Pradhan Mantri Fasal Bima Yojana
(PMFBY)

OPERATIONAL GUIDELINES
2023

Effective from Kharif 2023

सत्यमेव जयते

Department of Agriculture & Farmers Welfare
Ministry of Agriculture & Farmers Welfare
Government of India
Krishi Bhawan, New Delhi-110001

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ABBREVIATIONS

A/C	Account
AC	Appellate Committee
ACF	Area Correction Factor
AEPS	Aadhaar Enabled Payment System
AIC	Agriculture Insurance Company of India Limited
AI&ML	Artificial Intelligence and Machine Learning
AIDE	App for Intermediary Enrollment
API	Application Programming Interface
APR	Actuarial Premium Rate
ARG	Automatic Rain Gauge
ARTM	Alternate Risk Transfer Model
AU	Administrative Unit
AWiFS	Advanced Wide Field Sensor
AWS	Automatic Weather Stations
AY	Actual Yield
BC	Banking Correspondent
CAG	Comptroller and Auditor General
CB	Commercial Banks
CBS	Core Banking Solution
CCAFS	Research Program on Climate Change, Agriculture and Food Security
CCEs	Crop Cutting Experiments
CCLAS	Certified Crop Loss Assessors
CGM	Chief General Manager
CGST	Central Goods and Services Tax
CHAMAN	Coordinated Horticulture and Management using geoiNformatics
CPGRAMS	Centralized Public Grievance Redressal and Monitoring System
CPMU	Central Program Management Unit
CMM	Crop Model Matrix
CNA	Central Nodal Agency
CROPIC	Collection of Real-time Photos and Observation of Crops
CSC SPV	Common Service Centre Special Purpose Vehicle
CSC VLE	Common Service Centre Village Level Entrepreneur
CSO	Central Statistical Organization
CSC	Common Service Centre
CSR	Corporate Social Responsibility
CTAC	Central Level Grievance Redressal Committee
CV	Coefficient of Variation
CVC	Central Vigilance Commission
DA&FW	Department of Agriculture and Farmers Welfare
DBT	Direct Benefit Transfer
DC	District Collector
DCCBs	District Central Cooperative Banks
DDM	District Development Manager
DES	Directorate of Economics & Statistics
DGRC	District Level Grievance Redressal Committee

DILRMP	Digital India Land Record Modernization Program
DLJC	District Level Joint Committee
DLMC	District Level Monitoring Committee
DM	Deviation Matrix
DM*	District Magistrate
DPI	Digital Public Infrastructure
DSS	Decision Support System
DSSAT	Decision Support System for Agrotechnology Transfer
E&MIS	Evaluation & Management Information System
ESI	Expected Sum Insured
ESR	End of Season Report
EVI	Enhanced Vegetation Index
NCIP	National Crop Insurance Portal
FASAL	Forecasting Agricultural Output Using Space, Agrometeorology and Land Based Observations
FBP	Fasal Bima Pathshala
FIAT	Fund for Innovation and Technology
FIs	Financial Institutions
FY	Financial Year
GCA	Gross Cropped Area
GCES	General Crop Estimation Survey
GFR	General Financial Rule
GIC Re	General Insurance Corporation of India
GoI	Government of India
Govt.	Government
GP	Gram Panchayat
GRAMS	Grievance Redressal and Monitoring System
GRC	Grievance Redressal Committee
GRO	Grievance Redressal Officer
GST	Goods & Service Tax
GT	Ground Truth
GWDI	Ground Water Drought Index
HQ	Headquarter
GWP	Gross Written Premium
IA	Implementing Agency
IARI	Indian Agriculture Research Institute
IASRI	Indian Agricultural Statistical Research Institute
IC	Insurance Company
ICAR	Indian Council of Agricultural Research
ID	Identity
IEC	Information Education and Communication
IFD	Integrated Finance Division
IFPRI	International Food Policy Research Institute
IFSC	Indian Financial System Code
ILC	Inland Letter Card
IMD	Indian Meteorological Department
IoT	Internet of Things
IR	Inception Report
IRDAI	Insurance Regulatory and Development Authority of India

IRRI	International Rice Research Institute
ISRO	Indian Space Research Organization
ISS	Interest Subvention Scheme
IT	Information Technology
IU	Insurance Unit
KCC	Kisan Credit Card
KRPH	Krishi Rakshak Portal and Helpline
KVK	Krishi Vigyan Kendra
KYC	Know Your Customer
LAI	Leaf Area Index
LC	Loss Cost
LDM	Lead District Manager
LGD	Local Government Directory
LIFO	Last In, First Out
LISS	Linear Imaging Self Scanning Sensor
LPA	Long Period Average
LMS	Learning Management System
LPC	Land Possession Certificate
LR	Loss Ratio
LU	Land Use
M&E	Monitoring and Evaluation
MAI	Moisture Adequacy Index
MeITY	Ministry of Electronics & Information Technology
MIS	Management Information System
MISS	Modified Interest Subvention Scheme
MITR	Mentor Institute for Technical Rollout
MNCFC	Mahalanobis National Crop Forecast Centre
MoA&FW	Ministry of Agriculture & Farmers Welfare
MODIS	Moderate Resolution Imaging Spectroradiometer
MOEF&CC	Ministry of Environment, Forest and Climate Change
MoPR	Ministry of Panchayati Raj
MOSDAC	Meteorological and Oceanographic Satellite Data Archival Centre
MoU	Memorandum of Understanding
MPMH	Meri Policy Mere Hath
MSA	Mid-Season Adversity
MSP	Minimum Support Price
MSR	Mid-Season Report
NABARD	National Bank for Agriculture and Rural Development
NADAMS	National Agricultural Drought Assessment and Monitoring System
NCIP	National Crop Insurance Portal
NAY	National Average Yield
NDVI	Normalized Difference Vegetation Index
NDWI	Normalized Difference Water Index
NER	North-Eastern Region
NIA	National Insurance Academy
NIU	Notified Insurance Unit
NLMC	National Level Monitoring Committee
NOAA-CPC	National Oceanic and Atmospheric Administration Climate Prediction Centre

NRSC	National Remote Sensing Centre,
ISRO	Indian Space Research Organization
NSO	National Statistical Organization
NSSO	National Sample Survey Organization
OG	Operational Guidelines
OTP	One Time Password
PACS	Primary Agricultural Credit Society
PASM	Plant Available Soil Moisture
PFMS	Public Finance Management System
PMU	Program Management Unit
PMFBY	Pradhan Mantri Fasal Bima Yojana
PMKISAN	Pradhan Mantri Kisan Samman Nidhi Scheme
PPP	Public-Private Partnership
PRI	Panchayati Raj Institutions
QAP	Quality Insurance Partner
R&D	Research & Development
RBI	Reserved Bank of India
RF	Rainfall
RMSE	Root Mean Square Error
ROR	Record of Rights
RRBs	Regional Rural Banks
RSI	Reservoir Storage Index
RST	Remote Sensing Technology
RTI	Right to Information
RWBCIS	Restructured Weather Based Crop Insurance Scheme
SAC	Space Applications Centre, ISRO
SAO	Seasonal Agricultural Operations
SAR	Synthetic Aperture Data
SARTHI	Sandbox for Agricultural & Rural Security, Technology & Insurance Platform
SAU	State Agricultural University
SC	Scheduled Caste
SCBs	Scheduled Commercial Banks
SDG	Sustainable Development Goals
SFDI	Stream Flow Drought Index
SGST	State Goods and Services Tax
SGRC	State Level Grievance Redressal Committee
SI	Sum Insured
SLA	Service Level Agreement
SLBC	State Level Bankers Committee
SLCC	State Level Coordination Committee
SLCCCI	State Level Coordination Committee on Crop Insurance
SMS	Short Message Service
SNA	State Nodal Agency
SOF	Scale of Finance
SOP	Standard Operating Procedure
SPI	Standardized Precipitation Index
SPMU	State Program Management Unit
SR	Special Report

SR-MSA	Special Report on Mid-season Adversity
SRPS	Special Report for Prevented Sowing
SRSAC	State Remote Sensing Application Centre
SST	Smart Sampling Technique
ST	Scheduled Tribe
STAC	State Level Technical Advisory Committee
STSU	State Technical Support Unit
TA	Technical Agency
TAC	Technical Advisory Committee
TCI	Temperature Condition Index
TIP	Technology Implementation Partner
TY	Threshold Yield
UAV	Unmanned Aerial Vehicle
UIDAI	Unique Identification Authority of India
UT	Union Territory
ULPIN	Unique Land Parcel Identification Number
UPIS	Unified Package Insurance Scheme
UTR	Unique Transaction Reference
VCI	Vegetation Condition Index
VEDAS	Visualization of Earth Observation Data and Archival System
VHI	Vegetation Health Index
VLE	Village Level Entrepreneur
WINDS	Weather Information Network Data System
WIP	WINDS Implementation Partner
WMO	World Meteorological Organization
WSL	Wide-spread localized Claims
WSPH	Wide-spread Post Harvest Losses
YES-TECH	Yield Estimation System Based on Technology

Pradhan Mantri Fasal Bima Yojana

Pradhan Mantri Fasal Bima Yojana (PMFBY) was launched from Kharif 2016 with aim to support production in agriculture by providing an affordable crop insurance product to ensure comprehensive risk cover for crops of farmers against all non-preventable natural risks from pre-sowing to post-harvest stage. The Scheme has completed 16 crop seasons and is being implemented across States/Union Territories (UTs).

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

Based on the past experiences of implementing the scheme (between 2016-2020), study reports of various research institutions and feedback received from stakeholders, the scheme was reviewed, and the revised OGs were brought into effect from 01st October 2018 addressing major challenges. Also, the Revamped Operational Guidelines effective from Kharif 2020, addressed the issues related to long-term tendering, optional coverage to all farmers, increase in the scope of risk cover and the addition of add-on covers. During the implementation of the scheme between 2020 & 2022, many representations have come from State Governments/UT Administrations for flexibility in terms of implementation of the scheme as per State/UT specific cropping practices and options for alternate risk management models to manage the risk protection to farmers within given budgetary provisions. Accordingly, Department of Agriculture & Farmers Welfare (DA&FW), GoI initiated multiple stakeholder consultations with State Governments/UT Administrations, Farmers Organizations, Insurance Companies (ICs), Re-Insurance Companies, Financial Institutions, Research and Technical Organizations and the Ministries & Departments of the GoI and also constituted working groups for gap analysis and identification of alternate models for Risk Management and Infusion of Technology to address the demands of the State/UTs and also to address key challenges associated with implementation of the scheme. In this new iteration of the Operational Guidelines of PMFBY, an effort has been made to provide more flexibility to the State/UTs in terms of implementation of the scheme, to inculcate financial discipline amongst the stakeholders and to infuse technological interventions within the scheme framework, so as to bring transparency, objectivity and minimize the potential hazards & disputes.

These operational Guidelines shall be effective from Kharif 2023 onwards and shall be overriding any provisions or clauses of Tender Document or Contract or Notification of the State Govts./UTs or conditions or processes which are not in conformity to these guidelines. Any dispute or grievance of any stakeholder related to implementation of the scheme shall be addressed as per the provisions of these guidelines only. Accordingly, the Operational Guidelines 2023 have been updated and approved for ready reference and adoption by all the stakeholders for effective implementation of the PMFBY. All the powers of GoI shall be exercised by the Department/Ministry designated to execute/implement crop insurance schemes in the country, which in this case shall be the Department of Agriculture and Farmers Welfare (DA&FW), Ministry of Agriculture and Farmers Welfare (MoA&FW), Government of India (GoI) and hereafter, the same shall be referred to as **'GoI'** in this document.

1. Objective of the Scheme

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

- Providing financial support to farmers suffering crop loss/damage arising out of unforeseen events.
- Stabilizing the income of farmers to ensure their continuance in farming.
- Encouraging farmers to adopt innovative and modern agricultural practices.
- Ensuring credit worthiness of the farmers, crop diversification and enhancing growth and competitiveness of agriculture sector besides protecting the farmers from production risks.
- Promoting innovation & research of insurance and allied products so-as-to offer expanded choice to the farmers and the State Governments/UT Administrations.

2. Adoption of Technology for Scheme Administration

Digital Technology

2.1 In an endeavor to integrate Technology in implementation and execution of the Scheme, GoI has designed and developed a National Crop Insurance Portal (NCIP) (www.pmfby.gov.in) which has been in use since Kharif 2018. This has brought in for better administration and coordination amongst stakeholders viz. Farmers, States, Insurers, insurance intermediaries and Banks as well as ensure real- time dissemination of information and transparency in implementation.

2.2 Continued & efficient functioning of the Portal successfully calls for responsible participation by different stakeholders who will have the responsibility for census coding and regular updating of revenue/administrative units, AWS code mapping and requisite information/details as per the login credential module.

2.3 Implementing State/UTs and Insurance Companies during each crop season are required to digitize and upload basic information like notified areas, crops, sum insured, Government subsidy and premium to be paid by farmers and name of the implementing Insurance Company in the particular insurance unit etc., on the portal well within the prescribed timeline. This will facilitate farmers and other stakeholders to get the relevant information on the Internet and through SMS for the concerned season. State/UT Government and concerned Insurance Company will be responsible for any incorrect entry/ errors/ omissions etc. during digitization.

2.4 Digitization of basic information/notification should compulsorily be done before floating tender documents which will be followed by the entry of L1 Premium rates and name of the selected Insurance Company immediately after finalization of bids and issuance of work order.

2.5 Since the NCIP has been operationalized for auto administration and seamless flow of data/information/reports on real-time basis, the State/UT Government would not be allowed to create/use a separate Portal/website for Crop Insurance purposes*. (*State of Karnataka which is already running its own portal will have to integrate with NCIP).

2.6 All Stakeholders have defined roles and responsibilities and accessibility to related modules on the Portal for the administration of the Scheme. Details of the operationalization of modules for each stakeholder are available on the Portal.

2.7 Secured credential/login, preferably linked with Aadhaar Number and mobile One Time Password (OTP) based, for all Stakeholders viz, GoI, State Governments/UT Administrations, Banks, empaneled Insurance Companies and their designated field functionaries, Insurance Intermediaries etc. will be provided on the Portal to enable them to enter/upload/download the requisite information.

2.8 The Insurance Companies shall not distribute/collect/allow any other proforma/utility/web-Portal etc. for collecting details of insured farmers separately. However, they may provide all requisite support to facilitate Bank Branches/Primary Agriculture Credit Societies (PACS) /Common Service Centers (CSCs)/Banking Correspondents (BCs) for uploading the farmers' details on the Portal well within the prescribed cut-off dates.

2.9 Only those farmers whose data is uploaded on the NCIP, and their share of premium has been remitted to the concerned Insurance Company within the prescribed time limit, shall be eligible for Insurance coverage. The premium subsidy from the State/UT and the GoI shall be released accordingly as per the timelines and modalities defined in the Operational Guidelines.

2.10 All data pertaining to crop-wise, Insurance Unit (IU) wise historical yield data, Notional value of average yield/Scale of Finance (SOF), Sown Area, Coverage and Claims data, Threshold Yield (TY) and Actual Yield (AY) shall be made available/uploaded by the State/UT Government on the NCIP for the purpose of premium rating, claim calculation, etc. For the calculation of admissible claims for RWBCIS, requisite information like weather data, detailed term sheet with triggers and exit values and notional sum insured etc. will be uploaded on the NCIP by the concerned State/UT Government. The data uploaded on the NCIP shall be the only single source of truth and mandatorily shall be provided to the Insurance Companies along with Bid Document for Burn Cost calculation and Risk Pricing. No other source of data shall be used for Risk Pricing for Bidding in the tenders other than the data uploaded and approved by State/UTs on the NCIP. In case this clause is not adhered to, the Government of India share of subsidy shall not be released for the concerned State/UT.

2.11 The Banks/Financial Institutions (FIs)/other intermediaries need to compulsorily transfer the individual farmer's data electronically to the NCIP. Accordingly, banks/FIs **may endeavor to undertake Core Banking Solution (CBS) integration** in a time bound manner for real-time transfer of information/data.

2.12 The NCIP having details of insured farmers under PMFBY shall be dovetailed with Kisan Rin Portal (KRP), having details of all the farmers availing subsidized short term agriculture loans through Kisan Credit Card under Modified Interest Subvention Scheme (MISS) of the GoI & PM KISAN database having pre-identified farmers receiving benefits under PM Kisan Samman Nidhi scheme of GoI. The data/information of both the Schemes shall be auto synchronized to enable real-time sharing of information and better program monitoring.

2.13 With a view to keep pace with the massive innovations happening for making agriculture financially resilient and to achieve the objective of meeting Sustainable Development Goals, the scheme envisages to foster the innovation and development of effective technology solutions under PMFBY ecosystem to make the scheme more effective and farmers more resilient & protected. Implementing Insurance Companies may contribute funds in order to promote innovation and research & collaborate with the technical institutions, start-ups/Fin-tech/Insure-tech & Agri-tech entities of the country & across the globe. The potential technologies solutions shall be first evaluated and recommended by GoI for pilot-rollout. The pilots shall be carried out by the implementing Insurance Companies collectively and/or individually for strengthening the technology models and solutions for PMFBY. Further, the GoI shall review and examine the results of such pilots/research for final adoption within scheme ecosystem.

Remote Sensing & Other Technologies

2.14 The Insurance Companies & States/UTs shall compulsorily use innovative technology & mobile applications for monitoring of crop health through CROPIC App, reporting of crop damage through Crop Loss Assessment App and Crop Cutting Experiments (CCEs) through CCE Agri App etc., in coordination with the concerned State/UTs. State/UTs shall also facilitate Insurance Companies with Satellite Imagery wherever required and facilitate usage of drones as per the SOP issued by the Ministry of Civil Aviation, GoI. Such data and information may further be sourced and utilized for further analysis under the purview of PMFBY. Insurance Companies can also use the services of the Government or technical agencies empaneled by the GoI or its authorized agency or committee for conducting relevant studies & validation for better monitoring and ground-truth. Insurance Companies should play an active role of being partners in facilitating and promotion of use of technology and other innovations in the scheme implementation.

