



OPERATIONAL GUIDELINES
For Implementation of
Bangla Shasya Bima

Department of Agriculture
Government of West Bengal

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Operational Guidelines of Bangla Shasya Bima

Introduction:

Agriculture is the main source of livelihood of about 70% of the population of West Bengal. There are about 72 lakh farm families in the State, 96% of whom belong to the small and marginal category. The cultivable area is about 56 lakh hectares (LHa) out of which 52 LHa is under the plough. The cropping intensity in the State is around 184%.

West Bengal is the leading producer of paddy and jute and second largest producer of potato. Cultivation of pulses and oilseeds has expanded considerably in the recent years. The diverse agro-climatic zones and available resources coupled with hard labour of the farmers has made this agricultural advancement possible. However, the State is wrought with vagaries of nature like Flood, Cyclone, Hailstorm, drought etc. which often pose serious challenges to the farmers. It is thus necessary to adequately indemnify the farmers from crop losses due to such unforeseen calamities and to compensate them in the event of occurrence of such losses to keep them motivated towards farming. The Government of West Bengal has participated in all centrally sponsored Crop Insurance schemes viz. NAIS / MNAIS / PMFBY in the right earnest and has also borne the farmers' share of premium since 2012 to motivate farmers towards crop insurance. However, timely claim settlement to the affected farmers has not been always possible. As the centrally sponsored crop insurance scheme is governed by the Central Government guidelines, the control of the State over settlement of claims and adherence to timelines is limited.

The Government of West Bengal has thus launched the **Bangla Shasya Bima** scheme vide Notification No. 302-AG/O/Crop Ins/7C-06/2018 dated the 15th day of February, 2019 a wholly state funded scheme with an aim to extend hassle free benefits of crop insurance to all the farmers of the State and to ensure timely claim settlement following a transparent and simplified procedure in the event of crop loss due to insurable risks.

The operational guidelines of the schemes are detailed herein below.



I. Objective of the Scheme

Bangla Shasya Bima (BSB) aims at supporting sustainable production in agriculture sector by way of -

- a) providing financial support to farmers suffering crop loss/damage arising out of unforeseen events
- b) stabilizing the income of farmers to ensure their continuance in farming

II. Coverage of Farmers

1. All farmers including sharecroppers and tenant farmers growing the notified crops in the notified areas and having insurable interest are eligible for coverage.

2. Compulsory Component

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

3. Voluntary Component

The Scheme would be **optional for the non-loanee farmers**.

The non-loanee farmers opting for coverage will have to submit necessary documentary evidence of land ownership/possession viz. Records of Right (RoR) issued by LR Department, Land possession Certificate (for cultivator/oral lease/tenant/share cropper) issued by the Gram Panchayat Pradhan etc. and/ or applicable contract/ agreement details and proof of cultivation i.e. area sown certificate to be issued by the Asst. Director of Agriculture (ADA) or his representative/ Revenue Inspector of the GP.

III. Coverage of Crops

- 1) Food crops (Cereals, Millets and Pulses),
- 2) Oilseeds
- 3) Annual Commercial crops (Jute, Potato and Sugarcane)

IV. Coverage of Risks and Exclusions

1. Following stages of the crop and risks leading to crop loss are covered under the scheme.
 - a) **Prevented Sowing/ Planting Risk:** Insured area is prevented from sowing/ planting due to deficit rainfall or adverse seasonal conditions.
 - b) **Standing Crop (Sowing to Harvesting):** Comprehensive risk insurance is provided to cover yield losses due to non- preventable risks, viz. Drought, Dry spells, Flood, Inundation, Pests and Diseases, Landslides, Natural Fire and Lightning, Storm, Hailstorm, Cyclone, Typhoon, Tempest, Hurricane and Tornado.
 - c) **Post-Harvest Losses:** Coverage is available up to a maximum period of two weeks from harvesting for those crops which have to be dried in cut and spread condition in the field after harvesting against specific perils of

cyclone and cyclonic rains and unseasonal rains.

d) **Localized Calamities:** Loss/ damage resulting from occurrence of identified localized risks of hailstorm, landslide, and inundation affecting isolated farms in the notified area.

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

V. Preconditions for implementation of the Scheme

1. A **State Level Committee with Chief Secretary as Chairman**, Addl. Chief Secretary of Agriculture Department as Convener, ACS/Principal Secretary/Secretary of Finance Department, Cooperation Department, Disaster Management Department and Agriculture Marketing Department, LRC, Adviser(Agri & Allied) to HCM, representatives from SLBC and NABARD will be formed. The Committee will decide the following:-

- (i) Guidelines of the scheme.
- (ii) Budget for implementation of the scheme.
- (iii) Notification of crops: Kharif/Rabi.
- (iv) Fixation of unit for crop insurance (area based).
- (v) Fixation of the indemnity level.
- (vi) Seasonality discipline.
- (vii) Coverage of risks and exclusions etc.

2. The State Level Coordination Committee for Crop Insurance (SLCCCI) which is overseeing the present Crop Insurance scheme will be authorized to oversee the implementation of BSB scheme. 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.

3. The State Government will issue Notification for implementation of the scheme before every crop season which will imply the following conditions as binding on the State:

- a) State has to conduct requisite number of Crop Cutting Experiments (CCEs) at the level of notified insurance unit area;
- b) CCE based yield data will be submitted to insurance company within the prescribed time limit;
- c) State will make necessary budgetary provision in the budget, to release premium/premium subsidy based on fair estimates, at the beginning of the crop season;
- d) State should facilitate strengthening of weather station network.
- e) Adoption of innovative technology, especially Smart phones/hand held devices for capturing conduct of CCEs.

VI. Notification

1. Meeting of SLCCCI should be convened at least three months before the start of cropping season for finalising various terms and conditions and calling of bids/ issuance of the bid notice to select insurance companies and carrying out implementation of the scheme during the bid/ risk period. The State Government

will issue notification and circulate to all concerned agencies/ departments/ institutions at least one month in advance of the commencement of the crop season incorporating all the essential details about insured crops, areas, Scale of Finance, Sum Insured, threshold at insurance unit (IU) level for notified crops, Premium rate for farmers, subsidy along with seasonality disciplines/ cutoff date for each activity etc.

Notification of crops, areas and Implementing Agency (IA)

2. a) The Scheme shall operate on the principle of "Area Approach" in the selected Defined Areas called Insurance Unit (IU). The State Government will notify Crops and Defined Areas covered during the season in accordance with decision taken in the meeting of SLCCCI.

b) For the claims arising out of crop damage due to post-harvest losses and localized risks, assessment of damage will be made on individual farm basis as outlined in Para XIV and XV respectively.
3. SLCCCI will, for the purpose of notification, consider factors such as availability of past yield data based on CCEs for adequate number of years (at least 10 years) and information on cropped acreage for estimating yield during proposed season, etc.
4. The State Government will provide 10 years historical yield data to Insurance Companies for calculation of indemnity limits, threshold yield, calculation of premium rates etc. at insurance unit area and in absence of above, data at next higher unit/ nearest neighboring unit/ weighted average of contiguous units as decided by the SLCCCI shall be used. The level and name of notified areas of insurance unit will be part of notification and should be provided at the time of bidding itself. Minimum two week time should be available for filing bid document by the designated / empanelled insurance companies.
5. The Implementing Agency (IA) will be selected through a tender process in which Insurance Companies having exposure of crop insurance and/or empanelled by the State Government may participate.

Notification of indemnity level, Average Yield, Threshold Yield, Sum Insured (SI) and Premium Rates:

6. Three levels of Indemnity viz. 70%, 80% and 90% corresponding to high, moderate and low risk level of the areas shall be available for all crops. State Government in consultation with Insurance Companies shall approve indemnity levels for notified crops and areas at sub-district or district level.
7. The Average Yield of a notified crop in insurance unit (IU) will be average yield of **best five years out of last seven years** as per latest available yield data. The Threshold yield of the notified crops is equal to Average Yield multiplied by Indemnity level.

