branch in case of compulsory farmers coverage, the concerned bank only shall be liable for such misreporting.

3. Mere sanctioning/ disbursement of crop loans and submission of proposals/ declarations and remittance of premium by farmer/ bank, without explicit intent to raise the crop, does not constitute acceptance of risk by insurance company.

4. Acreage discrepancy : As per section 25 of the Operational Guidelines of PMFBY

**12. EXCLUSION**:

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

**13.FRANCHISE CLAUSE ;** Claim of Rs 100 per farmer is treated as Franchise Limit

**14. COMMISSION & BANK SERVICE 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 would be paid appropriate commission as decided by the insurance company, subject to cap prescribed under IRDA regulations.

**15. GOODS AND SERVICES TAX**

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

**16. ROLES AND RESPONSIBILITIES OF VARIOUS AGENCIES**

Roles of various Agencies/Institutions/Government Departments/Committees as spelt out in PMFBY/Restructured WBCIS Revised OG’s have to be strictly complied with by all agencies.

**17.** The Constitution and roles & responsibilities of Nodal Department , Nodal Officers in the District and State Level, District Level Monitoring Committee(DLMC), District Level Joint Committee(DLJC) ,Grievance Redressal Mechanism are as enumerated in the Notification of PMFBY.

 **Note: The implementation of the scheme will be governed by Revised Operational Guidelines on PMFBY & Restructured WBCIS and administrative approval issued by DAC&FW, GOI. In the event of any conflict in provisions in this Notification and Revised Operational Guidelines for PMFBY & Restructured WBCIS as issued by DAC& FW, GOI, latter will prevail**.

The Implementing Agency (IA) viz. **Agriculture Insurance Company of India Ltd** will intimate the Notification details to all the Banks and Agencies concerned.

 **Director**

(**Agriculture Development &Farmers Welfare Department, Govt. of Kerala**)