2.15 The Department of the State/UT Government responsible for managing the digital land record and its web-portal will facilitate the integration of land record with NCIP and provide Application Programming Interface (API), free of cost, for smooth access to the land records of the concerned farmer for validation on NCIP.

2.16 Suitable technology & modalities shall also be explored and adopted for using Smart Sampling Technique (SST) for conducting CCEs required for arriving at proportionate Crop Yield Estimation along with direct yield estimation using different technology models as prescribed in YES-TECH Manual 2023.

2.17 Yield Estimation System based on Technology (YES-TECH) for direct estimation of yield at Gram Panchayat (GP) level has been rolled out from Kharif 2023 season onwards as per the provisions of YES-TECH Manual 2023, as amended from time to time.

2.18 YES-TECH shall be further augmented through Collection of Real-time Photos and Observations of Crops (CROPIC) initiative, wherein crop health will be monitored by taking periodic photos of standing or peril-affected crop at pre-determined interval of its growth with GPS coordinates, three to five times during the season for assessing the crop condition at different stages of the crop life cycle.

2.19 A national level network of Automatic Weather Stations (AWS) & Automatic Rain Gauges (ARG) shall also be established under the Weather Information Network Data System (WINDS) initiative as per the provisions of the WINDS Manual 2023, as amended from time to time, creating a strong and resilient platform for generation of long-term hyper-local weather data information for Crop insurance, agriculture advisory and disaster risk resilience needs of different sectors.

2.20 State/UTs shall adopt use of technology, such as satellite imagery, drones, Unmanned Aerial Vehicle (UAV) and remote sensing for various applications such as crop area estimation, yield disputes resolution and promote innovation and use of technology solutions such as remote sensing and other related technology solutions and mobile applications for CCE planning, yield estimation, loss assessment, assessment of prevented sowing and clustering of districts etc.

2.21 Use of technology derived solutions for calculation of Yield will be triggered in the following instances when:

Requisite number of CCEs have not been conducted at the Insurance Unit (IU) level or one level higher than the IU level.

2.22 Or

The yield data submitted by the Nodal Department of the State/UT Government is disputed by the IC due to non-compliance of the defined procedure for conducting CCEs.

2.23 Or

The Nodal Department of State/UT Government is unable to submit Actual or approved yield data (CCE Agri App based) for at-least 90% of total Crop Cutting Experiments (CCEs) conducted, within 2 months of the cut-off date of completion of CCEs.

2.24 To develop a framework for Research Studies & Working Papers by academia & Multilateral bodies, GoI may enter into bilateral or multilateral arrangements / agreements with any relevant national / international institutions/organizations, for the purpose.

3. Coverage of Farmers

3.1 All farmers including sharecroppers and tenant farmers growing the notified cropsin the notified areas are eligible for coverage. However, farmers should have insurable interest on the insured crops and lands. Such farmers are required to submit necessary documentary evidence of land records prevailing in the State (Records of Right (RoR), Land Possession Certificate (LPC) etc.) and/or applicable contract/ agreement details/ other documents notified/ permitted by concerned State Governments/UT Administrations pertaining to sharecroppers/tenant farmers and the same should be defined by the respective States/UTs in the notification itself. Tribal farmers and forest dwellers having cultivation in forest land under FRA are also allowed to be insured under the scheme. The farmers cultivating community owned land especially as is practiced in NER states are also allowed to be covered under the scheme with certification from village head or revenue authorities. All such farmers are also required to essentially submit Aadhaar Number and declaration about the crop sown/ crops intended to be sown.

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

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

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

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

3.1.2 Other Farmers/Non-loanee Farmers

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

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

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

3.1.4 The implementing Insurance Company selected as lowest rate bidder (L1) will be responsible for taking necessary measures to ensure at least 10% incremental increase in coverage of non-loanee farmers in the allocated district. However, other empaneled Insurance Companies which have participated in the bidding process and are keen for enrolment of non-loanee farmers in the cluster may also be allowed to enroll non-loanee farmers at L1 premium rate using their respective network of intermediaries and manpower using digital platform of App for Intermediary Enrollment (AIDE) and NCIP. The interested companies must inform their willingness in writing within 7 days of the finalization of tender/issuance of work order to L1. It will however be the responsibility of all the Insurance Company engaged in this process to ensure that duplicate enrolment does not happen in the given cluster/district and therefore shall mandatorily use AIDE App for the purpose. Engaging companies other than L1 for enrolling non-loanee farmers is allowed for all Districts notified and allocated by the State Governments/UT Administrations. The enrolment of non-loanee farmers shall be as per the conditions laid down in **Para 17.7.**

3.1.5 These Insurance Companies shall use digital means such as AIDE App for enrollment of farmers and complete the process as per the seasonality discipline detailed in **Para 16.4**. The same Insurance Company which has enrolled the farmers shall be liable for the payment of claims to such farmers basis the localized crop damage assessment conducted by the L1 Insurance Company or crop damage report and crop yield data given by the concerned State Govt.

3.1.6 The exchange of information and co-witnessing of CCEs for the district by the Government/NCIP will be limited to L1 Company only and it will be binding on other companies to accept the yield data. The Nodal Department of State Governments/UT Administrations shall share the yield data with all concerned Insurance Companies for the computation of claims in the relevant IUs where they have enrolled non-loanee farmers. Requisition for payment of Government subsidy in respect of non-loanee farmers enrolled by the other Insurance Companies shall be submitted directly through NCIP to the Central Nodal Agency designated by GoI for the purpose. Claim calculation for the applications and IUs shall be done simultaneously on NCIP based on the relevant crop-wise, IU-wise crop damage and yield data, weather data etc. entered/shared by the respective State Governments/UT Administrations.

3.1.7 A detailed SOP/Manual and modalities of the enrollment of non-loanee farmers at L1 premium rate by other unsuccessful bidders shall be notified by the GoI separately.

3.2 Universal Coverage

3.2.1 The States / UTs shall make all efforts for providing insurance protection to all the farmers including tenant farmers, sharecroppers as well as loanee or non-loanee farmers in their respective State /UT. To achieve this Universal Coverage under PMFBY, States/UTs may adopt following approaches:

3.2.1.1 **Full Universalization:** Complete farmer database would be fetched on the NCIP through the pre-validated, Land Parcel, Crop & Farmers KYC database of the concerned State/UT. Enrolment through any other channels will not be required under full universal coverage. The States may consider for opting full universalization in the interest of the farmers with following pre-requisites:

- Digitized Land Records
- Farm level Season-wise Crop Data
- Farm Level KYC validated Farmer’s Database
- Data collection as per PMFBY Requirements
- API based Data Exchange with NCIP

3.2.1.2 **Preferential Universalization:** The States/UTs can incentivize the enrolment of farmers under the scheme by subsidizing the farmer’s premium partially or completely. State/UT may decide to deduct a token amount from the farmer’s account during enrolment. Farmers will be enrolled through the traditional enrolment channels under the scheme.

4. Coverage of Crops

I. Food crops (Cereals, Millets and Pulses).

II. Oilseeds.

III. Annual Commercial / Annual Horticultural crops.

IV. In addition, pilots for coverage can be taken up for those perennial horticultural/commercial crops for which standard methodology for yield estimation or correlation between weather condition and yield/output is available.

V. Other crops including plantations crops may also be included in the scope of scheme subject to approval of respective ministries of Govt. of India. A separate communication shall be issued by the GoI as and when such inclusions are required and approved.

5. Coverage of Risks and Exclusions

5.1 **Basic Cover:** The basic cover under the scheme covers the risk of yield loss to standing crops (sowing to harvesting). This comprehensive risk insurance is provided to cover yield losses on an area-based approach basis, against non-preventable risks like drought, dry spells, flood, inundation, wide-spread pest and disease attack, landslides, natural fire due to lightening, storm, hailstorm, and cyclone.

5.2 **Add-On Coverage:** Apart from the mandatory basic cover, the State Governments/UT Administrations, in consultation with the State Level Coordination Committee on Crop Insurance (SLCCCI) may choose any or all of the following add-on covers, based on the need of the specific crop/area in their State/UT to cover the following stages of the crop and risks leading to crop loss.

5.2.1 **Prevented Sowing/Planting/Germination Risk:** Insured area is prevented from sowing/planting/germination due to deficit rainfall or adverse seasonal/climatic conditions.

5.2.2 **Mid-Season Adversity:** Loss in case of adverse seasonal conditions during thecrop season viz. floods, prolonged dry spells and severe drought etc., wherein expected yield during the season is likely to be less than 50% of the normal yield.This add-on feature facilitates the provision for immediate relief (On- Account payment) to insured farmers in case of occurrence of such risks.

5.2.3 **Post-Harvest Losses:** Coverage is available only up to a maximum period of two weeks from harvesting, for those crops which are required to be dried in cut and spread / small, bundled condition depending on requirement of the crops in that area and left in the field after harvesting, against specific perils of hailstorm, cyclone, cyclonic rains and unseasonal rains.

5.2.4 **Localized Calamities:** Loss/damage to notified insured crops resulting from occurrence of identified localized risks of hailstorm, landslide, inundation, cloud burst and natural fire due to lightening affecting isolated farms in the notified area.

5.2.5 **Add-on coverage for crop loss due to attack by wild animals:** The States/UTs may consider providing add-on coverage for crop loss due to the attack by wild animals wherever the risk is perceived to be substantial and is identifiable. The detailed protocol and procedure for evaluation of the bids has been prepared by the GoI in consultation with the Ministry of Environment, Forest & Climate Change (MOEF&CC) and General Insurance Corporation of India (GIC Re). The add-on coverage will be optional for the farmers and applicable premium, in full, shall be borne by the farmer, however, the State Governments/UT Administrations may consider providing additional subsidy on this coverage, wherever notified. The Central Govt. subsidy on premium shall not be available for this add-on cover. The actuarial premium rates for this add-on cover should be sought in the bid itself from the Insurance Companies, however the add-on actuarial premium rate will be considered separately and shall not form part of evaluation of L1. Detailed modalities are annexed as **Annexure - I** for adoption by States/UTs.

5.3 States/UTs have to notify crop-wise specific period/duration for coverage of aforesaid add-on risks in their notification as detailed in **Para 7.2** of this guideline and the same will also be uploaded on NCIP.

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

5.5 Loss/damage for localized calamities and post-harvest losses will be assessed at the level of the individual insured farm and hence intimation of loss by the farmer/designated agencies or nodal departments is essential. For remaining risks i.e. losses due to wide-spread calamities, lodging of intimationfor claims by insured farmers / designated agencies or nodal departments for such wide-spread calamities is not essential. Claims of wide-spread calamity shall be calculated based on the loss assessment report submitted by the District Level Joint Committee (DLJC) and/or actual yield submitted by concerned State Governments/UT Administrations.

5.6 Details of indemnification and claims calculation for aforesaid risk covers are provided in **Para 21.**

5.7 Risk Management Mechanisms under the Scheme

5.7.1 The Scheme shall operate mainly on complete **'risk transfer'** approach wherein complete risk is transferred to implementing Insurance Companies. This will involve bearing of the entire claim liability by the insurance company for the discovered premium.

5.7.2 However, if the State Governments/UT Administrations strongly believe that they need to partake in some of the elements of the risk, they may explore opting for **'risk participation'** approach. This shall entail adoption of alternate models by the States wherein the claims as well as premium surplus is shared between the Government and the implementing insurance company as per the pre-agreed formula. The States may choose to implement any of the following models:

i. Profit & loss sharing model.

ii. Cup & Cap model (60:130)

iii. Cup & Cap model (80:110)

5.7.3 Any pilot for a model other than those listed above can be taken up in one State at a time with the approval of Union Agriculture Minister and Union Finance Minister.

5.7.4 Following shall be the modalities specific to Risk Participation Approach:

5.7.4.1 "Profit & Loss" Sharing Mechanism:

Parameter	Specifications
Risk Sharing	Insurance Company – up to loss ratios of 100% Insurance Company & Government (GoI and State Govt.) – Risk sharin 100% as per proposed structure

Surplus Sharing	Loss ratio between 0%-100%, Insurance Company & Government (GoI Govt.) get surplus as per the sharing structure given below.

Layers of Profit /loss %		**Retention by Insurer**	**Return to States**	**Sharing of**
0%	50%	15%	85%	Profit (Ploughed back)
50%	65%	60%	40%	
65%	100%	95%	5%	
100%	130%	95%	5%	Loss (Shared)
130%	220%	60%	40%	
220%	350%	15%	85%	

Example:

Profit Sharing @ Loss Ratio of 0%	**Loss Sharing @ Loss Ratio of 350%**
Profit = 100%- LR = 100% *Insurer Profit = (layer (0%- 50%) =50%) *(15% share of Profit) + layer (65%-50% =15%) * (60% share of Profit) + Layer (100%- 65% = 35%)*(95% share of Profit)* = 7.5% + 9% + 33.25% = **49.75% of the Premium** State share of Profit = 100% - 49.75% = **50.25% of the premium**	**Loss = 100%- LR = -250%** *Insurer Loss = (layer (220%- 350%) = - 130%) * (15% share of loss (220%-350%) + layer (130%-220% = -90%) * (60% share of Loss) + Layer (100%- 130% = 30%) * (95% share of Loss)* = (-19.5%) +(- 54%) +(-28.5%) = **-102% of the premium** State Share of Loss = -250% - (-102%) = **- 148% of the Loss**

Conditions:

I. Liabilities:

a. GoI subsidy sharing will be based on L1 quoted Actuarial Premium Rates (APR)

b. GoI will participate equally with State/UT Government in any claim liability as per the structure (as above).

c. Sharing of claim liabilities between Insurance Company and Government (GoI and State/UT) will be done at cluster & season level or at the level of determination of L1 bidder & season level.

II. Surplus Sharing:

a. GoI will share surplus (if any) equally with State Governments/UT Administrations as per the structure (as above)

b. Surplus sharing between Insurance Company and Government (GoI and State/UT) will be done at cluster & season level or at the level of determination of L1 bidder & season level.

c. Any surplus will be shared equally between the GoI and State Governments/UT Administrations. Further it shall be deposited back into consolidated fund of GoI or State/UT respectively.

5.7.4.2 "Cup & Cap" model (60:130)

Parameter	Specifications
Risk Sharing	Insurance Company – up to loss ratios of 130% Government (GoI and State Govt. equally) – loss ratio > 130%
Surplus Sharing	Loss ratio between 0%-60% - Insurance Company retains Government (GoI and State Govt. equally) get remaining (60% LR)

Conditions:

I. Liabilities:

a. GoI subsidy sharing will be based on L1 quoted Actuarial Premium Rates (APR).

b. GoI will participate equally with State/UT Government in any claim liability arising due to claim ratio exceeding 130%.

c. Sharing of claim liabilities between Insurance Company and Government (GoI and State/UT) will be done at cluster & season level or at the level of determination of L1 bidder & season level.

II. Surplus Sharing:

a. GoI will share surplus (if any) equally with State/UT Government if the claim ratio are less than 60%

b. Surplus sharing between Insurance Company and Government (GoI and State/UT) will be done at cluster & season level or at the level of determination of L1 bidder& season level.

c. Any surplus will be shared equally between GoI and State/UT Government. Further it shall be deposited back into consolidated fund of GoI or State/UT respectively.

5.7.4.3 "Cup & Cap" Model (80-110)

Parameters	Specifications
Risk Sharing	Insurance Company – up to loss ratios of 110% State Govt. – loss ratio > 110%
Surplus Sharing	Loss ratio between 0%-80% - Insurance Company retains 20 Govt. get remaining (80% - Actual LR)

Conditions:

I. Liabilities:

a. GoI subsidy sharing will be restricted to cluster level burn cost calculated for the current year + 15% of burn cost (towards administrative and other expenses) or L1 quoted actuarial premium rates, whichever is lower. Other provisions of the Operational Guidelines of PMFBY will be applicable as envisaged. The level of calculation shall be cluster and season level or at the level of determination of L1 bidder & season level.

b. GoI will not participate with State/UT Government in any claim liability.

c. Sharing of claim liabilities between Insurance Company and State Governments/UT Administrations will be done at cluster level or at the level of determination of L1 bidder & season level.

II. Surplus Sharing:

a. GoI will not share surplus (if any) with State/UT Government if the claim ratio is less than 80%

b. Surplus sharing between Insurance Company and State/UT Government will be done at cluster & season level or at the level of determination of L1 bidder & season level.

c. Any surplus shall be deposited back to State/UT treasury.

5.7.4.4 Claim settlement under "Cup & Cap" Models:

a) Claim settlement under "Cup& Cap" Models at Cluster level for any given season upto the given threshold will be the responsibility of the implementing Insurance Company. The claim exceeding the given threshold limit as per risk-sharing pattern, shall be met fully by the State Govt. under "Cup-& Cap (80-110) and by GoI and State/UT government under "Cup-& Cap (60-130) in equal proportion. The State Govt./GoI as the case may be; shall remit their share of claim liability to the concerned Insurance Company for onward remittance to the beneficiary farmer through DigiClaim module of NCIP.

b) The implementing Insurance Company shall be liable to release the claim at cluster level & season level for any given season up to the extent of threshold limit as per the Risk Participation Model adopted by the State Govt./UT without waiting for States/UTs to contribute the balance claim liabilities. For delay in claim payment of liabilities of the Insurance Companies caused while waiting for pending claim liabilities to be released by States/UTs, Insurance Companies shall be liable to pay penal interest as per **Para 16.14** of these guidelines.

