

No. AGM-III/152-PIg/PMFBY/2019
GOVERNMENT OF MANIPUR
DEPARTMENT OF AGRICULTURE: MANIPUR

Imphal, the 22nd April 2019

Invitation of bids for selection of Insurance Companies as Implementing Agencies (IA) for "Pradhan Mantri Fasal BimaYojana (PMFBY)" for Manipur State for Kharif, 2019 season

1. Offers are invited from all Insurance Companies empanelled by DAC&FW, Govt. of India for submission of their financial bid (**Annexure-I**) for implementation of "**Pradhan Mantri Fasal BimaYojana (PMFBY)**" in Manipur State for Kharif, 2019 season.
2. Operational Guidelines.(OGs) issued by Govt. of India would be the final guidelines for implementation of this scheme and shall prevail in case of any conflict between the clauses in bid document & the OGs.
3. During Kharif, 2019 season, the PMFBY will be implemented in **9 districts** of Manipur State covering **Paddy (HYV) crop**.
4. Bidders are required to submit the premium rates in **Annexure-II**.

Coverage and Exclusions:

• **Coverage of Risks**

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

- I. **Prevented Sowing/ Planting /Germination Risk** - Insured area is prevented from sowing/planting/germination due to deficit rainfall or adverse seasonal/weather conditions.
- II. **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, Widespread pests and Diseases attack, Landslides, Fire due to natural causes, Lightening, Storm, Hailstorm, Cyclone.
- III. **Post-Harvest Losses** - Coverage is available only up to a maximum period of two weeks from the harvesting for those crops which are required to be dried in cut and spread / small bundled condition in the field after harvesting against specific perils of Hailstorm, Cyclone, Cyclonic rains and unseasonal rains. (last date by which harvesting should have been done is mentioned in seasonality discipline)
- IV. **Localized Calamities** - Loss/damage resulting from occurrence of identified localized risks of Hailstorm, Landslide and Inundation affecting isolated farms in the notified area.

General exclusions:

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

• **Coverage of farmers :**

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

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

Selection of Insurance Company as Implementing Agency (IA):

- i) Selection of Implementing Agency will be done by adopting the cluster approaches as envisaged in OGs.
- ii) For the implementation of the scheme in Manipur, all the 9 districts are included in a single cluster.
- iii) The Bidders are required to quote the Premium up to **two decimal** points only.
- iv) Final selection of IA from the bidders shall be done based on the lowest weighted average premium quoted by the company for the notified crop within the cluster of districts (refer para 31.2.1 of OGs of PMBY).
- v) Expected Coverage (Expected Area Insured in Hectare multiplied by Sum Insured/ Scale of Finance per Hectare) will be considered as the weights to arrive at the Weighted Average Premium Rate for the cluster.
- vi) District wise expected area insured (hectare) for Kharif 2019 season are given in **Annexure-II**.
- vii) The insurance company quoting Lowest weighted premium rate in the cluster would be declared as L-1 (refer para 31.2.3 of OGs of PMFBY for evaluation process) and will implement PMFBY for both loanee and non-loanee farmers
- viii) If any company declines after being declared L1, the company may be barred for the coming seasons and the L2 may be given the cluster for implementing the crop insurance scheme at L1 district-crop combination rates and so on to L3, L4 bidder as per the consent of insurance company.
- ix) In case any company does not quote for one or more districts within the cluster the bid will be rejected.
- x) Premium bids not in conformity of the above conditions will be summarily rejected and will not be considered for the season.

Premium rate and subsidy:

All farmers (loanee or non-loanee) enrolled under PMFBY would be entitled for subsidy on the premium. Farmers will have to pay maximum 2% of the sum insured or actuarial premium rate, whichever is lower, for the notified Paddy (HYV) crop. The difference between the actuarial premium rate and farmer share would be equally borne by the State Government and Central Government in the ratio of 50:50.

Based on the fair estimates of coverage, State Government will ensure to make an advance payment of 50% of subsidy liability to insurance companies and will settle the balance subsidy payment on submission of final figures by insurance companies.

Claim liability:

Insurers shall be responsible to settle all the admissible claims to be arise due to the conditions/eventualities as detailed in paras 21.1 to 21.4 of operational guidelines of PMFBY. Insurers shall be responsible for payment of claims upto the ceiling as stated in para 23 of Operational guidelines of PMFBY.