8. Seasonality discipline

State Government shall notify seasonality discipline for various activities under the scheme viz. submission of insurance proposals, consolidated declarations by banks, yield data, claim assessment of losses for (i) standing crop (ii) localized calamities, (iii) prevented sowing, (iv) post harvest loss, (v) on-account payment for major calamities, etc as per the provisions of the scheme.

9. Notification of Automatic Weather Stations (AWS)

For the purpose of on account payment of claims and claims for prevented sowing etc., State Government shall notify concerned weather data provider/ expert agency whose report/ methodology would be used in assessing the extent of losses and computation of payment.

10. Entry of data on Crop insurance Portal

The State Government will design an insurance portal for better administration and coordination amongst stakeholders, proper dissemination of information and transparency for all Stakeholders. Concerned IAs will be responsible for entry of all requisite information/ data as per notification issued by the State Government in the crop insurance portal well in time so that information may be available in digitized form to all stakeholders. Yield data will be uploaded by the concerned Department of the State Government.

VII. Sum Insured /Coverage Limit

Sum Insured per hectare for both loanee and non-loanee farmers will be same and equal to the Scale of Finance as decided by the District Level Technical Committee and notified by the State Government. No other calculation of Scale of Finance will be applicable. **Sum Insured for individual farmer is equal to the Scale of Finance per acre multiplied by area of the notified crop proposed by the farmer for insurance. 'Area under cultivation' shall always be expressed in 'acre'. The conversion factor from hectare to acre will be 1Ha = 2.47 acre.**

VIII. Premium Rates and Premium Subsidy

1. The Actuarial Premium Rate (APR) to be charged under BSB by implementing agency (IA) will be arrived at through e-bid. The rate of insurance premium payable by the farmer will be as per the following table:

Sl. No.	Season	Crops	Maximum Insurance charges payable by farmer (% of Sum Insured)
1	Kharif	All food grain and Oilseeds crops and Jute	Nil
2	Rabi	All food grain and Oilseeds crops	Nil
3	Kharif and Rabi	Commercial crops: Potato and Sugarcane	4.85% of SI or Actuarial rate, whichever is less

In case of Sl. No.1 & 2 above, a token amount of Rs.1/- (**Rupee One only**) may be charged from the farmer to facilitate electronic updation of farmers' bank account details so as to avoid delays/ non-remittance of insurance claims due to errors in bank account details provided by the farmers/ manual data entry.

2. **Loss Cost (LC)** i.e. Claims as % of Sum Insured (SI) observed in case of the notified crop(s) in notified unit area of insurance will be calculated for the preceding 10 similar crop seasons (Kharif/ Rabi) based on the latest available yield data.

3. **Payment of Premium and Premium Subsidy:**

a. **The State Government will bear 100% of premium as subsidy for all crops except potato and sugarcane.** In such cases, however, a token amount of Rs.1/- (**Rupee One only**) may be charged from the farmer to facilitate electronic updation of farmers' bank account details in the insurance portal so as to avoid delays in claim settlements due to errors during manual data entry. The limit of Rs. 1/- will be controlled by system design of the application software in the State Crop Insurance Portal. **In case of potato and sugarcane the difference between actuarial premium rate and the rate of insurance premium payable by farmers (4.85%) shall be the premium subsidy payable by the State Government.**

b. State Government may release 40% of the total estimated premium subsidy of corresponding previous year's season to the selected insurance companies at the beginning of crop season on the basis of business projection to be submitted by each insurance company subject to fulfillment of General Financial Rules/ guidelines in the matter.

4. **Claim Liabilities:**

Insurance company shall take all necessary steps to take appropriate reinsurance cover for their portfolio in order to safeguard insured's interest. The liability of payment of all claims shall however be of the concerned Insurance Company only. The insurers shall be responsible to settle all admissible claims within stipulated time period.

5. **Penalty in case of delay in claim settlement:**

All admissible claims shall be mandatorily paid by the IA within the stipulated cut-off date failing which **penal interest @ 12% per annum** shall be payable on admissible claims beyond 30 days of uploading Yield data on portal/ provided in soft copy to the IA by the State Government subject to release of applicable premium subsidy by the State Government to the IA.

IX. Seasonality Discipline

The cut-off date is uniform for both loanee and non-loanee cultivators. The crop-wise cut off dates for different crops shall be based on Crop Calendar of major crops published from time to time by the Directorate of Agriculture, Government of West Bengal. The broad seasonality discipline is given in the chart below:

Sl. No.	Activity	Kharif	Rabi
1	Issuance of Administrative Instructions by Government of West Bengal.	February	August
2	Conduct of State Level meeting to decide for notification of Crops and Notified areas, limits of Sum Insured, and adoption of Level of Indemnity etc.	March	September
3	Issuance of Notification by Department of Agriculture, Govt. of West Bengal	March	September
5	Loaning period (loan sanctioned/renewed) for Loanee farmers covered on Compulsory basis.	April to July	October to December
6	Cut-off date for receipt of Proposals of farmers/debit of premium from farmers account (loanee and non- loanee).	31 st August (based on specific crops)	31 st January (based on specific crops)
7	Cut-off date for receipt of consolidated Declarations/ proposal of Loanee farmers covered on compulsory basis and non-loanee farmers covered on Voluntary basis from Bank branches (CBs/ RRBs) to respective insurance companies and DCCBs for PACS.	Within 15 days after cut-off date	
8	Cut-off date for receipt of Declarations of farmers covered on Voluntary basis from designated insurance Agent(s) to Insurance Companies.	Within 7 days of receipt of declaration/premium.	
9	Cut-off date for receipt of Proposal of Loanee farmers covered on compulsory basis and non-loanee farmers covered on Voluntary basis from respective DCCBs/ Nodal Banks (for cooperatives).	Within 7 days of receipt of Declarations by the respective Nodal bank offices	
10	Uploading of soft copy of the details of individual insured farmers by Commercial banks /RRBs / PACS / Intermediaries	Within 15 days after cut-off date for collection of premium from farmers	
11	Cut-off date for receipt of yield data	Within a month from final harvest	
12	Processing, Approval and Payment of Final Claims based on yield data	Three weeks from receipt of yield data	

X. Collection of Proposals and Premium from Farmers

1. The present Nodal Bank system will continue for BSB as well, for Cooperative Banks only, wherein the implementing insurance company is not required to deal with all the loan disbursing points (PACS) and instead, deals only with designated Nodal banks. However, individual bank branches for Commercial Banks/ RRBs shall act as Nodal branch for this purpose. The concerned Lead bank and Regional offices/ Administrative offices of commercial banks/ RRBs will provide necessary guidelines to concerned bank branches and coordinate with them to ensure that all concerned branches submit the consolidated proposals to insurance companies well within the stipulated cut-off dates and also upload the soft copy of insured details in crop insurance portal. Besides, insurance company may also use the IRDA approved insurance agents/ insurance intermediaries for the coverage of non-loanee farmers only.
2. Declaration/ proposal formats to be submitted by Nodal banks/ Branches shall contain details about Insurance Unit, sum insured per unit, premium per unit, total area insured of the farmers, number and category of farmers covered (small and marginal or other) and number of farmers under other categories (SC/ ST/ others) / Women along with their bank account details etc. (bank / their branches) as per the format envisaged / provided in the crop insurance portal.