5.7.4.5 Calculation of Burn Cost under "Cup & Cap (80-110)" Model:

Burn Cost (BC) for notified crop(s) under the Cup & Cap 80-110 ARTM model for the given cluster and season and comparison with the L1 quoted APR shall be done by the CPMU of GoI in order to calculate the applicable liability of GoI towards premium subsidy. The burn cost shall also be provided on NCIP itself based on the available historical yield data uploaded by the State/UTs on NCIP and the actual season's insured acreage. The States/UTs shall be liable to pay the additional premium subsidy to concerned insurance companies due to underlying restriction of GoI liability as per adopted Risk Participation model.

5.8 Sandbox for Agricultural & Rural Security, Technology & Insurance Platform (SARTHI) & Product Innovation

5.8.1 With a view to enhance the access to agriculture & allied insurance products for farmers and to increase penetration of insurance adoption in the Agri ecosystem, GoI intends to create an ecosystem for varied insurance products (for the agro industry) wherein the different stakeholders of the insurance industry like Insurance companies, Reinsurance companies, Insurance Intermediaries and innovators, like

Agritech and Fintech, startups can come together and work towards extending customized risk protection solutions to farming community in addition to current crop insurance products under PMFBY & RWBCIS. Other insurance products such as parameterized insurance products for non-notified PMFBY crops, parametric disaster risk insurance products, available product offerings (or components) under earlier run Unified Package Insurance Scheme (UPIS) such as Personal accident, Livestock, Fire (contents & buildings), Life insurance offerings and non-subsidized add-on covers of PMFBY & RWBCIS, among others can be offered to the farming & rural community which will help in bringing financial resilience and risk mitigation in their lives and livelihoods.

5.8.2 GoI for this purpose would explore potential collaborations between different stakeholders to facilitate the development of a comprehensive and secure digital SARTHI platform and dovetail it with NCIP, wherein all insurance product offerings relevant to farming and rural communities around the country such as mentioned above along with current crop insurance products are offered within a single ecosystem of PMFBY through a single window to the target communities, catering to their specific needs. This ecosystem will be capitalized by different actors of the insurance industry resulting in proliferation of all insurance products which can be offered to the agriculture and allied sectors while ensuring end-to-end traceability and transparency of transactions in a secured digital environment.

5.8.3 A unified Agri insurance ecosystem will have the following features:

- Digitization of the Agri & other Insurance product offerings ecosystem in a stable, secure environment.
- Greater degree of information sharing and collaboration between the agriculture and allied sectors and the insurance industry stakeholders.
- Customization of all possible products & their availability for farmers relevant for their demography and profile.
- Cost Reduction in overall premium for farmers leading to increased coverage & earning potential while achieving risk mitigation.
- Higher penetration & accessibility to insurance products for farming & rural communities in different demographics.
- In the long term it'll also provide specific data to the GoI on the insurance needs of the farmers and other rural stakeholders, which can then be rolled out as schemes for their benefit.

5.8.4 To facilitate a comprehensive risk protection environment for Agriculture and Rural sector, GoI will build an open-source digital platform which will provide seamless integration of different insurance products approved by IRDAI & offered by Insurance Companies and allow for digital distribution of the products via various distribution channels directly to the farmers through a farmer facing application. This digital platform will help offer the bouquet of products curated by the insurance companies for the agriculture & rural communities and will offer custom-made insurance products tailored as per the specific needs and the risks faced by the farmers in different regions across complete agriculture value chain.

5.8.5 Govt. of India though a consultative committee comprising of insurance industry experts, regulators, academia, Insurtech/agri-tech startups and experts from multilateral national/international agencies and technical agencies/institutions shall oversee and foster the adoption and promotion of SARTHI for rural & agricultural risk protection and resilience development through Insurance mechanism.

5.8.6 IRDAI has also been leveraging digital technology to achieve the vision of "Insurance for All" by 2047 where every citizen has an appropriate life, health and property insurance cover and every enterprise is supported by appropriate insurance solutions. Therefore, IRDAI in addition to various administrative and strategic initiatives is also developing various technology platforms and distribution channels for the purpose of increasing financial risk protection through insurance and thereby enabling a comprehensive risk resilience in Indian communities and economy at large. Accordingly, few digital platforms like Bima Sugam (digital portal for all insurance transactions), Bima Vahak (women centric rural insurance distribution channel), Bima Vistaar (all-in-one affordable insurance product covering risks against life, health, and property) & Bima Bharosa (a platform for complaint registration and grievance redressal) are being developed. SARTHI Platform shall therefore be integrated with all these platforms for seamless information sharing and leveraging mutual capabilities.

5.8.7 A detailed SOP/Manual and modalities of the SARTHI Platform and Product Innovation including the product designing and validation protocols shall be notified by the GoI separately.

6. Preconditions for Implementation of the Scheme

6.1 State/UTs

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

6.1.1 Digitization of IU-wise administrative/revenue hierarchy along with Scheme; crops; level of IUs notified, crop-wise sum insured, crop-wise indemnity level, crop-wise Threshold Yield (TY) at Insurance Unit (IU) level for notified crops, opted risk coverage, details of Automatic Weather Stations (AWS), Automatic Rain Gauges (ARG), which shall be stationed as per the standards defined in the WINDS Manual 2023 and integration of digitized land records with NCIP.

6.1.2 Adoption of innovative technology especially YES-TECH for direct yield estimation at Gram Panchayat (GP) level as per the standards and specifications given in the YES-TECH Manual 2023, CROPIC for conducting crop health monitoring during the crop life cycle, WINDS for setting up AWSs and ARGs as per standards and specifications mentioned in the WINDS Manual 2023 and 100% usage of different applications and tools viz. CCE-Agri App for capturing the conduct of CCEs, AIDE App for enrollment of Farmers, Crop damage assessment through Crop Loss Survey App and the use of NCIP platform to enable seamless flow of data & information and auto administration of the scheme.

6.1.3 Making an additional provision of a separate budget allocation of 3% of the total budget of the Scheme for administrative expenses from Financial Year (FY) 2023-24 for meeting the day-to-day expenses for monitoring, Information Education &

Communication (IEC) and evaluation activities and other administrative work related to the implementation of the Scheme such as recruitment and deployment of manpower in state PMUs, infrastructure development, etc.

6.1.4 Adopt Smart Sampling Technology for conducting requisite number of CCEs at the level of notified IU area and approve the actual yield data as recorded in the CCE Agri App.

6.1.5 To finalize CCE and YES-TECH based final yield estimation data on the NCIP to enable auto-calculation of claims. In case the Nodal Department does not provide/upload actual yield data within 2 months of the notified CCE completion date, technology derived solutions will be used for the computation of Yield Data for claim settlement.

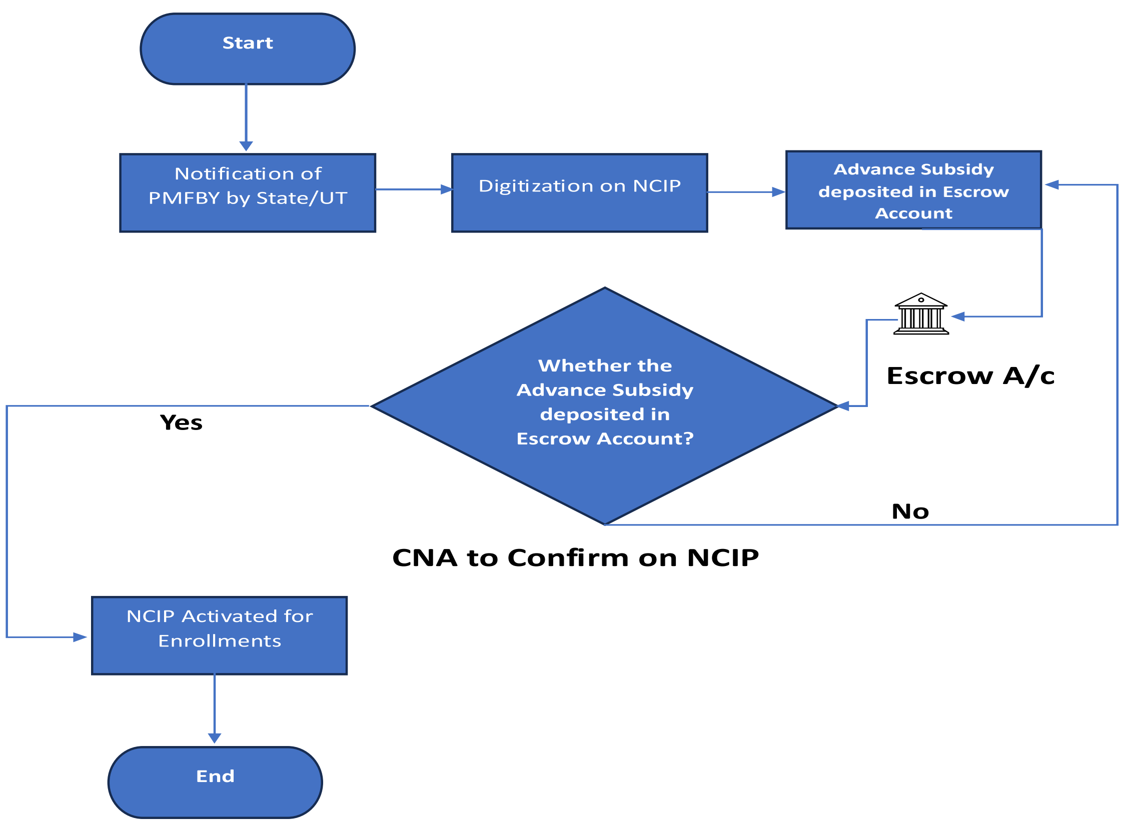
6.1.6 In order to ensure timely release of subsidy and to maintain strict financial discipline in the scheme implementation, the release of subsidy shall be guided by the following provisions:

I. The release of subsidy shall follow a seasonal chronology.

II. Notwithstanding any legal order specifically restricting the release of subsidy the subsidy component of previous season shall be settled first from any future contributions.

III. All the financial transactions (subsidy and claims) including farmers premium being paid by State/UTs adopting Full or Preferential Universalization shall be routed through National Crop Insurance Portal only.

IV. The States/UTs are required to commit their liabilities in advance as per modalities mentioned hereunder:



6.1.7 State/UT shall release an amount equivalent to 50% previous season's total State/UT Government liability on approved application data as the advance upfront premium subsidy, and the same shall be deposited in the 'Escrow Account' by the State/UT Government before the start of enrolment for the season.

I. In case of State/UTs adopting Full or Preferential Universalization, wherein the part of farmer share is also subsidized by the State/UT Government, 50% State share of advance upfront premium subsidy shall be equal to the 50% of the actual State Share plus the farmer share after adjusting token farmer share of current season/year.

II. Interest income accrued on the deposited amount in the Escrow Account shall be subsumed in the subsidy component of the concerned State/UT

Illustration of Advance Payment of subsidy premiums:

Types of PMFBY Implementation Model	Number of Applications	Farmer's Share (Rs.)	Farmer's Share Subsidized by State/UT (Rs.)	Previous Year Season's Total State/UT GWP Share (Rs.)	Previous Year Season's Total GoI GWP Share (Rs.)	Upfront Premium Subsidy - State/UT (Rs.)	Upfront Premium Subsidy - GoI
Standard PMFBY	5,000	1,00,000	0	50,00,000	50,00,000	25,00,000	25,00,000
Preferential Universalization	5,000	5,000	95,000	50,00,000	50,00,000	25,95,000	25,00,000
Full Universalization	5,000	0	1,00,000	50,00,000	50,00,000	26,00,000	25,00,000

III. The CNA shall release from the Escrow Account, an amount equivalent to maximum 50% of the previous season's total State/UT's liability on approved application data as the advance upfront premium subsidy, upon release of work order by State/UT or before the start of enrolment for the season, as the case may be, subject to submission of demand for the same by the concerned Insurance Companies.

IV. Similarly, the GoI will release an amount equivalent to maximum 50% of previous season's total GoI liability on approved application data as the advance upfront premium subsidy, on receipt of intimation regarding allocation of work order or before the start of enrolment for the season, as the case may be, subject to submission of demand for the same by the concerned Insurance Companies.

V. In case the demand for subsidy premium is raised by Insurance Companies after start of enrolment, respective share of State/UT and GoI equivalent to 50% of the total respective liability as per the current season's paid application data would be remitted. The farmers share will be subsequently deducted during the enrolment window. The principle of 'Farmer pays Last' shall be followed.

VI. The Escrow Account shall be jointly administered by the State/UT Government and GoI and maintained in any Scheduled Commercial Bank to be chosen by the State/UT Government. Detailed guidelines on Escrow Account shall be notified by the GoI.

VII. NCIP would only be opened for enrolment upon remittance of the above-mentioned advance upfront premium by the concerned State/UT Government

to the Escrow Account and upon receipt of electronic confirmation of the same from the CNA to the GoI. This mechanism shall be mandatorily applicable from Rabi 2024 onwards.

VIII. Subsequent tranches of the premium subsidy would be released, as per seasonality discipline, on reconciliation of data and submission of demand by the respective Insurance Companies. The payment of subsequent tranches will be based on current season's approved applications only.

IX. In case of excess premium being released by the Governments (GoI or State/UT) due to pending calculation of final GoI liability on account of delay on season's closure or due to reduction of insured area/applications at later stage, the corresponding excess premium shall be returned by the concerned Insurance Company to concerned Governments (GoI or State/UT) within 7 days from closure of season and finalization of insured acreage. Such excess premium shall not be allowed to be adjusted against demand for other/following season or against other scheme (PMFBY or RWBCIS).

X. The release of GoI subsidy shall not be dependent on release of the State/UT subsidy for all seasons covered under the scheme including past seasons. The insurance companies shall raise separate simultaneous demands for State/UT and GoI subsidy share for the season. Accordingly, payable claims shall also be released by the concerned insurance companies on pro-rata basis to the farmers in accordance with the already received GoI and State/UT Government subsidy. The Insurance Company can at the maximum hold claims equivalent to the outstanding premium amount at any given point of time.

6.1.8 To carry out pilot studies for improved yield estimations using technology. Adoptionof protocol/Standard Operating Procedure (SOP) for smart sampling technique (SST) and direct yield estimation procedure as issued and modified by the GoI from time to time.

6.1.9 The present composition of the State level Coordination Committee on Crop Insurance (SLCCCI) includes the representation of concerned Departments of the State Governments/UT Administrations, Reserve Bank of India (RBI), National Bank for Agriculture Rural Development (NABARD), empaneled Insurance Companies and the State Level Bankers Committee (SLBCs) which may be strengthened by including representatives from the State Horticulture Department, State Remote Sensing Application Centre (SRSAC), India Meteorological Department (IMD), experts from Indian Council of Agricultural Research (ICAR)/State Agriculture Universities (SAU), Mentor Institute for Technology Rollout (MITRs), Quality Assurance Partners (QAPs) and Farmers' Representatives including women farmers for implementing PMFBY. Chairman of the State Level Coordination Committee on Crop Insurance (SLCCCI) may co-opt representatives from other departments/agencies, if considered necessary.

6.1.10 Adequate preparedness for ensuring availability of all crop loss and yield data on National Crop Insurance Portal (NCIP) as computation of claims including those related to add-on cover will be done mandatorily on the basis of data uploaded on NCIP.

6.1.11 Grievance redressal and resolution of complaints and queries of farmers raised through any of the mode including Krishi Rakshak Portal & Helpline within timelines outlined in the SOP/Manual of Grievance Redressal, which shall be issued by the

GoI separately.

6.2 Insurance Companies (ICs)

Empanelment of Insurance Companies and their participation for the implementation of the Scheme shall imply their acceptance of all provisions, modalities and guidelines of the Schemes. The empaneled Insurance Companies must deploy requisite infrastructure and resources for the implementation of PMFBY particularly for the following identified major activities:

6.2.1 To carry out pilot studies and research for leveraging new technology for the effective implementation of Scheme in a transparent & efficient manner.

6.2.2 Deployment of requisite infrastructure to widen the outreach of the Scheme and enabling access to related services to the rural farmers at their doorstep, with a commitment for at least 10% incremental increase in non-loanee coverage for a season at District level.

6.2.3 Deployment of sufficient manpower to co-observe CCEs and allied activities and compulsory use of CCE Agri App, CROPIC App, Crop Loss Assessment App, their digital web portals and other digital Apps and platforms rolled out by GoI from time to time.

6.2.4 Allocation of requisite resources for IEC activities including awareness generation and capacity building of stakeholders about the Scheme. The detailed planning for the same should be submitted to the Centre and State/UT Government in advance i.e., before the start of each season as prescribed in these Operational Guidelines.

6.2.5 Creation of a grievance redressal mechanism at the ground level covering the Sub-district, District, State and National level, putting in place a robust and effective method for grievance registration, handling, resolution, disposal and reporting etc., as referred in **Para 30** of these Operational Guidelines.

6.2.6 Settlement of claims to the eligible farmers under the Basic Cover and all insured add-on covers as per the prescribed timelines as defined in the seasonality discipline and State/UT Notification.

6.2.7 Timely payment of service charge to Banks (4% of farmer's premium) and requisite service charges to Common Service Centre - Special Purpose Vehicle (CSC-SPV) & other Insurance Intermediaries through NCIP.

6.2.8 An SOP/Manual for carrying out different activities of awareness generation and capacity building shall be as shared by the GoI separately.

6.2.9 Grievance redressal and resolution of complaints and queries of farmers raised through any of the mode including Krishi Rakshak Portal & Helpline within timelines outlined in the SOP/Manual of Grievance Redressal which shall be issued by the GOI separately.