Bank Services Charges:

Bank and other financial institutions etc. shall be paid service charges @ 4% of the premium collected from farmers. Rural agents engaged in providing insurance related services to farmers may be paid appropriate commission as decided by the insurance company, subject to cap prescribed under IRDAI regulations. Banks may submit their Invoice in the format prescribed as **Annexure-III**.

Notification of crops and area:

The scheme will operate on the principle of "Area Approach" in the defined areas called Insurance Unit (IU). For Kharif 2019 season, the notified Area will be **Sub-Division**. Details of notified Areas (Sub-Divisions) are as per **Annexure-IV**.

Indemnity Level & Threshold yield (TY):

Past yield data for the last 7 years are available at Agri. Sub-Division/ SDAO (Agri) level only, which along with the latest available cropped area are provided in **Annexure-IV**.

The same data will be used for fixing Premium at District level and Threshold Yield at the proposed Insurance Unit / Notified Area (Sub-Division) level.

Threshold yield for a notified area will be average yield of best 5 years from past 7 years of that season multiplied by Indemnity Level as per the details in **Annexure-IV**. Proposed Indemnity Level for Kharif 2019 season is **80%**.

Loss Cost

District wise and season-wise average loss cost from Kharif 2009 to Kharif 2018 season are given in **Annexure-V**

Seasonality discipline:

Below given Seasonality / cut off dates have been proposed in the Department, which will be approved in the SLCCCI meeting.

Sl. No.	Activities	Time Lines
1	Cut-off Date for Availing Insurance	31.07.2019
2	Cut-off Date for submission of yield data	28.02.2020

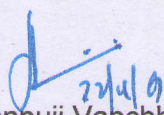
Roles of Insurance Companies

- i) Ensuring payment of bank service charges to banks @4% of the premium collected from banks.
- ii) Providing monthly progress returns/ statistics/ information to State and Central Government.
- iii) Endeavouring for 100% coverage of the loanee farmers through Banks/Financial Institution, etc.
- iv) 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.
- v) Redressal of all Public Grievances within the time fixed by IRDAI. Provide toll free number where farmers can approach for redressals of grievance, intimate claims in case of localized calamity, seek information on coverage, etc.
- vi) The coverage of loanee farmers should be carried out by insurance companies themselves, use of agents / brokers are not allowed.
- vii) Claim processing and payment to Banks/Farmers within the prescribed timelines.
- viii) Marketing and publicity of Scheme, Insurance company will ensure the marketing and publicity of the scheme and submit a report with photographs to State and

- ix) Distribution of Declaration form/proposal form to bank/financial institution branch/s.
- x) Submission of reports to State and Central Government.
- xi) **Within two months after sowing** State government will furnish the unit wise notified cropped area sown to respective IA.
- xii) State Government will submit CCE's results of all notified crops for notified area in standard format within stipulated date to respective IA.
- xiii) Awareness and publicity – extensive efforts to generate publicity and create awareness of PMFBY at grass-root levels / locations including bank branches. Also coordinate with the States and other agencies for awareness and publicity of the scheme.
- xiv) Other role & responsibilities as detailed in para 35.4 and 36 of OGs of PMFBY.

Roles and Responsibility of State Government

- i) Take suitable action for adoption of new technology for early loss assessment and better administration of scheme. Implementing CCE using handheld devices, recording coordinates photographs, etc.
- ii) Issuance of necessary instructions to Regional Meteorological Centers of IMD and other government/ quasi government agencies for supplying weather data on real-time basis to insurance company.
- iii) To undertake extensive awareness and publicity campaigns of Scheme amongst farming community through agriculture and extension Departments to maximize coverage of the farmers specially non-loanee farmers.
- iv) Submission of yield data for all notified crops and insurance units to insurance companies in standard format within stipulated date (refer **Annexure-IV**)
- v) To furnish to the insurance companies the insurance unit wise area sown of insured crops within two months from the sowing period.
- vi) Assist insurance companies for assessment of crop loss of individual insured farmers caused by localized perils and also assist in post harvest losses.
- vii) 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.
- viii) 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.
- ix) IA should settle the claims (if any) within 3 weeks after receipt of yield data from State government.
- x) Any disputes related to PMFBY should be addressed to Principal Secretary, Department of Agriculture / cooperation of the State Govt.
- xi) Awareness and publicity – extensive efforts to generate publicity and create awareness of PMFBY at grass-root levels / locations including bank branches. Also coordinate with the States and other agencies for awareness and publicity of the scheme.
- xii) Other role & responsibilities as detailed in para 35.2 of OGs of PMFBY.


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