Loanee farmers (Compulsory coverage)

3. Whenever banks sanction loan for a notified crop in a notified area, the crop loan amount only to the extent of Scale of Finance for notified crops and acreage of individual notified crops of loanee farmers shall be taken into consideration for compulsory coverage, as per seasonality discipline. Based on seasonality of Crops, banks should separately calculate the eligibility of loan amount for both Kharif and Rabi seasons based on the scale of Finance and declared acreage under notified crops. Disbursing bank branch/ PACS will prepare monthly statement of crop-wise and insurance unit-wise details of crop insurance with premium as per the seasonality discipline. Loan disbursing bank branch/ PACS will finance the additional loan towards premium amount payable by farmer for crop insurance for potato and sugarcane.
4. Crop loans through Kisan Credit Cards (KCC) are covered under compulsory coverage and banks shall maintain all back up records and registers, seasonality discipline and cut-off-date for submitting declarations in case of normal crop loans. Bank branch will apportion coverage among insurable crops, based on acreage mentioned in loan application or on the basis of actual area sown as declared by the farmer subsequently.
5. Bank branches of commercial banks and RRBs/ Nodal Bank in case of PACS under its jurisdiction shall consolidate insurance proposals/ statements from their bank branch/ PACS under its jurisdiction, respectively and forward the same to

insurance company along with details of remittance/ RTGS towards insurance premium, in accordance with cut off dates, as specified by State Government for that particular crop and season.

Non-loanee farmers (Optional coverage) through Channel partners

6. Farmers desirous of availing insurance shall fill up Proposal Form of the Scheme and submit the same to nearest bank branch or authorized channel partner or insurance intermediaries of insurance company.
7. In case channel partner is a Bank, farmers will submit duly filled up proposal form in the village branch of a Commercial Bank (CB) or Regional Rural Bank (RRB), or PACS (DCCB) with requisite insurance premium amount (wherever applicable). Operating a bank account is essential for such cases. Branch/ PACS officials will assist the farmers in completing the insurance proposal form and provide necessary guidance. While accepting the proposal and premium, Branch/ PACS will be responsible for verification of eligible sum insured, applicable premium rate, etc. PACS will thereafter consolidate these particulars and send them directly/ to respective Nodal Banks respectively which will, in turn, submit crop-wise and insurance unit-wise Crop Insurance Declarations in the prescribed format, along with the premium, within the stipulated time, to insurance company. However the bank branches of commercial banks/ RRBs will directly submit the consolidated proposals along with details of insured farmers in the format envisaged in the crop insurance portal within the stipulated time.
8. Non-loanee cultivators could also be serviced directly by any designated agencies, other authorized channel partners or insurance intermediaries, approved by the IRDA for the purpose and they will act as a guide and facilitator wherein they will advise them the benefits and desirability of the Scheme and guide the farmers through procedures; collect requisite premium and remit individual/ consolidated premium to insurance company, accompanied by individual proposal forms and summary details in Declarations/ Listing sheet (MIS), provide soft copy to IA and details of each insured farmer and will also upload the data directly to the crop insurance portal.
9. While accepting the Proposal and the premium from aforesaid, designated agents, other authorized channel partner or insurance intermediaries, approved by the IRDA, it shall be the responsibility of Insurance Company or its designated agents to verify insurable interest and collect the land records, particulars of acreage, sum insured, crop sown etc. and applicable contract/ agreement details in case of sharecroppers/ tenant farmers. The designated intermediaries shall remit the premium with consolidated proposals within 7 days. However, it is mandatory that the Non-loanee cultivators serviced by the designated intermediaries should hold a bank account in order to facilitate remittance of the claim, if payable.

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

10. Non-Loanee farmer may submit insurance proposals personally to insurance

company with requisite premium wherever applicable. However, it is mandatory that Non-Loanee farmers, personally submitting proposals to insurance company should have insurable interest and submit necessary documentary evidence as proof as decided by State Government.

11. Insurance companies retain the right to accept or reject insurance proposal(s) in case proposal is incomplete, not accompanied by necessary documentary proof or insurance premium ordinarily, within one month of receipt of proposal by Insurance Companies. If the proposal is rejected the insurance company will refund full collected premium.
12. Declarations/ proposals received from the Banks/ PACS after the cut-off date shall be summarily rejected and the liability, if any, for such declarations shall rest with the concerned bank. Therefore, the Banks/ PACS must not receive any proposal after the cut-off date of coverage. The Banks/ PACS must also ensure that the consolidated statement along with the premium amount is remitted to the insurance company within the stipulated time, failing which they shall be responsible for payment of claims, if any to the farmers. However, any dispute in the matter may be referred to the Department of Agriculture, Government of West Bengal.
13. The concerned branches of banks and Nodal Banks/ DCCBs in case of PACS will also collect the list of individual insured farmers (both loanee and non-loanee) with requisite details like name, father's name, Bank Account number, village, categories – Small and Marginal/ SC/ ST/ Women, insured acreage, details of insured land, insured crop(s), sum insured, premium collected (wherever applicable) etc. from concerned branch in soft copy also for further reconciliation and send the same to the concerned insurance company within 15 days after final cut-off date for submission of Proposal/ Declaration to insurance company and also upload the same on the crop insurance portal.
14. Insurance companies may also collect the requisite information in respect of non-loanee farmers from the channel partner in same formats. It is the responsibility of the concerned insurance companies to collect/obtain the details of the insured farmers (both loanee and non-loanee) from the bank/financial institutions/intermediaries/ agents.
15. Insurance Companies should also verify and be satisfied themselves about the coverage of farmers/ crops and up-load the same in their websites within a month and also in the crop insurance portal preferably before approaching the Government to release the final installment of subsidy under the scheme.

XI. Assessment of Loss / Shortfall in Yield

Wide Spread Calamities (based on season-end yield)

1. The Scheme operates on the basis of '**Area Approach**' i.e., Defined Areas for each notified crop for widespread calamities and insurance unit is Gram Panchayat/ Block. Yield data will be furnished to Insurance Company by State Government, in accordance with the cut-off dates fixed, and crops and areas

notified, based on total number of CCEs being conducted.

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

Sl. No.	Level of Insurance Unit of CCEs	Sample size
1	Block	16
2	Gram Panchayat	4

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

- a) State shall strengthen audit process of conduct of CCEs, with necessary checks and balances. Digitizing the CCE process including geo-coding (providing the latitude and longitude of the CCE location), date/ time-stamping and with photographs (of the CCE plot and CCE activity), is a must for all CCEs.
- b) States shall maintain 'single series' of CCEs, i.e. the same set of CCEs and Yield estimates are used both for Crop Production estimates and Crop Insurance.
- c) In instances where required number of CCEs could not be conducted due to non-availability of adequate cropped area, the yield estimate for such IUs can be generated by using the method of adopting yield estimate of next higher unit.
- d) Insurance company should be given complete access to co-witness the CCEs, as also the digital images of the CCEs and relevant data in the requisite form by the State Government. A formal letter with the schedule should be given to the IAs sufficiently in advance without fail to help them mobilize the manpower if they so desire.
- e) Wherever the yield estimates reported at IU level are abnormally low or high vis-à-vis the general crop condition, the insurance company shall settle the matter in consultation with State Government.

4. Use of Mobile Phone Technology to improve Yield-data Quality and Timeliness

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

5. Assessment of Claims (Wide Spread Calamities)

If 'Actual Yield' (AY) per hectare of insured crop for the insurance unit (calculated on basis of requisite number of CCEs) in insured season, falls short of specified 'Threshold Yield' (TY), all insured farmers growing that crop in

the defined area are deemed to have suffered shortfall in yield of similar magnitude. BSB seeks to provide coverage against such contingency.

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

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

Threshold yield for a crop in a notified insurance unit is the average yield of past seven years (excluding a two years of lowest yield) multiplied by applicable indemnity level for that crop.