6.3 Banks and Other Enrolment Channels

Participation in implementation of the Scheme (PMFBY) will imply their acceptanceof all provisions, modalities and the Operational Guidelines of the Scheme. The participating Banks, other channels like CSC, Insurance Intermediaries and Insurance Companies must deploy requisite infrastructure and resources for implementation of PMFBY particularly for following identified major activities:

6.3.1 Creation of digital credentials for each user at PACS, Branch, Regional/Zonal Office and Head Office level and compulsory data entry of farmers' details on NCIP either through fully automated mode using APIs or through manual mode as per the prescribed enrolment module within the stipulated timelines as defined in the Seasonality discipline. Specific SOP and manual for fully automated mode of data exchange using APIs shall be released by the GoI separately.

6.3.2 Digitization of correct and updated information of the insured farmers on NCIP after due validation with the records available with the bank/farmers including Aadhaar Number, Mobile Number, validated land records and insured area, name of IUs, Crops and Bank Account details etc.

6.3.3 Uploading copies of the requisite documents e.g. Land Possession/Ownership Certificate, Copy of Bank Passbook/Bank Account details & Crop Sowing certificate as per the requirements of the State Governments/UT Administrations, by all channels except for the enrolments done through banks for loanee farmers.

6.3.4 Timely remittance of farmer's premium through payment gateway linked with NCIP strictly as per timelines to implementing Insurance Companies.

6.3.5 Grievance redressal and resolution of complaints and queries of farmers raised through any of the mode including Krishi Rakshak Portal & Helpline within timelines outlined in the SOP/Manual of Grievance Redressal which shall be issued by the GoI separately.

6.4 Submission of UID (AADHAAR) by Farmer

6.4.1 **Aadhaar has been made mandatory for availing Crop insurance from Kharif 2017 season onwards**. Therefore, all enrolment agencies are advised to mandatorily obtain Aadhaar Number of their farmers.

6.4.2 Farmers not having Aadhaar Identity (ID) may also enroll under PMFBY subject to their enrolment for Aadhaar and submission of proof of such enrolment as per notification No. 334.dated 8th February 2017 issued by the GoI under Section 7 of Aadhaar Act 2016 (Targeted Delivery of Financial and other Subsidies, Benefits and Services). Copy of the notification may be perused on www.pmfby.gov.in. This may be subject to further directions issued by the Government from time to time.

6.4.3 All enrolment agencies including banks have to compulsorily take Aadhaar/Aadhaar enrolment number as per the notification under the Aadhaar Act before the enrollment or sanction of crop loan under Kisan Credit Card. Hence the coverage of Loanee farmers without Aadhaar shall not be allowed and such accounts need to be reviewed and updated by the concerned bank branch regularly.

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

6.5.1 State/UTs and Insurance Companies will enter into an agreement before the commencement of the first crop season as per the model agreement shared by the

GoI and as available on NCIP. The roles and responsibilities of the State/UTs (**Para 38.2**) and Insurance Companies (**Para 38.4**) and provision of performance evaluation matrix and applicable penalties (**Para 33**) shall be a part of the Agreement/MoU document necessarily.

7. Tendering and Notification

7.1 Procedure for Issuance of Tender by the States/UTs

7.1.1 Operational Guidelines of PMFBY provides for compulsory tender by the States/UTs for period of 3 years to ensure assured business to Insurance Companies for a longer duration leading to increased commitment towards infrastructure and manpower deployment. State/UTs shall need to take a separate approval from the GoI in case of tenders being called for less than 3 years period, else the GoI share of premium shall not be released for the concerned State/UT for a tender of such short duration.

7.1.2 Updated Model Tender Document as per Operational Guidelines 2023 shall be provided to the States/UTs by GoI separately.

7.1.3 Meeting of the SLCCCI should be convened prior to the commencement of the first crop season and well in advance for finalizing the various terms and conditions and calling of bids/issuance of the bid notice to all empaneled Insurance Companies for selection to implement the Scheme during the risk period.

7.1.4 In order to have transparency, all the details mentioned in the Model Tender Document (**refer Para 7.1.2**) shall mandatorily, be made a part of the tendering process. No modification in the terms and conditions enumerated in the tender document shall be allowed post tendering.

7.1.5 States / UTs should ensure the issuance of the tender notice/document and its circulation to all concerned agencies/ departments/ institutions at least three months prior to the commencement of the crop season incorporating all the essential details about insured crops, areas, Sum Insured, Average Yield, Threshold Yield at IU level for notified crops, opted risk cover, period of contract, bidder's evaluation and selection methodology, premium rate for farmers, Government subsidy along with seasonality discipline/ cut-off dates for each activity etc.

7.1.6 Annexure for bid document may be generated through the Portal including Crop-wise IU location master. The procedure and template for the same are available on NCIP. Before floating the Tender, last 10 years Average Yield data at the notified/available level and Threshold Yield at notified unit along with other information /data should be uploaded on the Portal in the prescribed template and should be made a part of the Tender Document.

7.1.7 The prescribed list of data required to be published along with the tender is detailed below to enable proper risk analysis and correct premium rating, viz. details about the notified scheme, notified crops, level of notified IUs, crop-wise sum insured, crop-wise indemnity level, crop-wise TY at IUs level for notified crops, desired risk coverages (basic cover, add-on covers) etc.:

A. Details of Automatic Weather Stations (AWS), Automatic Rain Gauges (ARG) or IMD/State Governments/UT Administrations/Private AWS/ARG networks, which have been installed as per the standards and specifications defined in the WINDS

Manual 2023.

B. Year wise historical Average Yield data for each notified crop at the Notified IU level for past 10 years (including immediately preceding season/year) and this data shall be made available through the NCIP.

C. Year wise, Crop-wise, IU level historical Coverage and Claim data for past 3 years (including immediately preceding season/year) and this data shall be made available through the NCIP.

D. Crop-wise nomenclature of yield being collated and reported along with the conversion factor between the two nomenclatures (if applicable) e.g. Paddy & Rice.

E. List of cluster wise distribution of districts and list of crops proposed to be covered under different risk combinations along with applicable Sum Insured values, indemnity levels and onset of sowing and harvesting dates.

F. Classification of irrigated and unirrigated districts in clusters as per irrigation facilities available. If the State/UTs have not categorized irrigated/un-irrigated district, GoI liability will be limited as per the data available/published by Directorate of Economics & Statistics (DES), DA&FW and further revised from time to time.

G. Details of Alternate Risk Management Models (ARTM) and Yield Estimation Models under YES-TECH as are being adopted by the State Governments/UTs.

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

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

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

7.1.8.3 In such cases where a ceiling on premium rate has been indicated, the State/UT Government must call financial bids in a two-step bidding or in two separate envelopes. The first bid/envelope is for disclosing the premium rate offered by each participating Insurance Company for such ceiling crops and must be categorized under "Ceiling Premium Rate" and the 2nd bid envelop is for bidding of crop wise premium rate for all other crops included in tender. Time interval for opening of both bid/envelopes should be compulsorily mentioned in the bidding documents and should preferably be on the same day. All participating insurance companies have to submit the bid offer for both categories of crops as per the procedure mentioned above.

7.1.9 The State/UT Government shall first evaluate the first envelope of the bid keeping in view the premium offered by each individual participating Insurance Company and if the risk propensity and weather susceptibility of the crop and/or historical claim/loss data doesn't support the actuarial rates offered by the participating Insurance Company, such crop(s) may be dropped from the list of proposed crops for notification by the State/UT Government and evaluation for L1 bidder should be done strictly based on the rates offered for remaining crops in the 2nd envelope. The second envelope shall be opened by the State/UT Government only after the decision on dropping the proposed crops/or accepting the premium rates offered by the participating Insurance Company has been taken by the State/UT Government. If the State/UT Government decides not to drop all the proposed crop(s)/ few crops for which premium rate was obtained in a separate envelope of the "Ceiling Premium Rate" from the bidding process, then L1 will be calculated by inclusion of the premium offered for both categories of crops i.e., all remaining crops proposed to be covered.

7.1.10 **Sum Insured and Indemnity Values for the current tender shall also be uploaded by the State/UTs on NCIP before publishing of Tender. Loss Cost calculation shall be made available for the State/UTs at District Crop & Cluster level on the NCIP under State HQ Login Credentials for evaluation of the premium rates within maximum 3 days of the opening of the tender bids.**

7.1.11 The tender process is the most crucial part of the implementation of the scheme, therefore it is important to ensure that the process is conducted with utmost caution as the rates once opened may distort the future rates and participation of insurers during the re-tendering process. Further the re-tendering without any valid reason not only jeopardies the fairness and impartiality of the process but also becomes prejudiced to the responsive & winning bidders. State/UTs therefore should avoid re-tendering as a general practice. Re-tendering may be held only in exceptional circumstances and only with the prior approval of GoI after submission of a request with detailed reasons, except, in the cases where re-tendering is necessitated due to inadequate participation of Insurance Companies as per the State/UT's tender evaluation norms. The GoI on its part will give its decision within 5 working days of the receipt of such requests from the State/UTs.

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

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

Document.

7.1.14 L1 bidder shall not be allowed to withdraw its bid after opening of bids/allotment of work. If L1 bidder withdraws then financial loss, if any, to the State/UT Government due to re-tendering /assignment of work to others, due to increase in Actuarial Premium Rate from previously declared L1 rate, shall be recovered from the withdrawing L1 bidder. However, state shall issue work order within 2 weeks of opening of bid.

7.1.15 There would be no further negotiations with the L1 bidder to accept L1 rates of other bidder for any district-crop combination i.e., the rates quoted by the L1 bidder for different district-crop combinations would be applicable within the given cluster.

7.1.16 Bidding and negotiation conditions will be as per Central Vigilance Commission (CVC) guidelines, vide its circular nos. No.005/CRD/012 dated 03rd March 2007 & No.005/CRD/012 dated 20th Jan 2010 and the Manual for Procurement of Consultancy & Other Services (updated June 2022) and no State/UT level modification of this clause shall be allowed.

7.1.17 Termination of Contract

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

- The concerned Insurance Company is debarred/black-listed by the Insurance Regulatory and Development Authority of India (IRDAI) or GoI.
- The GoI may also examine the recommendation regarding black-listing of Insurance Company by other competent authorities for taking appropriate decision/compliance.
- The concerned Insurance Company has failed to maintain the required solvency margin, or the solvency ratio for the financial year, as prescribed by IRDAI.
- The concerned Insurance Company has been de-empaneled by the GoI for the implementation of a crop insurance scheme, as evidenced by the evaluation of performance of Insurer conducted by the authority prior to the Bid Due Date.
- The State/UT Government and/or Insurer have failed to perform one's core responsibility as prescribed in the Operational Guidelines including but not limited to the payment of premium share by the State/UT Government and payment of claims by the Insurer within the extended timelines.
- Any material changes in the scheme parameters and modalities of implementation by the GoI.

7.1.17.2 Termination of agreement by any party due to any other reason not listed above will attract an additional penalty of up to 5% of the total premium. The total premium in this case shall be equal to the total estimated premium for the corresponding remaining year/seasons of the agreement period.

7.2 Procedure for Issuance of Notification by the States/UTs

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

7.2.1.1 The Scheme shall operate on the principle of **"Area Approach"** in the selected defined areas called IU. The State/UTs will notify crops and defined areas covered during the season in accordance with the decision taken in the meeting of the SLCCCI. The State/UTs should notify the Village/Village Panchayat or any other equivalent unit as an IU for major crops defined at the District / Taluka or equivalent level. For other crops, it may be a unit of size at or above the level of Village/Village Panchayat depending on the availability of sufficient crop area for statistically sound sampling for the conduct of CCEs. For defining a crop as a major crop anddeciding the IU level, the sown area of that crop should be at least 25% of the GrossCropped Area in a District/Taluka or equivalent level. And this should be appropriately incorporated in the notification. **The Notification should be issued for at least one year at a time to facilitate banks for deduction of premium for a year and timely data entry on NCIP.**

7.2.1.2 The State/UTs will notify the type of Risk Coverage opted viz. Basic Cover and Add-on Covers during the season. For the claims arising out of crop damage due to localized risks and post-harvest losses, assessment of the crop damage shall be made on an individual farm basis as outlined in **Para 21, Para 21.5 and 21.6, respectively**.

7.2.1.3 The SLCCCI, for the purpose of notification, will consider factors such as availability of the past yield data based on CCEs for adequate number of years (at least 10 years for the calculation of TY & Loss Cost), cropped acreage and capacity for estimating yield during proposed season, etc. The State/UT Government should endeavor to cover all the major crops grown in all the districts of the State/UT. State/UTs should ensure that a standard methodology of yield estimation or correlation of measurable weather parameters with yield/output exists for all the crops proposed to be notified (**refer Claim Calculation Methodology at Para 18, 19 & 21).**

7.2.1.4 The States/UTs should provide all information and data as mentioned above (**Para 7.1.6**) in soft format (in Excel sheet) in English to the Insurance Companies for the risk assessment, calculation of TY, Loss Cost & Premium Rates etc., at the IU level, as detailed in the Model Tender Document and in its absence, the State/UT shall provide the data at the next higher unit/nearest neighboring unit/weighted average of contiguous units, as decided by the SLCCCI. The same data also shall be entered/uploaded, approved and accepted by State/UTs and Insurance Companies on the NCIP. The level and the name of a notified area of IU must be a part of the notification and should be provided at the time of bidding itself. The historical yield data (AY) & Threshold Data (TY) uploaded in NCIP shall be used by CPMU, DA&FW, GoI for risk analysis, burn cost calculation and premium rating and shall be considered as the only single source of truth.

7.2.1.5 In case State/UTs propose to notify irrigated and un-irrigated (rainfed) areas under a crop separately, they shall ensure that minimum CCEs are planned and conducted for irrigated and rainfed crops separately in such areas. In addition, past yield data for requisite number of years will have to be made available separately for both. **In case village is the IU, for better representative sampling of CCEs and to avoid moral hazard, notification of both irrigated and rainfed crops in the same IU**

should be avoided.

7.2.1.6 While notifying the crop(s) where a specific conversion factor is being used for reporting of yield such as in the case of rice/paddy etc., due care should be taken by the State/UT Nodal Department to use the relevant specific nomenclature for disclosure of Average Yield, Threshold Yield and Actual Yield while releasing the tender document and submission of yield data and crop yield estimation data for the calculation of admissible claims. The Insurance Company will also be responsible for prior scrutiny of the Tender document for such details. Information/data provided in the Tender document will be treated as final and in case of any error/ misreporting/disparity, the State/UT Government and the Insurance Company will be equally liable for payment of additional claims, arising on account of it, if any, in equal proportion.

7.2.1.7 For the current season or subsequent seasons (in a multi-year contract), the State/UTs, if required, can notify additional IUs or de-notify certain IUs subject to maximum deviation of 10% of the already notified IUs for the crop within a district at the same premium rate, before the cut-off date for debit of premium. If the deviation is >10% or in case of addition of a new crop, the actuarial premium rate may be based on the calculation of weighted average premium rate as prevalent in contiguous districts or by applying appropriate loading on the existing premium rate. The rates for such crops will be determined /verified by the Central PMU and its decision will be binding on both the State/UTs and the insurance companies.

7.2.1.8 In case of creation/re-organization of any new IU/Districts by the State Governments/UT Administrationsafter the finalization of tender, it shall be included in the scheme with the same terms and conditions as parent IU/Districts from the next season within the contract period. In case an IU moves out of a district to be part of another existing district then concurrently corresponding district (the district in which IU is moving) rates will be applied. In case of formation of a district by re-organizing a portion of more than one district then weighted average premium rate for each notified crop will be determined by considering the last season's insured area for the concerned part of district as weight.

7.2.1.9 **The GoI shall incentivize each primary worker or field functionary involved in conducting crop cutting experiment through CCE Agri App of GoI by Rs. 150 per CCE for encouraging using technology solutions and ensuring transparency in the operationalization of Crop Yield Estimation process. The SOP for conducting crop yield estimation through CCEs and modalities for payment of incentives directly to the primary worker shall be shared by the GoI separately.**

7.3 Notification of Indemnity Level, Average Yield and Threshold Yield

7.3.1 Scheme provides for adoption of three levels of Indemnity, viz., 70%, 80% and 90%. State/UT Government in consultation with the SLCCCI shall finalize the indemnity levels for notified crops at the district level and the same shall be provided in the tender document. The Threshold Yield shall be notified in the Tender for the current season and the same will be used for claim calculation for that season. The Average Yield of a notified crop in IU will be the average yield of the best five years out of the last seven years. The Threshold Yield of the notified crop is equal to the Average Yield multiplied by the Indemnity level. **The Threshold Yield for any crop and IU,**

as declared in the tender document issued by the State/UT, shall compulsorily be part of the notification for the season/contract period and shall not change at any point during that season/year/contract period.

7.3.2 The Indemnity level of the district-crop combination should be prescribed in the tender and will remain the same during the entire contract period. In case of re-organization/creation of new districts, similar provisions as detailed in **Para 7.2.1.8** will be applicable. In case of formation of new district by re-organizing portions of more than one existing districts, then weighted average indemnity level by considering the last season area insured of each notified crop as weight with rounding-off to the nearest Indemnity level defined under the Operational Guidelines will be the applicable Indemnity level. This will be applicable for the tender duration only.

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

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

Illustration 1: Fixed Threshold Yield

Assumption:

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

Year	2013	2014	2015	2016	2017	2018	2019
Yield	1,500	1,700	1,600	1,900	1,850	1,400	2,000

Threshold Yield:

Threshold Yield calculated as per formula below:

Formula = [(Σ Best 5-year Yield) X Notified Indemnity level] ÷ 5

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

Year	2020	2021	2022
Indemnity Level	70%	70%	70%
Threshold Yield	1,267	1,267	1,267

Premium Rate:

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

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

Evaluation of tender process and determination of L1 Company:

Under this method, every Insurance Company will quote premium rate for each district crop combination notified by concerned State/UT. L1 will be determined on the basis of lowest weighted average premium rate considering last corresponding season's area insured as weights for all crops combined for that cluster.

7.3.3.2 **Laddered Threshold Yield -** If the district level average change in yield for a crop over immediately preceding 7 years is negative then fixed TY mentioned as in **Para 7.3.3.1**, above shall apply. Otherwise, immediately preceding 7 years district level average growth rate in yield will be used to fix the Threshold Yield for each of the subsequent two seasons of all concerned IUs for these seasons within the contract period and same shall be pre-notified at the time of tender itself. Insurance Company shall quote one rate of the premium for all the seasons accordingly. Lowest bid shall be determined considering last year's insured area as detailed in **Para 7.2**. To ensure clarity in the understanding, two illustrations 2 & 3 have been provided below:

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

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

Assumptions

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

Year	2013	2014	2015	2016	2017	2018	2019
Yield	1,000	1,000	1,600	1,900	1,850	1,400	400

Indemnity Level-70%

Threshold Yield:

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

(1,000/1,000-1) + (1,600/1,000-1) + (1,900/1,600-1) + (1,850/1,900-1) + (1,400/1,850-1) + (400/1,400)-1)]/6

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

Year	2020	2021	2022
Indemnity Level	70%	70%	70%
Threshold Yield	1,085	1,085	1,085

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

Note2 - Please note that TY needs to be calculated at IU level with the data related to respective IUs.

Premium Rate:

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

Evaluation of tender process and determination of L1 Company:

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

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

Assumptions

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

Year	2013	2014	2015	2016	2017	2018	2019
Yield	1,000	1,000	1,600	1,900	1,850	1,400	1,200

Indemnity Level-70%

Method

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

(1,000/1,000-1) + (1,600/1,000-1) + (1,900/1,600-1) + (1,850/1,900-1) + (1,400/1,850-1)

+ (1,200/1,400)-1)]/6

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

Year	2020	2021	2022
Indemnity Level	70%	70%	70%
Threshold Yield	1,113	1,183	1,257

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

Note2- Please note that first year TY (of a crop) needs to be calculated at IU level with data related to respective IUs. IInd and IIIrd year TY of different IUs need to be calculated with incorporation of TY growth rate as explained above.

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

Premium Rate:

It will remain same across the contract period like **Illustration I.**

Evaluation of tender process and determination of L1 Company:

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

7.3.3.3 **Variable Threshold Yield -** In this case, Threshold Yield of a crop in an IU may be computed every year after incorporating the actual crop yield of the previous year. For premium rate determination, increase/decrease in Threshold Yield will be determined by considering district level weighted average yield (assuming last year insured area as weight) of a crop. The premium rate shall be increased/ decreased as per mechanism detailed in the table below:

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

In case of extreme circumstances wherein application of prescribed change in rates as above results in negative premium rate, the Central PMU will work out the rates. Worked-out rates after the approval of GoI will be acceptable to all concerned stakeholders.

Illustration 4: Variable TY

Assumptions

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

Year	2013	2014	2015	2016	2017	2018	2019
Yield	1,500	1,700	1,600	1,800	1,850	1,400	1,500

Indemnity Level =70%

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

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

Year	2020	2021	2022
Threshold Yield	1,183	1,225	1,155

Method

Growth in District level Threshold Yield:

Year 1: 0%

Year 2: 1,225 / 1,183 - 1 = 3.55%

Year 3: 1,155 / 1,183 - 1 = -2.37%

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

Variation in Premium Rate:

Year 1 =13%

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

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

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

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

Evaluation of tender process and determination of L1 Company:

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

Actual Premium Rate (APR)

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

Note2 - These factors of increase/decrease have been ascertained independent of crop /region and reflect the country level impact due to changes in threshold yield. There may be different levels of impact on burn cost at the district/regional level due to variations in threshold yield, however, to simplify and considering the ease of implementation, it has been standardized.

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

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

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

i. Model using past data may not be a true reflection of future events.

ii. Standardized rates prescribed above may not exactly reflect the risks inherent in specific district crop combination.

iii. This model is subjected to spurious accuracy in certain cases.

iv. Increase/ Decrease in threshold yield is being tested at the district level, but threshold yield can vary at the IU level and therefore have an element of approximation.

v. Increase/ Decrease in rates is calculated by the expected loss ratio of 80%.

vi. As with all statistical/mathematical models, this method is also subject to modelling error.

vii. Prescribed changes in premium rate are calculated considering mid-point of each APR range band except in 0-5% range wherein it is calculated at 4.5%.

viii. This model assumes normality in yield data and therefore subject to an element of error in case of departure from normality.

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

7.4 Notification of Sum Insured

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

7.5 Notification of Seasonality Discipline

State/UTs in accordance with the broad seasonality defined/prescribed in these Operational Guidelines shall also notify the seasonality discipline for various activities under the Scheme viz. submission of insurance proposals/application, consolidated declarations by banks, remittance of premium to Insurance Companies, uploading of individual covered farmer's data on NCIP, Tagging of applications as paid, Approval, Rejection or Reversion of applications by Insurance Companies, Re-submission of reverted applications by Insurance Intermediaries & CSC-VLEs etc., crop damage assessment for (i) standing crop (ii) localized calamities, (iii) prevented sowing, (iv) post-harvest losses, (v) On-Account payment for major calamities, conducting & monitoring of CCEs for crop yield estimation using mobile app, uploading of yield data on NCIP and settlement of claims by Insurance Companies using DigiClaim Module of NCIP etc., as per the provisions of the scheme guidelines.

7.6 Weather Information Network Data System (WINDS)

7.6.1 GoI intends to set up a nationwide network of Automatic Weather Stations (AWS)/Automatic Rain Gauges (ARG) under the WINDS initiative which shall augment the weather data collection system in the country in terms of adequacy of network, data collection, data standardization, data hosting and dissemination thorough coordinated efforts with IMD, State/UTs and Public/Private technical organizations.

7.6.2 The GoI, constituted a committee for wider stakeholder consultations with a mandate to prepare a comprehensive document for nationwide implementation, standardization and improvement of weather data infrastructure, and development of WINDS Portal.

7.6.3 Accordingly, the committee has prepared a comprehensive WINDS Manual 2023, which includes the Model Tender Document and the Agreement, in consultation with all the stakeholders comprising of representatives from India Meteorological Department (IMD), State Governments/UT Administrations, MoA&FW Officials, Insurance Companies, Reinsurers, National & State Remote Sensing Application Centers and various technical agencies involved in providing weather data services across the country.

7.6.4 The GoI has accordingly notified the WINDS Manual 2023 for its implementation and the same shall be followed by the State/UTs and other stakeholders for setting up AWS/ARGs under WINDS.

7.6.5 WINDS shall facilitate the establishment of a full-fledged AWS at Block/Tehsil/Taluk level and ARG at Gram Panchayat (GP) level. This network shall foster development of “One Nation, One Pipeline” for hyper-local weather data for all purposes related to agriculture and disaster risk mitigation in the country.

7.6.6 The State/UT shall establish the WINDS Network by calling tenders from the WINDS Implementation Partners (WIPs) empaneled by the WINDS committee for the purpose and shall notify the WINDS network as a source of certified weather data for settling claims under RWBCIS. Further the weather parameters shall be used for generating proxy indicators for applicable perils under PMFBY and for any other parameterized crop/disaster risk insurance schemes notified by the respective Central/State Governments/UT Administrations under SARTHI Platform framework. The weather data from this network shall also be used for the purpose of generating technology-based yield estimates as envisaged under YES-TECH Manual 2023.

7.6.7 Only those AWS/ARGs of IMD/State Governments/UT Administrations /private agencies should be considered and notified which are as per standards and specifications outlined in the WINDS Manual 2023, as amended from time to time. This network of AWS and ARGs shall be optimally operational and be able to provide real time weather data on WINDS Portal.

7.6.8 The GoI, through WINDS Manual 2023, has envisaged to operationalize AWS/ARG network under WINDS with private player participation on the basis of **'renting of data'** i.e., final payment shall be linked to the data received at the WINDS portal, maintained by the GoI. Data generated at AWS/ARGs under WINDS shall be directly sent from data logger to the WINDS portal as per the data and information sharing policy defined in WINDS Manual 2023.

7.6.9 The State/UT shall notify the AWS and ARGs for consideration of weather data for generating the proxy indicators for initiating crop damage surveys under add-on claim and for assessing the extent of crop losses and computation of claims under RWBCIS. The weather data from WINDS will also be used for dispute resolution and calculation of synthetic yield data in case of failure to get applicable weighted component of Crop Yield estimation data arrived through CCEs for generating final yield data.

7.6.10 The cost of implementing the WINDS component would be shared between Central and State Governments/UT Administrations on sunset basis as under:

SN	Particulars	Sharing Ratio/Pattern between Central and State Governments/UT Administrations for YES-TECH			
		2024-25 (1^{st} Year)	2025-26 (2^{nd} Year)	2026-27 (3^{rd} Year)	2027 Onwards
1	North-eastern and Himalayan States/UTs	90:10	90:10	90:10	As per premium sharing pattern between the Centre and the State Governments/UT Administrations
2.	Other States/UTs	90:10	80:20	60:40	

7.6.11 The GoI and the State Governments/UT Administrations shall have the liberty to use the data generated under WINDS for public purposes, including but not limited to, implementation of welfare and development schemes, research and development, weather/agro-meteorological advisory, disaster management or for any other purpose involving larger public interest through Central/State/UT Government bodies or any other public institution including IMD, etc.

7.6.12 The WINDS Implementation Partners (WIPs) can explore the commercial potential of the weather data generated through AWS/ARG network installed and maintained by them under WINDS. However, the WIPs shall not provide any data to any entity specifically restrained by the GoI. Further, data of stations/area notified by IMD or any other Government body as classified, shall also not be shared by the WIPs. The same shall be described in the data and information sharing policy of WINDS, to be notified separately by the WINDS Committee.

7.6.13 The WINDS data shared by GoI with any entity shall not be used for any other purpose or shared with any third party or monetized by such entities.

7.6.14 The weather data generated through AWS/ARG network under WINDS shall be hosted on an access-controlled WINDS portal and shall be shared with the concerned stakeholders, free of cost, as per the data and information sharing policy of WINDS, to be notified separately by the WINDS Committee.

8. Engagement of Common Service Centers (CSCs) and Other Intermediaries for Coverage of Non-Loanee Farmers

8.1 The CSC e-Gov India Ltd., a company established under Ministry of Electronics and Information Technology (MeITY), has been engaged to enroll non-loanee farmers through their network of common service centers (CSCs) manned by Village Level Entrepreneurs (VLEs) across almost all Gram Panchayats of the country. CSC e-Gov will act as a nodal agency for engagement with the GoI, the State

Governments/UT Administrations and Insurance Companies for providing farmers' enrollment and related services under PMFBY.

8.2 All empaneled Insurance Companies shall compulsorily be required to enter into an agreement with CSC e-Gov for the enrolment of non-loanee farmers and for the provision of other related services to farmers under the purview of PMFBY and also pay service charges.

8.3 All applications of one unique farmer of one village for a particular season and Scheme to be considered as one unit for the payment of service charges. No other agreement or payment is required to be made for this purpose. Transactions having identical Farmer's ID with same village name and same CSC-ID will be considered as duplicate transaction. In such cases payment to CSC-e-Gov will be made only once. No service charge shall be payable on rejected applications. However, the Insurance Companies shall act on all such applications within 15 days from the finalization of enrollment data as per timelines mentioned in the seasonality discipline of Operational Guidelines.

8.4 No charges/fee shall be borne or paid by the farmers being enrolled through CSC-VLEs, i.e., Common Service Centre - Village Level Entrepreneur (CSC-VLE). This information should prominently be displayed by the concerned CSC-VLEs on their notice board, clearly visible by all visitors. State may take strict action including suitable proceeding under law against any CSC-VLE charging any fees from the farmers for enrolling them under the scheme.

8.5 Any payment deducted from the wallet of CSC-VLE against the PMFBY/RWBCIS policies cannot be refunded without reconciliation of applications and corresponding data at NCIP and transaction statement generated by payment gateway provider. The amount received against the successful applications on NCIP will be transferred to the concerned Insurance Company the next day of the transaction (T+1). Difference between the amount received by CSC-eGov on day T and the amount pertaining to successful applications (day T) will be reconciled within next 7 days. Delay in remitting the aforesaid premium amount beyond 7 days will attract a penal interest as decided by the GoI based on the default period.

8.6 While accepting the application from the individual farmers CSC-VLE will explainthe provisions and requirement of documents along with consequences of wrong submission of information/documents to the farmers and further take due care thatall the documents submitted by farmers are properly scrutinized, verified and uploaded on NCIP in legible form to avoid any anomaly in the coverage of that particular farmer by the Insurance Company. In order to avoid application rejection, the following approach/time-line shall be followed:

i. The insurance companies on finding any deficiency in the application during the quality check, shall revert the application with all observations in one go to the CSC-VLE within 15 days from the cut-off date for data entry by CSC-VLE on NCIP. Subsequent observations and reversion of already reverted and rectified applications shall not be allowed from NCIP.

ii. The CSC-VLE shall immediately take action for the rectification of all the observations given by the concerned Insurer in one go within next 7 days and re-submit the applications back to the Insurance Companies.

iii. In case VLE is not able to rectify or submit the revised documents they shall return such applications also within 7 days indicating their remarks.

iv. Under no circumstances, the reverted applications shall be kept on hold and unresolved by the CSC-VLE after 7 days.

v. The insurance companies will have to finalize the status of the applications within the timeline stipulated in Table 2 of the **Para 16.4** indicating seasonality discipline. Insurance Companies shall not be able to revert again the application for any other fresh reason which was not given in first attempt and shall also not reject such application without prior approval of the State/UT Government and the GoI.

vi. All rejected applications may be re-opened for review & verification if the State/UT Government and/or GoI decides to do so.

8.7 As per the IRDAI circular, no separate qualification/certification will be required for the CSC-VLEs to facilitate enrolment of non-loanee farmers. However, proper training/ capacity building program should be arranged for them by the CSC e-Gov with support from concerned Insurance Companies and State Governments/UT Administrations.

8.8 The Banking Correspondent (BC) associated with the designated branches of the rural financial institutions including the public sector banks financing KCC/Agriculture short-term loans at subsidized interest rate are also authorized to collect the applications/premium from the desirous non-loanee farmers, similarly to CSC-VLE, using the digital platform of the concerned banks or AIDE App for the same. Creation of login credential on the NCIP and approval of such eligible BCs should compulsorily be done by the branch head of the concerned bank branches. The activities including undertaking of business by such BCs are to be monitored by the bank branches and responsibility of irregularities if any will lie with the concerned bank. Other designated enrolment intermediaries may be empaneled and linked with the NCIP in due course as and when such new channels are approved by the GoI for the enrolment of farmers.

8.9 Empaneled Insurance Companies have to necessarily register/approve all licensed insurance intermediaries desirous of getting engaged for enrolment of non-loanee farmers in the beginning of each season within 7 days of the award of work in the State/UT on NCIP and submit the list and details of such intermediaries to the concerned Nodal department of the State/UT Government. Further all intermediaries have to work strictly as per the provisions of the Scheme guidelines and IRDAI regulations.

9. Electronic Remittance of Funds

9.1 The GoI has already been leveraging the capabilities of Public Financial Management System (PFMS) for remittance of premium subsidies to concerned Insurance Companies and eligible claims directly into farmer's Bank account, KCC or Saving Account or in Aadhaar linked bank accounts. Similarly, all the State Governments/UT Administrations shall also endeavor to utilize Public Financial Management System (PFMS)/PFMS linked systems to remit the funds to the Insurance Companies and other agencies under PMFBY to ensure transparency and authenticity in the financial transactions.

9.2 Banks, CSC e-GOV and other Insurance intermediaries are required to remit the consolidated premium payment to respective Insurance Companies mandatorily through the Payment gateway of NCIP or payment challan generated through NCIP within the stipulated timelines. The remittance of the premium shall compulsorily be done within the cut-off date stipulated for the respective enrolment channels. Bank details of Insurance Companies have already been made available on the NCIP, the payment gateway and PFMS itself. The applicable service charges for remittance of premium amount through payment gateway shall be borne by the payer i.e. Banks, CSC e-Gov, Insurance Intermediaries, and Farmers enrolling themselves through NCIP. Presently, the payment gateway charges are Rs 5/- + applicable GST (i.e. Rs. 5.90/-) per transaction.

9.3 To adjust the variance in the remitted premium due to rounding off by the banks and the Insurance intermediaries to the respective Insurance Companies through the payment gateway of the NCIP, no action is required if this amount is plus/minus Rs. 10/-. However, if the amount exceeds Rs. 10/- then the banks and the Insurance Intermediaries shall be allowed to remit a maximum amount of Rs. 100/- to the respective Insurance Companies through the payment gateway of the NCIP in order to cover the aforesaid shortfall, beyond the stipulated premium remittance cut-off date up to the cut-off date for application reconciliation.

9.4 All Insurance Companies will maintain only one bank account for crop insurance business throughout the Country for premium credit including farmers' share, state share and central share of subsidy from all concerned stakeholders. This amount will only be used for premium deposit purpose for PMFBY/RWBCIS and no other money can be credited to this account. The Insurance Companies will reconcile the account statement with the transaction statement issued by the payment gateway for premium remittance and PFMS/NCIP transaction statement for claim remittance and submit monthly declarations for each month regarding pendency of premium receipt and claim remittance along with the reasons thereof to the GoI. No remittance or financial transaction in the form of Banker's cheque or Demand Draft or any other non-electronic mode shall be allowed.

9.5 The Insurance Companies have been provided with login access of NCIP for sharing essential crop notification data and information along with application-level coverage data including banking details of individual farmers on the NCIP, for doing the necessary data reconciliation, verification & validation, claim intimation, calculation of payable claims and remit the same directly into pre-declared bank accounts linked to the NCIP through PFMS.