XII. On Account Payment of Claims due to Mid-Season Adversity

1. It is proposed to provide immediate relief to insured farmers in case of adverse seasonal conditions during the crop season viz. floods, prolonged dry spells, severe drought etc., wherein expected yield during the season is likely to be less than 50% of Threshold yield.

a) Eligibility Criteria:

- i. All notified Insurance Units would be eligible for "ON ACCOUNT" payment only if the expected Yield of the affected crop during the season is less than 50% of threshold yield.
 - ii. The provision is invoked by the State Government through damage notification based on the proxy Indicators.
 - iii. The provision could be invoked for a specific crop or group of crops in Notified Insurance Unit, depending on fulfillment of laid down conditions.
 - iv. Insurance company may decide the quantum of likely losses and the amount of 'on-account' payment based on the joint survey of Insurance Company and state government officials.
 - v. Only those farmers would be eligible for financial support under this cover whose premium has been paid before the damage notification by the State Government invoking this provision for compensation.
 - vi. Maximum amount payable would be 25% of the likely claims, subject to adjustment against final claims.
 - vii. If adversity occurs within 15 days before the normal harvest time, this provision will not be invoked.
- b) Proxy-Indicators: Indicators to be used for loss intimation could be rainfall data, other weather data, satellite imagery and crop condition reports by district level state government officials, supported by media reports. The State's notification should also spell out all the necessary details in this regard.

c) Loss assessment procedure:

- i. Joint committee of State Government and the insurer for assessment of crop damage, has to be formed and notified before start of the crop season by the SLCCCI for each district.
- ii. This Joint Committee shall decide the eligibility for on-account payment based on the weather data (available AWS notified by the Government) / long term average rainfall data/satellite imagery supported by estimated yield losses at notified Insurance unit level. Loss intimation order has to be issued within 7 days from the adverse seasonal event.
- iii. Based on the above report, a joint inspection of the affected area maybe done by Insurance Company for ground truthing with State government officials and arrive at the extent of loss.
- iv. Information/ Services of Mahalanobis National Crop Forecast Centre (MNCFC) may also be utilized for determination of extent of loss for on-Account payout.
- v. If the expected loss of the affected crop is more than 50% of the normal yield for the Notified Insurance Unit, on-account payment would be payable.
- vi. On-account payment would be calculated as per following formula:

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

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

- i. An order will be issued by State Government defining eligibility of on-account payment with details of damaged Insurance Units within 7 days from the occurrence of adverse seasonal event.
- ii. Loss assessment report at the affected insurance unit level has to be completed by the joint committee within 15 days from occurrence of the adverse seasonal event.

e) Conditions:

- i. Mere disbursement/ sanction of loan without receipt/ debit of premium before the notification of calamity would not make a farmer eligible for the claim.
- ii. The On-account payment would be disbursed by the insurance company only after the receipt of Government share of premium subsidy.
- iii. 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 report from State Government.

- iv. These claims would be adjusted from the end season area approach yield based claims.

XIII. Prevented / Failed Sowing and Prevented Planting / Germination Claims

- I. It is proposed to provide insurance cover to farmers in case of widespread incidence of eligible risks (para IV.1.a) affecting crops in more than 75% of area sown in a notified unit at early stage leading to total loss of crop or the farmers are not in a position to either sow or transplant the crop.

The precondition for this cover is issuance of notification of the scheme before commencement of normal sowing process and details of insurance coverage from banks should have been advised to Insurance Company.

a) Eligibility Criteria:

- i. The State Government would provide Notified Insurance Unit and crop wise normal area sown at the beginning of the season within 15 days.
- ii. Notified Insurance Units will be eligible for "Prevented Sowing/ Planting" pay-out only if more than 75% of Crop Sown Area for notified crop remained unsown due to occurrence of any of the above perils.
- iii. The provision is invoked by the State Government through notification based on the proxy Indicators.
- iv. 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 notification by the State Government invoking this provision for compensation.
- v. The State Government would notify crop wise and agro-climatic zone or district wise cut off dates by which, this provision could be invoked.

- b) Proxy-Indicators: Indicators like rainfall data, other weather data, satellite imagery and crop condition reports by district level State Government official, media reports and area sown data released by State Government.

c) Loss assessment procedure:

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

d) Conditions:

- i. The cover will be available for major crops only.
- ii. Mere disbursement/ sanction of loan without receipt/ debit of premium

before the notification of calamity won't make a farmer eligible for claim.

- iii. The insurance company would disburse the claim within 30 days of the State's order / notification invoking the event of the insured risk provided the data on estimated area sown have been received from State Government.
- iv. The pay-out under the cover would be disbursed by the insurance company only after the receipt of Government share of premium subsidy.
- v. Insurance cover would terminate for the affected crop in a Notified Insurance Unit once a claim under this section is invoked and the affected Insurance Unit/ Crop would not be eligible for area yield based claim calculated at the end of the season.
- vi. This provision would be needed to be invoked within the cut-off date as notified by the State Government, beyond which if invoked, no claim would be payable.
- vii. Once this provision is invoked, no fresh enrolment of farmers for the affected notified crops and areas would be done.
- viii. Once exigency is invoked it applies to all the insured farmers in the Notified Insurance Unit for a given crop, including for those whose crop survived.

XIV. Post-Harvest Losses

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

a) Eligibility criteria:

- i. Available to all insured farmers, at farm unit level, affected by above mentioned perils in a Notified Insurance Unit growing notified crops for which insurance have been availed.
- ii. Available for all crops damaged by specified perils, which are left in the field after harvesting in "cut and spread condition" for drying up to a period of 14 days from harvest.

- b) **Proxy-Indicators:** Report in the local media or reports of the agriculture/ revenue department supported by media reports and other evidences.

c) Loss assessment procedure:

Time and method of reporting the loss/claims

- i. Immediate intimation (within 48 hours) by the insured farmer to any one as detailed below.

- ii. Intimation must contain details of survey number-wise insured crop and acreage affected.
- iii. Premium payment verification (wherever applicable) to be reported in next 48 hours by the farmer/Bank.

Whom to be reported i.e. channel of reporting:

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

Documentary evidence required for claim assessment:

- Duly filled Claim form along with all relevant documents is requisite for payment of claims. However, if information on all the columns is not readily available, semi-filled form may be sent to the insurance company and later within 7 days of the loss, filled form may be submitted.
- Local Newspaper cutting and any other available evidence to substantiate occurrence of loss event and severity of the loss, if any.

Appointment of Loss Assessors by the Insurance Company:

The loss assessors would be appointed by the insurance company for assessment of losses due to the operations of Post-harvest losses (Yield Insurance). The loss assessors appointed should possess following experience and qualification:

- Any Graduate (preferably Agriculture i.e. B. Sc. (Ag.) with minimum 2 years' relevant experience.
- Retired Government officials of Agriculture/ Horticulture/ Extension Department having B. Sc. (Ag.) degree.
- Retired Bank officials with experience of crop loaning or KCC. For compliance under the above provisions the insurance companies would empanel the suitable loss assessors for using their services as and when required.

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

Time frame for loss assessment and submission of report

- i. Appointment of loss assessor within 48 hours from receipt of information.
 - ii. Loss assessment to be completed within next 10 days.
 - iii. Claim settlement/ payment to the farmers to be completed in next 15 days (subject to receipt of premium) from loss assessment report.
- d) If the affected area under a notified crop is more than 25% of the total insured area in a notified insurance unit, all the eligible farmers (who have taken insurance for the notified crop, which has been damaged, and informed about occurrence of calamity in the farm within the stipulated time) in the notified insurance unit would be deemed to have suffered post harvest loss and would be eligible for financial support. Percentage of loss would be arrived at by requisite percentage of sample survey (as decided the Joint Committee) of affected area by the insurance company.
- e) If the claim on area approach (based on CCEs) is more than the claims of the Post Harvest losses, the difference claims will be payable to affected farmers. If claim for Post Harvest is higher, no recovery will be applicable from affected farmers.
- f) **Conditions:**
- i. Mere disbursement/ sanction of loan without receipt/ debit of premium before the occurrence of insured peril would not make a farmer eligible for claim.
 - ii. When affected area is limited upto 25% of total insured area in the notified insurance unit, the losses of eligible farmers would be assessed individually provided they have paid premium prior to occurrence of insurance peril.
 - iii. The pay-out under the cover would be disbursed by the insurance company only after the receipt of Government share of premium subsidy.
 - iv. The insurance company would disburse the claim, if payable within 30 days of receipt of loss survey report.
 - v. If end of season claim based on the yield data is more than the claim under this cover, the balance would be paid at the end of the season under widespread claims.
 - vi. Farmers getting enrolled or whose premium is debited after occurrence of insurance peril would not be eligible for financial support under this cover.

XV. Localized Risks

- 1. It is intended to provide insurance cover at individual farm level to crop losses due to occurrence of localized perils/ calamities viz. Landslide, Hailstorm and inundation affecting part of a notified unit or a plot.
 - a) **Eligibility Criteria:**
 - i. Available to all insured farmers, at farm unit level, affected by above

- mentioned perils in a Notified Insurance Unit growing notified crops for which insurance has been availed.
- ii. Maximum liability is limited to proportionate Sum Insured of damaged crop's area. This would be based on the proportion of cost of inputs incurred during sowing period to the sum insured.
 - iii. Only those farmers would be eligible for financial support under this cover whose premium has been paid before occurrence of the insured peril.
 - iv. Maximum pay-out under this provision would be in proportion to cost of inputs, incurred up to the occurrence of insured peril, subject to the sum insured. If the payout under area approach (based on CCEs data) is more than localized losses, the higher claims of two will be payable to insured farmers.
 - v. If the affected area under a notified crop is more than 25% of the total insured area in a notified insurance unit, all the eligible farmers (who has taken insurance for the notified crop, which has been damaged, and informed about occurrence of calamity in the farm within the stipulated time) in the notified insurance unit would be deemed to have suffered localised loss and would be eligible for financial support. Percentage of loss would be arrived at by requisite percentage of sample survey (as decided by the Joint Committee) of affected area by the insurance company.
- b) **Proxy-Indicators:** Report in the local media or reports of the Agriculture/ LR Department.

c) **Loss assessment procedure:**

Time and method of reporting the loss/claims

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

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

Intimation may be given within 48 hours by farmer either directly to the insurance company, concerned bank, local agriculture department/district officials or through toll free number to insurance company. First mode of intimation will be centralized Toll Free Number and in absence of such

facility, the report can be given to banks or Government officials, the same would be forwarded/ intimated to the insurance company immediately on receipt of such information. The banks would verify the insured details like crop insured, sum insured, premium debited and date of debit before sending the same to insurance company.

Documentary evidence required for claim assessment:

- Duly filled Claim form along with all relevant documents is requisite for payment of claims. However, if information on all the columns is not readily available, semi-filled form may be sent to the insurance company and later within 7 days of the loss, filled form may be submitted.
- Evidence of crop loss through capturing pictures using mobile application, if any.
- Local Newspaper cutting to substantiate occurrence of loss event and severity of the loss, if any.

Appointment of Loss Assessors by the Insurance Company:

The loss assessors would be appointed by the insurance company for assessment of losses due to the operations of Localized Risks (Yield Insurance). The loss assessors appointed by the insurance companies should be in accordance with the IRDAI provisions. The loss assessors appointed should possess following experience and qualification:

- i) Any Graduate (preferably Agriculture i.e. Diploma / B.Sc. (Ag.) with minimum 2 years experience of crop insurance.
- ii) Retired Government officials of Agriculture/ Horticulture/ Extension Department having Diploma / B. Sc. (Ag.) degree.
- iii) Retired Bank officials with experience of crop loaning or Kisan Credit Card (KCC). For compliance under the above provisions the insurance companies would empanel the suitable loss assessors for using their services as and when required.

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

Time frame for loss assessment and submission of report

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

d) Conditions:

- i. Mere disbursement/sanction of loan without receipt/debit of premium before the occurrence of insured peril would not make a farmer eligible for claim.
- ii. When affected area is limited upto 25% of total insured area in the notified insurance unit, the losses of eligible farmers would be assessed individually provided they have paid premium prior to occurrence of insurance peril.
- iii. The pay-out under the cover would be disbursed by the insurance company only after the receipt of Government share of premium subsidy.
- iv. The insurance company would disburse the claim, if payable, within 30 days of survey of loss.
- v. If, at the end of season, based on the yield data, claim is more than the claim under this cover, the balance would be paid at the end of the season under wide spread claims.
- vi. Farmers getting enrolled or whose premium is debited after occurrence of insurance peril would not be eligible for financial support under this cover.
- vii. Bank would remit farmers premium with farmers list within 7 days of intimation of loss under this section, if not sent earlier.

XVI. Procedure for Settlement of Claims to the farmers

1. Upfront premium subsidy from State Government should have been received for the season, by insurance company to enable them to settle the claim.
2. In case of widespread calamity (end of season claims), once yield data is received from State Government as per the cut-off-dates decided, claims will be worked out as per Declarations/ proposals received from banks / channel partners / insurance intermediaries for each notified area and crops and claims will be approved by Competent Authority of Insurance company i.e. Implementing Agency (IA).
3. In case of farmers covered through Financial Institution, claims shall be released only through electronic transfer to individual loan/KCC accounts of the farmers, followed by hard copy containing claim particulars. Insurance companies shall provide a list of farmers benefited to the concerned bank branches/nodal banks which should be displayed on their notice boards. The insurance companies should also upload particulars of beneficiaries on crop insurance portal.
4. In case of farmers covered on voluntary basis through intermediaries, payable claims will be directly credited to the concerned bank accounts of insured farmers and details of the claims may also be intimated to them. The list of beneficiaries may also be uploaded on the crop insurance portal immediately.
5. To facilitate settlement of prevented risk/ mid season adversity/ localized claims,

the IA shall release the admissible claim amount to the beneficiary immediately after receipt of farmers' premium and advance premium subsidy (1st instalment) without waiting for release of final subsidy (2nd instalment).

6. All admissible claims based on yield data/ post harvest losses shall be settled by the IA on receipt of 2nd instalment of premium subsidy on the basis of tentative business statistics generated. The balance premium subsidy, if any, will be paid after reconciliation of all business statistics for the season.
7. In case of claims under prevented/failed sowing, localized calamities, post-harvest losses; insurance company will process the claims after assessment and shall release the claims as per procedure given in the relevant sections above.
8. Insurance companies shall resolve all the grievances of the insured farmers and other stakeholders in the shortest possible time.
9. Disputed claims / sub-standard claims, if any, will be referred to the State Government within three months of claim disbursement for consideration and decision of the State Government will be final and binding on Insurance Company / Banks and the farmers.

XVII. 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 mis-reporting.
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

In case excess insurance coverage has been reported vis-à-vis planted acreage, leading to over-insurance, the discrepancy should be handled at farm level to protect the interest of farmers with genuine insurance coverage. All suitable measures should be taken by concerned stakeholders for de-duplication with the help of land records, banks records, revenue records and proposal/loan application of insured farmers. Having digitized farm records on a GIS platform would be the ideal solution in such cases. However, in the absence of a GIS based solution, the problem would be addressed as follows:

- a) Wherever the 'acreage discrepancy' is likely, the acreage insured at IU level shall be compared with average planted acreage of past three years, and the difference is treated as 'excess' insurance coverage after taking into account sown area data of the Revenue authority.