9.6 Insurance Companies shall complete all verification and validation of coverage details of farmers for the given season within the timelines as stipulated in the seasonality discipline of the operational guidelines mandatorily before the initiation of claim settlement. The Insurance Companies shall not be allowed to initiate separate verification process of any kind at the time of payment of claims and delay the claim settlement to the beneficiary farmers. As the requisite details such as Aadhaar number, land record and crop details, address etc. have been captured at the time of enrolment itself and accordingly Insurance Companies are expected to complete the verification within given timelines.

9.7 Govt. of India is developing a Digital Public Infrastructure in the country to interconnect various digital databased spread across various States/UTs and other public & private entities across the country and globally also for leveraging various digital capabilities to increase the efficiency and service delivery across various farmer welfare schemes being run by the Central Govt. & State Governments/UT Administrations. One of these DPIs i.e. Agri-Stack which captures and maintains farmer registry, crop sown registry, and geo-referenced village maps. For effective and efficient management of PMFBY, the DA&FW will rely on the data sharing mechanism or Agri-Stack. The relevant data pertinent to implementation of scheme shall be consumed electronically (using open API) for the purposes of beneficiary identification, verification, benefit delivery and monitoring, pertaining to the States. Districts, villages where these data are available. The information as and when collected and collated in the Farmers registry, land record validation, digital crop surveys, and geo-referenced village maps shall be used for implementation of this scheme.

9.8 Going forward the verification and validation of coverage under the scheme shall be done using the pre-validated data of Farmer, Land Records & Crop details available through Agri-Stack. The data available from Agri-Stack shall have precedence on the data entered into NCIP by the enrollment channels. The acceptance of data coming from these platforms shall be binding on all stakeholders under the scheme and shall be considered for finalization of applications for insurance coverage. This shall come into force from the date of notification of Agri-Stack by Govt. of India. A detailed SOP with operational modalities including exception handling owing to difference between data entered on NCIP and validated data received from Agri-stack shall be notified by the GoI separately.

9.9 Aadhaar Enabled Payment System (AEPS) shall be used mandatorily as primary mode of payment of claims for the applications enrolled as non-loanee applications, whereas NEFT based remittance of claims shall be used as a primary mode for claim settlement for the applications enrolled for loanee farmers

10. Census Code Mapping of Entities

10.1 All State/UTs shall update census codes of their villages with the higher administrative/revenue units like Gram Panchayat, Firkas, Patwar Circles, Revenue Circles, Hoblis, Mandals, Blocks, Tehsils, Talukas, Districts as well as of Automatic Weather Stations/Backup Weather Stations. Only Revenue or LGD classification of locations has been used in NCIP and accordingly the same shall be considered for creation and revision of location masters in NCIP. This will create a standard mechanism of mapping and identification across the country.

10.2 States/UTs are required to adopt the Revenue Hierarchical System under PMFBY and RWBCIS and accordingly shall update the village master to facilitate notification on portal. The State/UTs shall ensure that the notification of Hierarchical System should be same as that of the location master of revenue or LGD system to facilitate the uniform database for further reporting and analysis.

10.3 GoI has procured village boundary maps from Survey of India. Further, for the purposes of obtaining updated and accurate farm location State/UTs must also provide Geo-coded (latitude & longitude) land parcel based cadastral maps and village shape maps in digital format for generation of SST points, setting up network of AWS and ARGs under WINDS, operationalization of YES-TECH and integration with other Apps like CCE Agri App, CROPIC App, AIDE App, Crop Loss Assessment App etc.

11. Digitization of Land Records

11.1 Under the Central Sector Scheme of Digital India Land Record Modernization Program (DILRMP), majority of the State/UTs have digitized their land records. To address the problems of over insurance and acreage discrepancy, State/UTs are strongly advised to integrate their digitized land records with the NCIP so that the individual land records of farmers can be accessed through the NCIP for crop insurance and the insured area be validated. This will help the Government to reach and identify individual beneficiaries and bring utmost transparency and authenticity in providing scheme benefits to the genuine beneficiaries as per their eligibility norms in the right spirits of provisions of the Operational Guidelines.

12. Sum Insured/Coverage Limit

12.1 States/UTs need to choose either the Scale of Finance or Notional Average Value (Notional Average Yield * MSP/Farm Gate) price method for computation of Sum Insured for a district-crop combination for the entire period of the contract. The crop-wise sum insured notified in the first year/season could be changed in the subsequent year/season as per the change in the Scale of finance or MSP/ Farm gate price as available for the notified crop and decided upon by the State. However, any change in the sum insured over a year due to changes in the scale of finance/farm gate price will be capped at 10% within the contract period. The sum Insured for individual farmer is equal to the Scale of finance or Notional Average Value (NAY x MSP/Farm Gate Price) per hectare multiplied by the insured area of the notified crop proposed by the farmer for insurance.

12.2 Area under cultivation shall always be expressed in Hectare for all crops including perennial horticulture crops, accordingly the State Governments/UT Administrations are required to mandatorily notify the applicable premium and sum insured values at Per Hectare basis rather than per plant basis.

12.3 In cases where crops are separately notified under irrigated, rainfed category bythe States/UTs, the Sum Insured value for irrigated and rainfed areas should be separately indicated and notified.

13. Premium Rates and Premium Subsidy

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

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

	crops (pilot basis)	whichever is less

**Note: Premium paid by non-loanee farmers should be rounded off to nearest Rupee.*

Payment of Government Subsidy

All farmers enrolled under the scheme would be entitled for admissible subsidy onthe Actuarial Premium. All demands for premium subsidies shall be mandatorily routed through the NCIP by the Insurance Companies and paid through PFMS system by the GoI.

13.1.1 The difference between Actuarial Premium Rate (APR) and the Rate of Insurance premium payable by farmers shall be treated as the Rate of Normal Premium Subsidy, which shall be shared equally in 50:50 ratio by the Centre and State/UTs in all State/UTs except Himalayan & North Eastern Region (NER) State/UTs where subsidy sharing pattern between the Centre and State/UTs shall be in the 90:10 ratio.

13.1.2 The full GoI share in the premium subsidy as per sharing pattern in **Para 13.1.1** above will be applicable only up to APR of 25% and 30% with respect to irrigated and rainfed areas/district, respectively. For APR beyond those rates, GoI share of subsidy will be limited to the applicable share up to the APR of 25% & 30% for each notified crops in irrigated and rainfed districts respectively. The applicability of APR for irrigated/unirrigated districts will be on the basis of the district-wise irrigated data submitted by the State/UT Government in the Tender Document and Notification. In case of the same is not submitted by the concerned State/UTs, the data published by Directorate of Economics and Statistics (DES), DA&FW as revised from time to time shall be used.

13.1.3 For the purpose of categorization of Districts between Rainfed and Irrigated, districts having 50% or more of the Gross irrigated area will be categorized as Irrigated.

13.1.4 The State/ UTs are free to extend additional subsidy to reduce the financial burden on farmers.

13.1.5 share over and above the normal subsidy from their budget. In other words, additional subsidy, if any shall be borne entirely by the State/ UT. Subsidy in premium is allowed only to the extent of notified Sum Insured excluding the Sum Insured for the add-on covers for which GoI subsidy is not payable.

13.1.6 The Government premium subsidy to the implementing Insurance Companies shall be routed through a Central Nodal Agency (CNA) designated by the GoI for the purpose, strictly as per the provisions of the Operational Guidelines and modalities prescribed by the GoI. Accordingly, the designated CNA is empowered to call and collect all requisite information related to implementation of the Scheme and utilization of Government funds and to share the same with the GoI for better planning, implementation and monitoring of the Scheme. The premium subsidy will be routed through PFMS/PFMS linked systems strictly based on the data hosed on NCIP for the concerned season/state & cluster.

13.1.7 Governments, both Centre and State, shall release their share of subsidy as outlined in **Para 6.1.6** of these guidelines. The release of GoI subsidy shall not be dependent on release of State subsidy for all seasons covered under the scheme including past seasons. However, the Insurance Companies may continue to raise simultaneous demands for State/UT and GoI share for each State/UT and season separately.

13.1.8 Both Centre and State Governments/UT Administrations, will release their share of advance subsidy (First Instalment) equivalent to 50% of respective share of subsidy in corresponding previous season to the Insurance Company if the demand is raised for the same by Insurance Company before the opening of NCIP for enrolments. In case the demand is submitted after the NCIP is opened for enrolments for the current season, the advance subsidy equivalent to 50% of respective share of subsidy as per paid applications for the current season shall be remitted subject to fulfilment of General Financial Rule (GFR)/guidelines in the matter without waiting for coverage details for the ongoing season. Subsequent tranches of subsidy share shall be released based on approved applications for the season subject to submission of demand for the same through NCIP. The Detailed process is given at **Para 6.1.7** of these guidelines.

13.1.9 In the State/UT who have adopted full or preferential universalization by subsiding the Farmer share of premium also, the submission of demand for full farmer-share to be paid by the State/UT Government for the season shall also be mandatorily routed by the concerned insurance companies through NCIP on the basis of paid applications for the season and state.

13.1.10 **To facilitate claim settlement under risks of Prevented Sowing/ Mid-Season Adversity/Localized Calamity:** Insurance Companies should release the admissible claim amount to the beneficiary immediately after receipt of farmers premium and advance subsidy (1st Instalment) and without waiting for release of final subsidy (2nd Instalment) from Government. The total premium required in respect of affected IUs including subsidy to enable settlement of claims arising due to above events in respect of all such beneficiaries shall be adjusted from the fund already available with Insurance Companies as advance upfront subsidy (1st Instalment) to facilitate compliance with Section 64VB of Insurance Act/Regulation of IRDAI.

13.1.11 All admissible claims based on Yield data/Post harvest losses will be settled on receipt of second instalment of Government subsidy to be paid on the basis of approved applications as available on the NCIP subject to submission of demand for the same by Insurance Companies through NCIP. The remaining Government subsidy, if any will be paid after reconciliation of all business statistics for the season on NCIP and only after the period specified for auto-approval of applications in the seasonality discipline outlines in the Operational Guidelines subject to submission of demand by the concerned Insurance Companies through the NCIP.

13.1.12 All empaneled Insurance Companies including private Insurance Companies shall provide free access to the Central and State level agencies including Comptroller & Auditor General (CAG) and its authorized agencies to verify the accounts and inspect the data and documents in respect to the implementation of PMFBY/RWBCIS.

13.1.13 In case, the State/UT Government is willing to subsidize full farmers' share of premium, a token farmer Premium of minimum Re. 1 should compulsorily be charged per application from the farmer to facilitate electronic tracking, enrolment validations & reconciliation.

13.1.14 Enrolment on the NCIP for any season shall be opened only after the conditions outlined in **Para 6.1.7** for submission of advance premium in Escrow accounts are fulfilled. However, the State/UTs shall not be allowed to implement the Scheme in subsequent seasons (at least two seasons) in case of considerable delay by State/UTs in release of requisite subsequent tranches of Premium Subsidy to concerned Insurance Companies beyond a prescribed time limit. Cut-off dates for invoking this provision for Kharif and Rabi seasons will be 31st March and 30th September of succeeding year respectively. However, State/UT shall have to pay a penalty @ interest rate of 12% per annum beyond three months of prescribed cut-off date for release of subsidy which shall be deposited in the Escrow Account maintained for the purpose.

14. Budget for Administrative Expenses

14.1 Up to 3% of the total budget for PMFBY/RWBCIS shall be mandatorily earmarked by State/UTs for creating funds for enabling administrative expenses towards implementation and monitoring of the Scheme including setting up of State PMUs, creating better implementation infrastructure, Monitoring and deployment of IEC & capacity building activities, expenditure towards yield estimation through CCEs & YES-TECH and crop health monitoring, crop damage/loss assessment expenses, setting up of AWS/ARGs under WINDS, adoption of new technologies and fostering innovation, travelling and creating contingency fund etc.

14.2 The GoI has already made provisions for aforesaid activities under sub heads like Salaries, Domestic Travel Expenses, and Technology interventions, Office Expenses, other Administrative Expenses and Professional Services etc., for Crop Insurance program under PMFBY/RWBCIS. State/UTs should make provisions and budgetary allocation on similar lines.

15. Central Program Management Unit (CPMU) & State Program Management Unit (SPMU)

15.1 Central Program Management Unit (CPMU) has been created at the Central level to provide technical support and professional advice on risk classification & rating, research & development of new products, methodology for loss assessment including technology interventions, legal works, workshops for training & capacity building, along with the use of technology solutions including innovation, replication, digitization of administration of Schemes etc. through NCIP.

15.2 CPMU shall calculate the Burn Cost (BC)/Loss Cost (LC) i.e., Claims as percentage (%) of Sum Insured (SI) observed in case of notified crop(s) in notified unit area of insurance during the preceding 10 similar crop seasons (Kharif/ Rabi) along with approximate APR of the crops proposed to be notified for the season. The loss cost/premium rate shall be provided exclusively to States/UTs on NCIP based on the latest available yield data uploaded by the State/UTs before invitation for premium bidding. The calculations provided on NCIP is only for reference purposes to have information on the approximate cost as per the underlying risk associated for providing insurance cover for the risks so as to enable the State Governments/UT Administration to evaluate the bids in proper perspective.

15.3 CPMU shall also develop a suitable methodology for burn cost calculation, risk classification & premium rating by using historical yield data, historical claim data including add-on claims, weather data, use and level of inputs viz. irrigation, technologies being used in crop cultivation & management, availability of remote sensing data & information about other parameters influencing crop growth and production etc., The CPMU shall also develop standardized methodology for risk analysis and premium rating for crop insurance, calculation of GoI liability towards premium subsidy and risk assessment and pricing methodology for insurance of other allied sectors and assets belonging to Agriculture & Rural economy of the country.

15.4 In line with creation of CPMU at Central level and the experience gained over the last six successful years of implementation, it has been envisaged that all States/UTs implementing the Schemes should also create a separate State PMU at State Headquarter (HQ) level with sufficient technical experts/staff. This will ensure continuity of manpower and creation of a resource pool ensuring better coordination between the Centre and the State/UTs leading to effective and successful implementation of the scheme at the ground level. SPMU may also opt for any additional members on contractual/temporary basis or take services of other organizations/research institutes etc., as per requirement. However, States shall have to allocate a separate budget for running the SPMU (refer **Para 14.1** above).

15.5 The States/UTs shall be categorized for creation of SPMUs as per the table below and shall mandatorily onboard experts as detailed against their category. A minimum of one position against the indicated category of positions may be hired. In addition, the State/UT may hire additional positions as per their own requirement.

Category A		**Category B**	
State	**Positions**	**State**	**Positions**
Madhya Pradesh Rajasthan Maharashtra Uttar Pradesh Chhattisgarh Karnataka Tamil Nadu Haryana Odisha Andhra Pradesh Himachal Pradesh Uttarakhand Assam Kerala Jharkhand Telangana	• Remote Sensing Specialist • Data Analyst & MIS Specialist • Awareness & Communication Specialist • Capacity Building & Training Specialist • IT & Technical Specialist • Financial & Subsidy Management Specialist	Tripura Jammu & Kashmir Puducherry Manipur A&N Islands Sikkim Goa Meghalaya	• Awareness & Communication Specialist • Capacity Building & Training Specialist • Financial & Subsidy Management Specialist

16. Seasonality Discipline

16.1 The cut-off date is uniform for both Loanee and non-loanee farmers. The District-wise cut-off dates for different crops shall be based on the Crop Calendar of major crops prepared in consultation with the concerned State Governments/UT Administrations/ICAR and crop division of DA&FW which has also been published on NCIP (www.pmfby.gov.in.). If any deviation is observed by the States/UTs from the aforesaid list, it may be brought to the notice of the DA&FW for rectification, if required. The SLCCCI, shall besides considering the prevailing agro-climatic conditions, rainfall distribution/ availability of water for irrigation, sowing pattern etc.

fix seasonality discipline of the coverage and other activities in such a way that it does not encourage adverse selection or moral hazards during the enrollment period. If the seasonality discipline as fixed by the SLCCCI is violated by States/UTs, GoI may decide not to provide applicable premium subsidy for the concerned season.

16.2 The cut-off date for enrolment of each notified crop should be based on crop calendars of the districts and normally may not be beyond 15th July for Kharif, 15th December for Rabi & 15th Feb for summer seasons. The notified crops should mandatorily be categorized in three seasons Kharif, Rabi & Summer/Zaid crops depending on sowing period and the cut-off date for enrolment may also be fixed accordingly.

16.3 All State/UTs shall consider preponing the cut-off dates for Kharif and Rabi seasons. Advancement of cut-off may help in reduction of premium rates during the tendering years leading to reduction in financial burden on the State/UTs and may also help in ample time duration for awareness generation and capacity building initiatives to encourage farmers to get enrolled under the scheme

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

S. No.	Activity	Kharif	Rabi	Action to betaken by
1	Conduct of SLCCCI meeting to take decision for notification of Crops and areas, adoption of Level of Indemnityand to inform crop wise sum insured etc. for drafting of Tender documents.	15th November of Preceding Year	1st June of current year	Nodal Department of States/UTs.
2	Uploading of requisite information/data on crop insurance Portal and Issuing of Tender documents.	30th November of preceding Year	15th June of current year	Nodal Department of States/UTs.
3	Finalization of Tender and award of work by State/UTs.	31st December of preceding year	15th July of current year	Nodal Department of States/UTs.
4	Digitization of notification and uploading/ issuance of notification on NCIP for circulation amongst stakeholders. State Governments/UT Administrations & GoI will release their share of subsidy as outlined in **Para 6.1.6** of these guidelines.	31st January of current year	16th August of current year	By State/UTs and Concerned Insurance Companies
5	Awareness/ sensitization/training program by State/UT Government and Insurance Companies.	From 15th March of current year	15th September of current year	By State/UTs and Concerned Insurance Companies
6	Start of enrolment of farmers for the season on NCIP (as per crop calendar).	Within 24 hours after the release of State Subsidy as per **Para 6.1.6** of these guidelines		GoI & State/UTs.
7	Submission of YES-TECH Inception Report (IR)	As per YES-TECH Manual 2023		TIPs
8	Cut-off date for intimation of change of insured crop by the loanee farmer.	2 working days prior to cut-off date for debit/	2 working days prior to cut-off date for debit/ collection of	Bank/Loanee Farmers.