- b) Sum insured is scaled down in the proportionate ratio the average of three years' actual planted acreage bears to the insured acreage for the given crop.
- c) Claims shall be calculated on the scaled down sum insured.
- d) Premium shall be refunded back to the State Government for the portion of sum insured scaled down and the amount may be utilised for improvement of technology/ research/ impact assessment etc.

XVIII. Publicity and Awareness

1. Adequate publicity needs to be given in all the villages of the notified districts/ areas. All possible means of electronic and print media, farmer's fair, exhibitions, SMS, short films, and documentaries shall be utilized to create and disseminate awareness about benefits and provisions of the Scheme among the cultivators and the agencies involved in implementing the Scheme. Agriculture Department in consultation with Insurance Companies shall work out appropriate Plan for adequate awareness and publicity at least one month prior to the start of coverage period. All the published material information should necessarily be uploaded on the crop insurance portal along with coverage/ frequency / duration date etc.
2. The State Government in collaboration with Insurance Companies shall also chalk out plan for capacity building of the associated agents, banks etc for effective implementation of the scheme and organize training workshops/ sensitization programme for them in association with participating insurance companies.

XIX. Commission and Bank Charges

Bank and other financial institutions etc. shall be paid service charges @ 4% of the premium. 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.

XX. Service Tax

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

XXI. Review of the Scheme

State Government will periodically review the progress of the scheme in meetings of the State Level Committee, the SLCCCI and the State Level Review and Monitoring Committee (SLRMC) to ensure that crop insurance products provide comprehensive insurance coverage to the farmers on sound insurance principles and provide the best value for the premium.

XXII. Monitoring of the Scheme

1. State Level Coordination Committee on Crop Insurance (SLCCCI) will be responsible for monitoring of the scheme.
2. It is proposed to take following monitoring measures for effective implementation during each crop season to ensure maximum benefits to the farmers:
 - a) The Nodal Bank(s)/ intermediaries may collect the list of individual insured farmers (both loanee and non-loanee) with requisite details like name, fathers' name, Bank Account number, village, categories – Small and Marginal/ SC/ ST/ Women, insured acreage, insured crop(s), sum insured, premium collected, Government subsidy etc from concerned branch in soft copy for further reconciliation and send the same to the concerned insurance company along with declarations of farmers within 15 days after final cut-off date. This will be done online once the integrated e platform is put into place. Yield data based on CCEs shall be made available to the concerned insurance company by the State Government within a month from the date of final harvest.
 - b) After finalization of claims, the Insurance Company will transfer the claim amounts online directly into the loan/KCC/bank accounts of farmers.
 - c) The list of the beneficiaries (Bank-wise and insured area-wise) may also be uploaded on the crop insurance portal and website of the concerned insurance companies. Proper provisions and mechanisms of public grievance redressal/ feed-back should be made.
 - d) About 5% of the beneficiaries may be verified by the Regional Offices/ local level Offices of Insurance Companies who will send the feedback to concerned District Level Monitoring Committee (DLMC) and State Government/ State Level Coordination Committee on Crop Insurance (SLCCCI).
 - e) At least 10% of the beneficiaries verified by the insurance company may be cross verified by the concerned District Level Monitoring Committee (DLMC) and they should send the feed back to State Government.
 - f) 1 to 2% of the beneficiaries may be verified by the Head Offices of the insurance company/ Independent Agencies appointed by the State Government and they should send the necessary feedback to State Government.

XXIII. Participation of Insurance Companies in Implementation of the Scheme

Empanelment Criteria

1. The Public Sector (AIC & others) and Private Sector General Insurance Companies having exposure in crop insurance and empanelled by the DAC & FW, Govt. of India will be considered for implementation of BSB.

Selection Criteria of Insurance Companies as Implementing Agency (IA)

2. The selection of insurance company from the designated/ empanelled insurance companies to act as Implementing Agency (IA) shall be done by the State Government through e-bidding for implementation of the scheme. Selection of IA will be made by adopting the cluster approaches explained in the succeeding paragraphs.
3. Before the commencement of the crop season, State Government will invite the pre-qualified companies as mentioned in the preceding para through an open tender for submission of district-wise and crop-wise actuarial premium rates (financial bid). Indemnity Level, Threshold Yields, Sum Insured etc. will be same for all insurance companies for the season. The designated / empanelled companies participating in bidding have to bid the premium rates for all the crops notified / to be notified by the State Government and non-compliance will lead to rejection of the bid.
4. 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 at cluster of districts will be worked out to arrive at the L1 bid rate of **financial bid**. Weightage may also be given regarding **past performance** of the concerned Insurance Company in implementation of crop insurance scheme in the State. Weightage will be awarded for both criteria as may be detailed in the tender notice. The Insurance Company scoring the highest point for a specific cluster will be selected to act as IA in the concerned cluster.
5. Selection of IA may be made for upto three years as per terms of tender. However, in no case shall the tender period be less than one year.
6. The insurance coverage in terms of number of farmers and area covered should be at least at the previous season's level otherwise, insurance company shall be liable to be de-barred for next bidding in the State.
7. **Clustering/Clubbing of districts for bidding:**
In order to diversify/ spread the risk and cover high risk/ low risk districts/ area equally, the districts would be grouped in such a way that each group contains mix of districts with different risk profiles. Multiple clusters of 3-5 districts will be formed based on mixed agro-climatic zones and risk profile of the district so as to increase the diversification of risk within a cluster and enable risk spreading for insurer. Crop-wise associated risks may also be diversified among the clusters and not concentrated within the cluster.

Applicable conditions for Clustering/ Clubbing of districts:

- i. Within the cluster insurance companies would be required to quote 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 for the bidding period.

XXIV. Role and Responsibilities of Various Agencies

For successful implementation and administration of the BSB scheme, all stakeholders have to fulfill their respective roles with due diligence and alacrity. The roles of various Agencies / Institutions / Government Departments / Committees are detailed below.

1. State Government

- a) Support and coordination with all stakeholders for implementation of BSB including its awareness and publicity and issue necessary instructions/ guidelines from time to time for smooth and effective implementation.
- b) Issue guidelines to Banks through “State Level Bankers Committee” and “National Bank for Agriculture and Rural Development (NABARD)”, for complying with the terms and conditions of BSB and its operational modalities.
- c) To hold meeting of SLCCCI well in advance to finalize clusters, issue bid notice, selection of Implementing Agency and issuance of Notification. There should be a gap of at least one month between the notification issuance and risk inception date. The notification shall contain all information as outlined in Para VI.
- d) Notify insurance unit area to Gram Panchayat/ Block units for major crops and for other crops, unit size may be Block level.
- e) Furnish in advance insurance unit-wise (or of higher unit, if unit level data not available) yield data of immediate past 10 years of all notified crops to insurance companies.
- f) Facilitate providing the weather data through India Meteorological Department (IMD) and other government/ quasi-government agencies on near real-time basis to insurance company.
- g) Release 40% premium subsidy and farmers’ share of premium towards committed liability under the scheme to insurance companies at the beginning of crop season on the basis of business projections (premium collection) to be submitted by insurance companies. The balance of premium subsidy and farmers’ share of premium, if any, for the season shall be released based on submission of final / actual business achieved during crop season by insurance companies to enable them to release claims to beneficiary farmers.
- h) To set up a State Level Review and Monitoring Committee (SLRMC) under the chairmanship of Principal Secretary/Secretary (Agriculture) for periodical review (preferably monthly) of implementation of the scheme.

- i) Review and monitor the implementation of BSB including premium rates, product-benchmarking and other matter/directives to insurance companies. Review performance of participating insurance companies and suggest modifications/ improvements wherever required.
- j) Organize capacity building training/workshops for all stakeholders.
- k) Interpretation of any provisions of the scheme and decision on any dispute in settlement of claims.
- l) To set up District Level Monitoring Committee (DLMC) under chairmanship of the District Magistrate to ensure proper coverage under the scheme. The DLMC shall verify the coverage on random basis, monitor conduct of CCEs in districts, provide fortnightly crop condition reports and periodical reports on seasonal weather conditions etc. to the concerned insurance company.
- m) To undertake extensive awareness and publicity campaigns about the Scheme amongst farming community through agriculture and extension Departments to maximize coverage of the farmers specially non-loanee farmers.
- n) Issue necessary directives to all agencies/ institutions/ government departments/ committees involved in implementation of the Scheme.
- o) To furnish to the insurance companies the insurance unit wise area sown of insured crops within two months from the sowing period.
- p) Assist insurance companies for assessment of crop loss of individual insured farmers caused by localized perils and also assist in post harvest losses.
- q) To undertake requisite number of CCE in the notified area following single series, and provide the yield data to the insurance company within the prescribed cut-off date, along with results of individual CCEs.
- r) Allow insurance companies to co-observe and witness CCEs, and permit them to access various records including Form-2 / Table-B at grass root / district / state level used for recording data of CCEs by States. State shall strengthen audit process of conducting CCE with necessary checks and balances. Audio/Video- recording of CCEs shall be implemented besides other process to ensure accuracy of CCE.
- s) Submission of yield data for all notified crops and insurance units to insurance companies in standard format within stipulated date.
- t) Take suitable action for adoption of new technology for early loss assessment and better administration of scheme.

2. Insurance Companies (IA)

- a) Furnish the necessary details to SLCCCI as may be required as per the

notification.

- b) Liaise with State Government and agencies/ institutions / committees involved in implementation of BSB.
- c) Underwriting –responsibilities of processing and acceptance of risk.
- d) Obtain Re-insurance arrangements if felt necessary.
- e) Establish a functional office in each Sub-division and at least one agent should be deployed at the block level in the allocated districts. A Toll-Free phone number must be opened by the IA and kept operational throughout the implementation period.
- f) IA should in coordination with the Agriculture Department and other agencies undertake extensive efforts for publicity and awareness generation for BSB at grass-root level including bank branches.
- g) The coverage of loanee farmers should be carried out by insurance companies themselves. Use of agents / brokers will not be allowed.
- h) Disclose designated Agents in writing before the underwriting of insurance for the season.
- i) Ensure coverage of non-loanee farmers through themselves or through their authorized intermediaries/ agents.
- j) Facilitate the bank branches/ intermediaries/ agents to upload the details of insured farmers and beneficiaries with all requisite details on Crop Insurance portal well in time.
- k) Ensuring payment of commission/ service charges to banks/ other agents for implementing the scheme.
- l) Providing monthly progress reports/ statistics/ information to the State Government as and when demanded.
- m) Claim processing / finalization on receipt of yield data from the State Government and payment within the prescribed timelines.
- n) Redressal of all Public Grievances within the time fixed by IRDA. There shall be toll free number maintained by the IA which should work on the docket system for receiving and recording the grievances of farmers.

3. Financial Institutions/Banks:

- a) For purpose of BSB, scheduled banking institutions engaged in disbursing Seasonal Agricultural Operations (SAO) loans as per relevant guidelines of NABARD/ RBI shall be reckoned as Banks.

- b) The existing system of Nodal Banks would continue to service the BSB as described in various sub-paras of Para X.
- c) Notification, as well as other directives, guidelines, etc. shall flow as insurance company Ø Lead Bank/Administrative offices of Commercial banks/RRBs/Nodal Bank Ø Service (subordinate) Bank Branch / PACS. The remittance of premium shall follow the reverse route.

Lead Bank/Nodal Bank/Administrative office of Commercial banks/ RRBs:

- 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 service (subordinate) bank branches within their jurisdictional area serve all non-loanee farmers desiring and eligible to take insurance cover under BSB. Such service will include opening bank account of non-loanee farmers, guiding them to fill up proposal forms, accepting premium from them and maintaining records etc.
- d) Ensure that, for both loanee and non-loanee farmers separately, premium and related data is remitted to nodal bank within the prescribed time.
- e) Lead bank/Nodal Banks should ensure that all the eligible crop loans/seasonal operational loans taken for notified crop(s) are fully insured and the conditions stated in the declarations submitted have been complied with. No farmer should be deprived from insurance cover. Nodal banks therefore, should make all out 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 bank and its branches would be responsible to make payment of the admissible claims to loanee farmers who were deprived from insurance cover to their crops.
- f) Concerned Bank and its branches should ensure submission to insurance companies within stipulated time the notified crop-wise, insurance unit-wise Declarations in prescribed format, along with consolidated premium payable separately for both loanee farmers and non-loanee farmers. If concerned Bank and its branches keep the amount of premium collected beyond the defined timelines then they will be liable to pay interest (at prevailing rate of interest for saving account) for the delay period to the insurance company.
- g) The Nodal Banks/Administrative offices may also collect the list of individual insured farmers with requisite details like name, fathers' name, Bank Account number, village, categories –Small and Marginal /SC /ST

/Women, insured acreage, insured crop(s), sum insured, premium collected, Government subsidy etc from concerned PACS/ Bank Branch in soft copy for further reconciliation and send the same to the concerned insurance company within 15 days after final cut-off date for submission of proposal to insurance company.

- h) The insurance company shall acknowledge all the declarations submitted by the banks mentioning the details of crop, area, sum insured etc. The banks should cross check with their records and aberrations, if any, should be brought to the notice of the insurance company immediately. If no response is received from banks within 15 days, the details given in the acknowledgement shall be considered final and no changes would be accepted later on.
- i) The list of beneficiary cultivators with claim amount shall be displayed by the Branch/ PACS and a copy shall also be provided to the Pradhan of the Gram Panchayat.
- j) Soft copy of the beneficiary' farmers may also be uploaded directly on Crop Insurance portal by concerned Insurance companies apart from their own web-site.
- k) To permit insurance company with access to all relevant records / ledgers at the Nodal Bank/ Branch/ PACS at all times for the purpose of implementation of the scheme.
- l) Banks should ensure that cultivator may not be 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 institutions shall only make good all such losses.

Lending Banks / RFIs

- a) To educate the cultivators on the Scheme features.
- b) To guide the cultivators for filing up the insurance proposal in the prescribed forms and collecting the required documents, particularly in case of Non-Loanee cultivators.
- c) To prepare the consolidated statements for Loanee and Non- Loanee cultivators and forward the same to the insurance company along with the premium amount and other details of the insured farmers.
- d) Maintaining the records of proposal forms, the other relevant documents and statements for the purpose of scrutiny/ verification by insurance company or its authorized representatives and DLMC.
- e) Allow insurance company access to all relevant records and registers at offices of Nodal Bank and service (subordinate) bank branches within their jurisdictional area.
- f) To capture all relevant data including land and crop details of all loanee



farmers covered compulsorily as well as non loanee farmers availing crop insurance through them.

4. Designated Insurance agents

- a) To educate the cultivators on the Scheme features.
- b) To guide the cultivators for filing up the insurance proposal in the prescribed forms and collecting the required documents from Non-Loanee cultivators.
- c) Underwrite and collect the premium on behalf of Insurance Company, strictly as per the provisions of the scheme.
- d) To prepare the consolidated statements of Non-Loanee cultivators and forwarding the same to the insurance company along with the premium amount well within the stipulated time.
- e) The designated Insurance agents shall also prepare the list of individual insured farmers with requisite details like name, fathers' name, Bank Account number, village, categories –Small and Marginal/ SC/ ST/ Women, insured acreage, insured crop(s), sum insured, premium collected, Government subsidy etc in soft copy and send the same to the concerned insurance company within fifteen days after final cut-off date.
- f) The designated Insurance agents should ensure that insured farmers may not be deprived of any benefit under the Scheme due to errors/ omissions/ commissions of them. In case of any such lapse, the concerned agents / insurance company shall make good all such losses. Necessary administrative and legal action may be taken for lapses in service/ malpractices, if any, reported.