S. No.	Activity	Kharif	Rabi	Action to betaken by
		collection of premiums from farmers.	premiums from farmers.	
9	Cut-off date for opting out of existing loanee farmers from the scheme for current/ ongoing season.	At least 7 days before the prescribed cut-off date for enrolment.	At least 7 days before the prescribed cut-off date for enrolment.	Bank/Loanee Farmers.
10	Cut-off date for receipt of Applications of farmers/debit of premium from farmers account (loanee and non- loanee) by all stakeholders including banks/PACS/ BCs/ CSC/ insurance agent/online enrolment by farmers etc. Note: *This is indicative only and district wise crop calendar will be the final basis to arrive at cut-off date for enrolment of farmers.	Up to last date of enrolment of farmers as notified by State/UTs for notified crop(s) or up to 15th July of current year* **State/UTs may fix earlier dates for early Kharif crops.*	Up to last date of enrolment of farmers as notified by State/UTs for notified crop(s) or up to 15th December of current year* **State/UTs may fix earlier dates for early Rabi crops.*	Banks/PACs/CSC/BCs/ Insurance agent/online enrolment byfarmers etc.
11	Declaration of Prevented sowing.	Strictly within 15 days from cut-off date for enrolment of farmers i.e., 31st July for Kharif and 31st December for Rabi of current year.		State/UT Government /Insurance Companies
12	Cut-off date for generation of challan and online/electronic remittance of Premium to respective Insurance companies, uploading of details of individual covered loanee farmers on NCIP by Bank branches for which premium has already been remitted (CBs/ RRBs/ DCCBs/ PACS) and tagging of uploaded applications as paid against the specific challan numbers followed SMS to all insured farmers from NCIP.	Within 15 days of cut-off date for enrolment of farmers/debit of premium for both loanee and non-loanee farmers i.e., 31st July for Kharif and 31st Dec for Rabi of current year		Banks/ NCIP/ Insurance Companies
13	Cut-off date for generation of challan on portal and online/electronic remittance of farmer premium to Insurance Companies for non-loanee farmers by designated insurance intermediaries, CSC-e-Gov & Banking Correspondents and uploading of details of individual covered farmers on NCIP.	Within 48 Hours of receipt of application & premium and maximum up to 48 Hours after the cutoff date for enrollment of farmers		ICs and their Intermediaries, CSC e-Gov.
14	Cut-off date for Insurance Companies to accept, reject or revert the farmer's data on NCIP.	Within 15 days from the cut-off date for uploading of data/ information by Banks/ PACS/ CSC/Intermediaries/BCs respectively for loanee farmers and within 30 days for non-loanee farmers i.e. 15th August of current year for Kharif and 15th January of next year for Rabi for loanee and 31st August of current year for Kharif and 31st January of next year for Rabi for Non Loanee.		Insurance Companies
15	Cut-off date for CSCs/Banks/ Intermediary/ BCs to correct/update the paid application reported by Insurance Companies on NCIP.	Within 7 days from the date of intimation by Insurance Companies.		CSCs/Banks/ Intermediary/ BCs.

S. No.	Activity	Kharif	Rabi	Action to betaken by
16	Cut-off date for Insurer to accept the corrected/updated applications.	Within 7 days from the date of submission of correction/ updation by the Bank/ CSCs/Intermediary BCs.		Insurance Companies
17	Submission of report of over insurance or any potential moral hazard etc. to the Government in the prescribed proforma.	At least 15 days before date prescribed for auto-approval, i.e. latest by 31st August of current year for Kharif and 31st January of next year for Rabi season.		Insurance Companies
18	Cut-off date for final processing of applications by Insurance Companies and auto-approval of application of insured farmers on NCIP and closure of enrollment data for the season.	60 days from the cut-off date for enrolment/debit of premium from farmers i.e., 15th September of current year for Kharif and 15th February of next year for Rabi season.		Insurance Companies / NCIP Team.
19	Cut-off date for Insurance Companies to hand over acknowledgment receipt under Meri Policy Mere Haath (MPMH) and to the insured farmers and organize training workshops for the farmers at village/Gram Panchayat level under Fasal Bima Pathshala (FBP)	Within 15 days from acceptance of applications by concerned Insurance Companies on NCIP or as communicated by GoI and/or State/UT Government		Insurance Companies
20	Cut-off date for raising demand along with supporting documents for release of advance premium subsidy as per **Para 6.1.7** of the Operational Guidelines	60 days before of the cut-off date for enrolment of farmers, i.e. before 15th May of current year for Kharif and 15th October of current year for Rabi season.		Insurance Companies
21	Release of advance upfront premium subsidy (First Instalment) i.e. as outlined in **Para 6.1.7** of the Operational Guidelines	Within 30 days from receipt of demand from Insurance Companies and before opening of the NCIP for enrollment of farmers for respective seasons, i.e. at-least 30 days before the cut-off date of enrolment of farmers viz. 15th June of current year for Kharif and 15th November of current year for Rabi season.		GoI & State Governments /UTs.
22	Submission of YES-TECH Mid-Season Report (MSR)	As per the YES-TECH Manual 2023 and the State/UT Notification		TIPs
23	Submission of Special Report (SR) in case of Preventive Sowing/Failed Germination and Mid-Season Calamities	As per the YES-TECH Manual 2023 and the State/UT Notification		TIPs
24	Raising dispute to DGRC or SGRC or STAC	Within 7 days from the day the anomaly/dispute has been observed		Insurance Company/State Govt.
25	Arriving at technology-based validation of Preventive Sowing/Failed Germination and/or Mid-season calamity in case of substandard Crop Loss assessment or disputed loss report or the loss surveys not conducted or not uploaded by State/UTs on NCIP	Within 1 month from formal submission of the dispute		State/UT Government/through TIPs/MITR/ STAC and/or GoI through CTAC/MNCFC
26	Training and registration of field level workers assigned for conduct of CCEs and reporting of the same on Crop Insurance Portal through smart phones/ CCE Agri App.	Up to15th August* of current year *State/UTs may fix earlier dates for early Kharif crops.*	Up to 15th January* of next year *State/UTs may fix earlier dates for early Rabi crops.*	Designated Ground Level field Functionaries/ State/District Level

S. No.	Activity	Kharif	Rabi	Action to betaken by
				Nodal Officer.
27	Registration of mobile number of Insurance Company's representative for co-witnessing of CCEs.	Up to 31st August* of current year **State/UTs may fix earlier dates for early Kharif crops.*	Up to 30th January *of next year* **State/UTs may fix earlier dates for early Rabi crops*	Insurance Companies
28	Cut-off dates for identification and sharing of list of Districts and Crops with MNCFC for optimization of CCEs through SST	Up to 15th August* of current year **These dates may be fixed separately for each State/UT and crop-wise for major/ minor crops.*	Up to 15th January* of next year ** These dates may be fixed separately for each State/UT and crop-wise for major/ minor crops.*	State/UT Nodal Department
29	Cut-off dates for intimation to concerned States/UTs about the areas (IUs/Tehsils/ Taluks & Districts) for Major crops for carrying out CCEs through SST method for Crop Yield Estimation	Up to 31st August of current year * **These dates maybe fixed separatelyfor each State/UT.*	Up to 31st January of next year * ** These dates may be fixed separately for each State/UT.*	MNCFC
30	a) Uploading of tentative schedule/date for conducting CCEs (crop-wise/IU wise) followed by SMS on one day notice through CCEs Agri-app. Insurance Companies are equally responsible to liaise with district authorities/field workers to ascertain the schedule.	At least 7 days before tentative date for conducting CCEs.		Concerned Department of States/UTs to incorporate the same in Notification.
	b) Confirmation of the CCEs schedule.	Via SMS on one day notice through NCIP.		
31	Timeline for lodging online complaint about erroneous CCEs data or yield estimation procedure adopted by the primary workers/field officials of the State/UT Govt.	Within 2 hours of conduct of CCEs through CCE Agri App.		Insurance Companies
32	Approval of district wise crop wise Actual yield data by District Administration on NCIP.	Within one month of completion of CCEs from district wise crop wise specific cut-off dates notified by States/UTs for a notified crop.		Nodal Department of States/UTs.
33	Cut-off date for intimation/ reconciliation/ clarification of any deficiency in Actual Yield data.	Within 7 days from the date of uploading CCE Data by State/ UT Nodal Department, if any.		ICs as flagged on NCIP.
34	Submission of YES-TECH End of Season Report (ESR)	As per the YES-TECH Manual 2023 and the State/UT Notification		TIPs
35	Cut-off date for resolution by State/UT Government on clarification sought by Insurance Companies/ flagged on NCIP.	Within 7 days of clarification sought by Insurance Companies/ flagged on Portal.	Within 7 days of clarification sought by ICs/ flagged on Portal.	State/UT Government.
36	Cut-off date for raising demand with supporting documents for release of 2nd and subsequent tranche of premium subsidy based on approved applications as available on NCIP.	2nd tranche - 30th September; Subsequent	2nd tranche - 15th February; Subsequent tranche (if any)	Insurance Companies

S. No.	Activity	Kharif	Rabi	Action to betaken by
		tranche (if any) as per requirement, once in a month.	as per requirement, once in a month.	
37	Release of 2nd and subsequent tranches of premium subsidy based on the demand raised by the Insurance Companies.	Within 15 days from the receipt of demand/requisition from Insurance Company on NCIP		GoI and its CNA and nodal departments/SNA of State/UTs
38	Cut-off date for raising demand with supporting documents for release of final tranche of premium subsidy based on enrollment data finalized on NCIP.	Within 15 days of cut-off date for auto-approval of enrollment data on NCIP, i.e. 30th September of current year for Kharif and 28th/29th February of next year for Rabi season.		Insurance Companies
39	Release of final tranche of premium subsidy based on the demand raised by the Insurance Companies.	Within 30 days from the receipt of demand/requisition from Insurance Company on NCIP		GoI and its CNA and nodal departments/SNA of State/UTs
40	Auto-approval of yield data.	Within one week from receipt of yield data /reply to clarification sought by Insurance Companies by State/UT Government.		GoI/ through NCIP.
41	Uploading and Approval of final Actual Yield data on NCIP after applying corresponding weightage on the Crop Yield Estimation values arrived through CCEs and YES-TECH	Within one month of completion of CCEs from district wise crop wise specific cut off date's notified by States/UTs for a notified crop.		Nodal Department of States/UTs.
42	Acceptance of AY values uploaded & approved by States/UTs on NCIP or auto-approved by NCIP	Within 1 week from Approval of AY values by the State/UTs or the date of auto-approval on NCIP, else values shall be auto-approved by NCIP		Insurance Companies
43	Raising yield related dispute to DGRC or SGRC or STAC	Within 7 days from the day the anomaly/dispute has been observed		Insurance Company/State Govt.
44	Arriving at technology-based yield data in case of inadequate number of CCEs or substandard or disputed CCEs or the CCEs not conducted or not approved by State/UTs on NCIP	Within 1 month of submission of dispute or completion of CCEs from district wise crop wise specific cut-off dates notified by State/UTs for a notified crop or submission/approval of yield for claim calculation by ICs, whichever is earlier.		State/UT Government/through TIPs/MITR and/or GoI through MNCFC
45	Sharing of detailed information of claims with bank branches & other Stakeholders from NCIP	Within 7 days of approval of Crop Damage Assessment surveys and Approval of AY & TY values on NCIP		NCIP and Insurance Companies
46	Timelines for Payment of claims.	Within 21 Days from calculation of claims on NCIP irrespective of whether Insurance Companies have raised the demand for 2nd or final tranche of premium subsidy and whether the verification and		Insurance Companies

S. No.	Activity	Kharif	Rabi	Action to betaken by
		Quality Check has been completed by Insurance Companies. Failing which, penalty shall be auto-calculated and levied as per relevant provisions through NCIP.		
47	Extracting the list of loanee farmers from NCIP to whom claims have been paid directly to beneficiary accounts/ Direct Benefit Transfer (DBT) for reconciliation of claims amount. In case of Non Loanee, reconciliation of claims, if required, to be done by enrolling agencies in consultation with concerned bank or State/UT Government.	Within a week after remittance of claims.		Banks/ Farmers/ State Governmen t/UTs/ CSCs.
48	Evaluation of ICs based on performance Evaluation Matrix for combined Kharif and Rabi seasons of a particular year.	Within month of July each year. Discussion with each Insurance Company to be completed by 25th July each year and final report to be submitted latest by 31st July to the GoI by the State/UTs.		Nodal Department of respective State/UT Governmen t.
49	Confirmation & Validation on performance Evaluation done by Nodal Department for combined Kharif and Rabi seasons of a particular year.	Within 15 days from date of submission of evaluation report by the respective State Governments/UT Administrations.		GoI

16.5 In case the cut-off date for enrollment of farmers and debit of premium falls on a public holiday or is declared as a public holiday by the Central or State/UT Government or there is disruption of services due to strikes or shut-down or any kind of calamity or catastrophic event etc., the next working day shall be treated as the cut-off date for enrollment and debit of premium. Concerned State/UTs have to take timely action and decision in this regard and send a formal intimation to the GoI for requisite rectification on NCIP. The subsequent Cut-off dates for each activity pertaining to actions on finalization of enrollment data shall be deemed to be shifted by the number of days the cut-off date is shifted.

16.6 In case of disruption of services due to natural events beyond human control or technical or software or network related issues with the NCIP the subsequent dates may be extended by the competent authority of Government of India on the basis of specific written inputs from NCIP team. However, due care has to be taken that such extension does not lead to a moral hazard and misuse of the Scheme and suitable measures should be put forth for the same accordingly.

16.7 Further, in case of more than two major crop season(s) pattern in any specific States/UTs, a modified seasonality discipline keeping in view the overall seasonality discipline prescribed above, shall be approved and adopted by SLCCCI.

16.8 **Keeping in view the specific nature of crop and scope for catastrophic crop damage, SLCCCI shall fix seasonality discipline in such a way that it does not encourage adverse selection or moral hazards and also ensures timely payment of claims to eligible insured farmers. Scheme also has provisionsfor claims due to prevented sowing and option to change the insured crop,hence, the State Governments/UT Administrations will take all necessary steps to ensure enrolment of farmers well within the stipulated time under the Scheme.** No request/relaxation for the extension in the above seasonality/cut-off dates shall be considered/ granted by the GoI once it is fixed and notified for the crop season. However, preponement in cut-off dates shall be considered on a case-to-case basis. If any State/ UT extends the above seasonality/cut-off dates on its-own without approval of the GoI, the GoI share of premium subsidy shall not be provided for the concerned notified crops /areas.

16.9 **It may be noted that, under no circumstance, will GoI or any State/UT extend the cut-off dates for enrolment of farmers except for the Para 16.6. However, in case the States/UTs decide to do so, it may be done only in agreement with implementing Insurance Company. The State/UT shall mandatorily obtain the consent of the implementing Insurance Company and submit the same to the GoI along with the cut-off date extension request. In such cases, however no central premium subsidy will be provided for the areas & crops which are covered/insured during the extended period and the concerned State/UT has to bear the entire subsidy liability for the said coverage.**

16.10 There may be exceptional circumstances or technical glitches due to which farmers' data could not be uploaded on NCIP, however, the corresponding premium was remitted to the concerned insurance companies within the given cut-off-date, the State Govt./UT may request GoI for a special window to enter such data on NCIP beyond normal window for data entry as per seasonality discipline. GoI, based on the facts submitted shall review the matter and may allow a special window for data entry. GoI may ask the State Govt. to furnish the consent of concerned Insurance Company, if the same is felt necessary.

16.11 Similarly, due to technical glitches, premium remittance gets failed despite attempts made by the stakeholders to remit the same within cut-off date. In this case State Govt./UT may request GoI for a special window to re-attempt remittance of premium through NCIP beyond normal window for premium remittance as per seasonality discipline. GoI upon examination, may allow a special window for challan creation and enabling premium remittances through NCIP. The challans for such cases shall be made by the concerned Insurance Company upon due validation and shall be shared with the concerned stakeholder for re-initiating the payments.

16.12 In case CCE data submitted through CCE Agri App is not approved within the stipulated timelines, the same will be approved automatically and used for claim calculation. In case of non-submission of Actual Yield data by the State/UT Government to implementing Insurance Companies or failure of the State/UT to upload and approve the same on NCIP within stipulated timelines, Synthetic Yield data arrived using Technology Based Solutions and having 100% weightage shall be used for calculation of admissible claims and subsequent settlement of claims to the eligible farmers. The cut-off date for submission of yield data to Insurance Companies is normally one month after the completion of harvesting of a particular crop.

16.13 In a situation where total claims have been approved or auto approved, the Insurance Companies shall be liable to pay claims within 3 weeks of calculation/auto-approval of claims irrespective of whether Insurance Companies have raised the demand for 2nd tranche of premium subsidy or not. Also, the Insurance Company shall not put the claim settlement on hold due to ongoing or pending KYC or crop-land area verification as the same is expected to be completed before the initiation of final claims for the season. Further, it is advised that Insurance Company raises the demand for 2nd tranche of premium subsidy within the given timelines. If the release of 2nd tranche is pending on account of non-submission of demand for claiming the said amount by the Insurance Companies, the timelines of payment of claims shall be counted from prescribed date of approval of claim data (AY-TY or Loss %age) and not from date of actual payment of 2nd tranche of subsidy.