5. Lonee farmers

- a) As the Scheme is compulsory for all loanee cultivators availing SAO loans for notified crops, it is mandatory for all loanee cultivators to insist on insurance coverage as per provisions of the Scheme.
- b) Any change in crop plan should be brought to the notice of the bank within one week of sowing.
- c) Insurance proposals are accepted only upto a stipulated cut-off date, which will be decided by the SLCCCI.
- d) Give information of any loss due to localized risk or post harvest loss due to specified perils of cyclone, cyclonic rains and unseasonal rains resulting in damage to harvested crop lying in field in “cut and spread” condition to concerned bank branch/ financial institution/ channel partner / insurer within 48 hours.

6. Non-Loanee cultivators

- a) Non-Loanee cultivators desirous of availing insurance under BSB for any notified crop in any notified insurance unit may approach nearest bank branch/ PACS/ authorized channel partner/ insurance intermediary of insurance company within cut-off date, fill-up proposal form completely in prescribed format, submit form and deposit requisite premium to bank branch/ Insurance Intermediary along with necessary documentary evidence regarding his insurable interest in cultivating land/ crop (e.g. ownership/ tenancy/ cultivation rights) proposed for insurance.
- b) The farmer desiring for coverage should open/operate an account in the branch of the designated bank, and the details should be provided in the proposal form.
- c) The farmers should mention their land identification number in the proposal.
- d) The farmer must provide documentary evidence with regard to possession of cultivable land.
- e) The cultivator must furnish area sown confirmation certificate.
- f) The farmer should ensure that he gets insurance coverage for a notified crop(s) cultivated/proposed to be cultivated, in a piece of land from a single source. In other words, '**double insurance**' is not allowed. The insurance company shall reserve the right to repudiate all such claims and not refund the premium as well in such cases. Company may also take legal action against such farmers.
- g) Give information of any loss due to localized risk or post harvest loss due to specified perils of cyclone, cyclonic rains and unseasonal rains resulting in damage to harvested crop lying in field in "cut and spread" condition to concerned bank branch/ financial institution/ channel partner / insurer within 48 hours.

XXV. Crop Insurance Portal:

The State Government will endeavor to integrate all the stakeholders viz. Government agencies, insurance companies, financial institutions and farmers on a single IT platform to ensure better administration, coordination and transparency for getting real time information and monitoring in a phased manner in consultation with the stakeholders. The idea behind developing a web-based, integrated IT solution is to speed up service delivery, unify fragmented databases, achieve a single view of data, eliminate manual processes and provide insurance services to farmers faster than before.

The Department of Agriculture will take initiative to design a web portal for crop insurance to provide a single IT enabled platform for digitization of process and documentations, information data bank and dissemination mechanism, automation of administrative procedures, premium and claim calculation and

remittance etc. The IT driven system will address the issues which affect the current system of crop insurance program administration which often leads to denial/delay in benefit transfer to farmers viz. selective/layered information access, manual interventions, multi-step procedures, documentary avoidances/proofs, delayed/defective information sharing etc.

The aforesaid portal will provide an integrated ecosystem to streamline the process, to automate administrative functions and bring transparency in implementation of the Crop Insurance programme in the State.

XXVI. Use of Innovative Technologies:

1. 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 can be used (Table below).

Table: 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: LISS IV (5.8m), Sentinel 2:MSI (10 m); Rapid Eye (6.5 m); SPOT 5 HRG (5,10 m)
Block level	10-30 m	Resourcesat 2/2A: LISS III (23.5 m), Landsat 8: OLI (30 m); Sentinel 2:MSI (10 m)
District level	50-100 m	Resourcesat 2/2A: AWiFS (56 m); Proba V (100 m)

However, wherever long-term satellite data is needed MODIS (250 m) data can be used, but it should not be used for village level for information. Ideally for deriving crop specific vegetation indices, crop maps should be overlaid on the data. Crop maps can be generated using either optical or microwave remote sensing (SAR) data of appropriate resolution. Wherever, crop maps are not available, at least agricultural area map should be used. 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.

2. Crop Growth Modeling:

Yield loss estimates can be made using crop simulation models such as DSSAT/ InfoCrop, etc. Remote sensing based semi-physical modeling 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 spatial at higher resolution, at least 5 km.

3. To Compute 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) between long-term yield data (at IU level or, if not available, higher administrative level) and weather and remote sensing based index data. Using these models, yield for the concerned year should be estimated. The final yield can be estimated as a combination of CCE Yield and model estimated. The weightage to be given to each estimate will depend upon the quality of each estimate (CCE or Model). Low weightage should be given to CCE not conducted properly (without photograph, geo location, proper sampling plan etc.). Similarly lower weightage to be given model estimates, if model is statistically not highly significant. Wherever, if the model was not statistically significant the average of estimated yields of adjacent blocks should be used.

4. To Rationalize CCEs:

With availability of a number of satellites with high resolution imaging capability orbiting the Earth, there is a great improvement in satellite remote sensing based products. It has been reasonably proven that satellite based vegetation indices (such as, Normalized Difference Vegetation Index, NDVI and Normalized Difference Wetness Index, NDWI) can help in demarcating the cropped areas into clusters on the basis of crop health. This feature can be successfully used to target the CCEs within the Insurance Unit (IU). In other words, satellite imagery can help in 'smart sampling' (stratified sampling) of CCEs. This will help in optimizing the number of CCEs, to make them representative of different crop conditions. This is expected to reduce the total need of CCEs by about 30-40% while maintaining similar accuracy. It will also give a more representative yield of the IU, as it will consider all crop pixels (fields) within the IU and not just location of 4 CCEs. Satellite based remote sensing data for planning of Crop Cutting Experiments will be utilized in generating yield estimates. For using satellite data for smart sampling, there is a need to generate specific crop map. These crop maps can be used for CCE planning. Vegetation Indices (NDVI and NDWI) need to be computed for the cropped area. On the basis of Vegetation Index, the crop area can be categorized into poor, medium, good and very good crop health strata. Within each stratum, CCE points should be selected randomly.

5. To remove Area Discrepancy in coverage:

It is noticed that in some instances in States/districts, area insured is much more than area sown figures. Hence, compulsory use of RST/ satellite imagery, digitization of land records needs to be done to minimize the area discrepancy.

6. For Direct Yield Estimation:

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 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.

7. To improve Yield-data Quality and Timeliness:

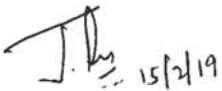
It has been observed that the normal CCE process being followed for estimating yield is lacking in reliability, accuracy and speed, which affects claim settlement. There is a need for real time, good quality and reliable actual yield-data for which mandatory use of smart phones / hand held devices has to be done for capturing images, location of the CCE and for online transmission of data on Crop Insurance Portal 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.

XXVII. Grievance Redressal:

1. At the initial level, for grievance redressal, each district shall designate district level Grievance Redressal Officer preferably District Agriculture Officer to 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).

2. District Level Grievance Redressal Committee (DGRC):

The District Level Monitoring Committee shall act as the Grievance Redressal Committee for redressal of grievances of Farmers, Banks, Insurance Company, District Authority/Department. This Committee will be headed by District Magistrate and representatives of Farmers, LDM/Banks, DDM NABARD, Insurance Company and concerned District Authority/Department shall be appointed as members. This Committee may also invite subject specialists/experts from University/ IMD/ commodity Boards/Research Institutions, SRSC etc. if deemed necessary. The Committee will dispose the matter within 15 days. The decision of the Committee shall be accepted by all the parties.


(Jitendra Roy)
Joint Secretary
to the Govt. of West Bengal