16.14 All types of admissible claims shall mandatorily be paid within the stipulated cut-off date failing which penal interest @ 12% per annum shall be payable to the farmers on admissible pending claims beyond stipulated timelines for various kinds of localized and area approach add-on claims including the final yield claims. subject to release of applicable subsidy premium by the State Governments/UT Administrations. **This mechanism shall be mandatorily applicable from Kharif 2024 onwards.** In case the State/UT subsidy share is not released within the stipulated cut-off date then the Insurance Companies shall release the claims on pro-rata basis against the premium received. The penal interest as above shall also be applicable on delay of claim settlement for the liability of State Governments/UT Administrations in case of "Cup & Cap" models under alternate risk management mechanism.

16.15 Since the yield data is being finalized by the State Government/UT Administrations and uploaded on NCIP, the admissible penal interest rate shall be calculated on the NCIP and the same shall be added to the payable claims of eligible farmers through DigiClaim module of NCIP. Non-Compliance by the Insurance Companies shall lead to further administrative action by the GoI.

17 Collection of Applications and Premium from Farmers

17.1 The branches of all scheduled commercial banks, regional rural banks, and cooperative banks shall act as nodal branches for enrolment of farmers in the NCIP. The primary agriculture credit societies (PACS) attached with cooperative bank branches will enroll the farmers through concerned branches of the cooperative bank. The concerned Lead bank and Regional offices/ Administrative offices of Commercial banks/RRBs will provide necessary guidelines to the concerned bank branches and coordinate with them to ensure that all concerned branches compulsorily generate the payment challan and remit the consolidated farmers premium electronically/online through payment gateway on NCIP to the concerned Insurance Companies and enter the details of applications on NCIP within the stipulated cut-off dates for uploading the application level data on NCIP. Besides, for the coverage of non-loanee farmers, Insurance Companies may also use IRDAI approved insurance intermediaries. The details of such intermediaries including in-house and outsourced manpower and infrastructure deployed for the enrolment and providing other services to the insured farmers under the scheme should compulsorily be submitted to the State Governments/UT Administrations and the GoI and updated/approved on NCIP well before the start of the season. The Insurance Companies shall register/approve the Insurance Intermediaries on NCIP and create login credentials for the same in order to enable them for enrollment of individual insured/covered farmers on NCIP using digital platform viz. AIDE App. Alternatively, the Insurance Intermediaries can self-register on NCIP and declare their willingness enroll non-loanee farmers under the scheme.

17.2 All the Banks are required to upload the insured farmers' data mandatorily on the NCIP using the fully automated mode of data entry using API integration between CBS/middleware utility and NCIP or by manually entering the data for each application through web-portal. No other platform shall be used for uploading or submission of enrolled applications to insurance companies. Those farmers whose data is uploaded on the NCIP shall only be eligible for Insurance coverage and accordingly the premium subsidy will also be released by the State/UT and Central Govt. basis the data availability on NCIP. **In cases where farmers are denied crop insurance due to incorrect or partial data entry or non-uploading of their details on NCIP, the concerned Banks, their Branches and Intermediaries shall be responsible for payment of eligible claims to the affected farmers (If any)**.

17.3 In order to facilitate timely release of Government subsidy and remittance of claims to the farmers, entry of detailed information of all insured farmers on NCIP is mandatory for all bank branches/PACS/ BCs/CSCs/ Intermediaries/Designated Insurance Agents and Insurance Companies.

17.4 Farmer for a specific parcel of land will be allowed to enroll themselves from one channel of enrolment only (Banks, CSC, Insurance Intermediaries, Insurance Company or directly by the Farmers using Web-portal or Mobile Application etc.) for the notified crops. If the farmer is having multiple crops on that parcel of land then also he/she shall enroll his/her desired crops through same channel of enrollment. The Enrollment channels shall also submit single application for mixed crops and mention proportionate area of that parcel under each crop in the web-portal or other digital platform viz. AIDE App.

17.5 IRDAI is in process of developing a women centric rural distribution channel named as Bima Vahak. The channel shall also be made operational for enrollment of farmers under PMFBY as and when the same is established & notified.

17.6 Loanee Farmers:

17.6.1 **Whenever banks sanction crop loan/KCC for the notified crop in a notified area for the given season, the crop loan amount to the extent of notified Sum Insured for notified crop and acreage of individual notified crop of loanee farmers shall be taken into consideration for coverage, provided that the farmers have not submitted their choice to opt out from the scheme by a way of self-declaration for that particular season, as per seasonality discipline.** Based on seasonality of crop, banks should separately calculate the eligibility of loan amount for coverage during both Kharif and Rabi seasons based on the notified Sum Insured and declared acreage under notified crops as mentioned in the KCC Loan documents or subsequently submitted by the farmer based on their changed cropping pattern. KCC Loan disbursing bank branch/PACS shall prepare and update the statement of crop-wise and insurance unit-wise details of eligible and non-opted out farmers for crop insurance with applicable farmer's share of premium to be debited from the respective KCC Accounts and initiate premium remittance to the concerned Insurance Companies as per the timelines outlined in the seasonality. **If required, the loan disbursing bank branches/PACS shall finance additional loan amount equal to the premium amount payable by farmer for getting enrolled under the scheme in case the available limit under the KCC Loan has been fully exhausted at the time of enrollment period.**

17.6.2 For insurance coverage of a farmer, Sum Insured value for a notified crop and season shall be notified and digitized on the NCIP by the State/UTs within given timelines. The cut-off date for enrollment shall solely be based on the dates notified by the States/UTs and digitized on NCIP for the notified crops & season and shall be independent of actual date of disbursement/withdrawal of full or part KCC loan. Farmers having KCC loans for Kharif & Rabi crops with renewal dates falling after cut-off date for enrollment and debit of premium (renew/sanction period) for the season shall also be eligible for enrollment under the scheme for the same crop season subject to the prevailing loan being standard loan and debiting of applicable premium within the cut-off dates as outlined in the seasonality Discipline or Digitized on NCIP by the States/UTs. In order to eliminate excess insurance and rationalize government subsidy, utmost care shall be taken to ensure that only correct acreage under each notified crop as per KCC loan application or subsequently declared by the farmer based on his/her changed cropping practice is considered for coverage of notified crop and not the overall total acreage. Bank Branches and PACS shall be liable for inspection/verification/validation by the GoI/State/UT or agencies designated by them to verify and validate instances of excess insurance or potential misappropriation of government funds.

17.6.3 All enrolment agencies including cooperative banks and PACS shall provide valid and fully operational bank account details of farmers viz. complete bank account number, Indian Financial System Code (IFSC) to enable direct transfer of claims into the farmers account. The bank account should be able to receive credit directly through electronic remittance. The non-computerized and non-CBS PACS who maintain a non-compliant serialized loan identification number of borrowers shall mandatorily enter Saving Bank Account of the loan account holder maintained at the concerned District Central Cooperative Bank for the purpose. In absence of correct and operational account number on NCIP, the claims for the eligible farmers shall be initiated through Aadhaar Based Payment System (AEPS) into Aadhaar ceded bank account number. The concerned banks shall not raise any objection to the process in case of their failure to provide the correct and DBT compliant bank account number.

17.6.4 Any reporting of excess acreages under insurance in comparison to the sown acreage will be liable for initiation of documentary and physical inspection/verification/validation by the GoI/State/UT or agencies designated by them and lead to administrative action if gross negligence and malpractice in reporting of insurance acreage is found at farmer's or enrolment channel's end.

17.6.5 Benefit of add on products viz., Prevented sowing/ On-Account Payment for Mid-season Adversity/ Localized Calamity shall be available to only those farmers who have paid the premium or the premium has been debited from their account before the peril occurrence notification by the State Governments/UT Administrations for invoking this provision for compensation. Hence, Banks must ensure that they debit farmers premium immediately after the cut-off date of opting out of loanee farmers, failing which banks will be liable to meet the claim liabilities of uncovered eligible farmers.

17.6.6 Detailed example for Calculation of crop-wise Sum Insured (SI) for the season for coverage of loanee farmers is given in Table 3 below:

	Crop 1	**Crop 2**	**Crop 3**	**Crop 4**	**Crop 5**	**Crop 6**
Total Land Ownership Ha)	**8**					
	Kharif			Rabi		
Name of Crop	Paddy	Maize	Cotton	Wheat	Potato	Gram
Actual Sown Area (Ha) under	5	2	1	6	1	1

the crop						
Area (Ha) declared in KCC application	**2**	**1**	**1**	**2**	**1**	1
Crop Season	Kharif			Rabi		
Scale of Finance /(NAY*MSP/Farm gate price) (Rs./Ha)	50,000	40,000	60,000	50,000	70,000	30,000
Total Sanctioned Sub limit for crop cultivation	1,00,000	40,000	60000	1,00,000	70,000	30,000
Season-wise sub limit for crop cultivation	2,00,000			2,00,000		
Additional loan amount for consumption and maintenance of machinery etc. (max. Upto 30%)	1,20,000					
Total sanctioned loan for a year	5,20,000					
Whether Crops notified by State/UT	Yes	Yes	No	Yes	No	No
Crop wise SI (Rs./Ha)	-	-				
SI to be considered for Insurance /Ha	50,000	40,000		50,000		
Total SI to be considered for Insurance	1,00,000	40,000		1,00,000		
SI for Loanee farmers	1,00,000	40,000	-	1,00,000		
Farmer's Share of Premium (% of SI)	2%	2%	-	1.5%	-	-
Premium to be debited from KCC	2,000	800		1,500		
Total Farmer's Premium (Loanee)	2,800			1,500		
Insured Area through coverage	2	1		2		
Balance Un-covered area (Ha)*	3	1		4		
Additional premium (as non - loanee)*	3,000	800	-	3,000		
Total Farmer's Premium (as non - loanee)*	3,800			3,000		
Total Premium of Farmers (both as loanee and non- loanee)	6,600			4,500		

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

17.6.7 Farmers having crop loans sanctioned through Kisan Credit Cards (KCC) are covered as loanee farmer and banks shall maintain all back up records and registers relating to compliance with the seasonality discipline for debiting and remittance of farmers premium on or before the respective cut-off-date and the cut-off dates for submission of coverage details on NCIP. Bank branch shall apportion coverage area among insurable crops, based on acreage mentioned in loan application or on the basis of actual area sown as declared by the farmer subsequently but prior to the cut-off-date for debit of farmers premium and enrollment of farmers under the scheme.

17.6.8 Bank Branches of Commercial Banks (CBs) and Regional Rural Banks (RRBs)/ Nodal Bank Branch in case of PACS under its jurisdiction shall submit individual insured farmer's application details along with the challan number details of premium remittance through NCIP.

17.6.9 Different options for entry of details of enrolled farmers on NCIP are available for bank branches in a more transparent and efficient manner. Banks can upload the details of insured farmers through online web-application mode. Banks arerequired to enter the information continuously without waiting for last day for premium debit and data entry.

17.6.10 As an alternative, direct integration of Core Banking Solution (CBS) or middleware utility with NCIP using API based data exchange protocols has also been successfully initiated and the same may be used by Scheduled Commercial Banks (SCBs)/RRBs/District Central Cooperative Banks (DCCBs) available on CBS for pushing the farmers' details in bulk directly without filling the individual farmer's details on web-portal.

17.6.11 The scheme will work on the **"Opt-out"** mode for the existing loanee farmers. The farmers can choose not to be enrolled under the Scheme by giving a signed declaration as per prescribed format (**Annexure-VI**) specifying the season and mentioning their unwillingness to participate in the scheme any time during the year for the upcoming/ongoing season but atleast 7 days before the cut-off date for enrolment and debiting of farmers premium. The opt-out mechanism so adopted shall only be applicable for one season-year only; for which the opt-out declaration has been given by the farmer. Farmers can use available communication mediums for communicating their willingness for "opt-out" to their respective bank branches, however, they will ensure that their willingness is received and recorded by the bank within the aforesaid prescribed period. No bank branch shall forcefully make the farmers to opt-out from the scheme. Any such complaint received from the farmers shall be dealt with stringent action by GoI. **Bank branches shall maintain and store such declarations submitted by the farmers for inspection/verification/validation by the GoI/State/UT or agencies designated by them.**

17.6.12 Banks need to debit farmer's share of premium within the last 7 days up to enrolment cut-off date. During this period, the banks may also prepare the final list of farmers who have opted-out and all eligible loanee farmers to be covered under the scheme.

17.6.13 In case the farmer has submitted a declaration for opting-out from the scheme for a season earlier in previous year he will be enrolled automatically for the current season by the bank branch as a normal process without any requirement for the farmer to submit written or oral consent for the purpose unless the farmer himself has submitted opt-out form for the current season as well.

17.6.14 Declaration for "Opting-out" will have to be submitted by the farmer in the same bank branch where they have their KCC Loan account. Formats for "Opting-out" are already circulated to relevant stakeholders and is annexed at **Annexure-VI** of these guidelines for reference.

17.6.15 Banks shall ensure mandatory enrolment of all those loanee farmers who have indicated their willingness to enroll by not submitted declarations for Opting-out up to 7 days before the cut-off date, for enrolment and debiting of farmers premium. **In case of failure of entry of data of eligible and willing farmers leading to farmers being left without insurance cover, the liability for all such applications and farmers shall rest with the concerned bank branches and accordingly they shall make the eligible claim payment to the concerned farmers.**

17.6.16 In cases where the farmer's application has been rejected by the Insurance Company as per the provisions of Operational Guidelines, farmer's remittance for such applications must be refunded back to the farmer's bank account within 45 days of closure of cut-off date for uploading of data by Banks, PACS etc., failing which the Insurance Company will be constrained to accept the application and pay claims as per normal process.

17.6.17 All rejected applications may be re-opened for review & verification purpose if the State/UT Government and/or GoI decides to do so.

17.7 Non-Loanee Farmers through Banks and other Channel Partners

17.7.1 All non-loanee farmers desirous of availing crop insurance shall approach the nearest bank branch or CSC-VLE or other intermediaries or agencies duly authorized/empaneled by the GoI or licensed insurance intermediary authorized by the insurance company or the employees of the Insurance Company or may also visit NCIP or use Crop Insurance app or AIDE App for the same.

17.7.2 Loanee farmers who have opted-out of the scheme and want to avail crop insurance for the notified crops can enroll themselves through the available enrollment channels. In this case the farmer shall be treated as non-loanee farmer.

17.7.3 In case of submission through Bank Branches and their BCs, farmers shall approach the nearest branch of a Commercial Bank or RRB or PACS or DCCB or designated Banking Correspondent with applicable insurance premium amount and other relevant documents. Bank Branch may, after completing verification of documents, accept or reject the application in accordance with the provisions of applicable guidelines and notification details as available on NCIP. Premium shall be accepted by the bank branch preferably from the farmer's operational account in the same bank branch itself and the same would be remitted to the concerned Insurance Company within the stipulated time for ensuring the insurance coverage. It is the responsibility of bank branch to complete the application of farmer and submit the same on NCIP so that not a single farmer who desires to avail crop insurance coverage is left out from the purview of crop insurance scheme.

17.7.4 In case of application submitted through CSC-VLE, the CSC-VLE shall authenticate the farmer using their biometric authentication using Aadhaar services made available by UIDAI for filling up the online application. Having a bank account is essential for such cases. In this case, CSC-VLE will upload all requisite and desired supporting documents on NCIP while filling up the application form on behalf of the farmer. Applications without requisite documents would not be considered for insurance coverage and CSC-VLE themselves shall be responsible for proper filling of application form to ensure the farmer is enrolled under the scheme to receive the intended benefits.

17.7.5 CSC/Bank Branch/PACS/designated BCs officials will assist the farmers in completing the insurance application and provide necessary guidance. While accepting the applications and premium, CSC/Bank Branch/PACS/BCs will be responsible for verification of required documents, eligible sum insured, applicable premium rate, etc. In case of coverage through non-computerized PACS, they will consolidate these particulars and send them directly to respective Nodal Bank Branches/DCCBs which will, in turn, submit application details online on NCIP and generate crop wise challan electronically on the NCIP, for the e-remittance of consolidated premium through challan using payment gateway of NCIP to concerned Insurance Companies within the stipulated timelines as outlined in Operational Guidelines of digitized on NCIP. Besides CSC-VLEs, other Government/Semi-Government institutions and organizations proposed to be utilized for insurance of non-loanee farmers after their integration with the NCIP shall be done by DA&FW, GoI after obtaining due administrative approvals.

17.7.6 Non-loanee farmers could also be serviced directly by any designated agencies, duly authorized by the GoI, or insurance intermediaries licensed by the IRDAI for the purpose and they will act as a guide and facilitator wherein they will advise such non loanee farmers about the benefits and desirability of the Scheme and guide the farmers about procedures involved, collect requisite premium and remit individual/ consolidated premium electronically to Insurance Companies and upload details of each insured farmer compulsorily within stipulated timelines on the NCIP using digital platforms like NCIP or AIDE App mandatorily.

17.7.7 While accepting the applications and the premium from aforesaid designated insurance intermediaries, it shall be the responsibility of Insurance Companies or its designated intermediaries to verify insurable interest and collect the land records, Aadhaar Number, particulars of acreage, sum insured, crop sown details etc. and applicable contract/agreement details in case of sharecroppers or tenant farmer. The designated intermediaries shall enter the data of farmers on web-portal or other digital platform viz. AIDE App, remit the premium within 2 days to Insurance Companies. However, it is mandatory that the non-loanee farmers serviced by the designated intermediaries should hold a bank account and Aadhaar Number or Aadhaar Enrolment Number in order to get insured and the designated intermediaries will also facilitate in providing other services and insurance of other assets and crops under SARTHI Platform.

17.7.8 In cases where the farmer's application has been rejected by the Insurance Company as per the provisions of Operational Guidelines, farmer's remittance for such applications must be refunded back to the farmer's bank account by the concerned Insurance Company within 45 days of closure of cut-off date for uploading of data by Banks, PACS etc., failing which the Insurance Company will be constrained to accept the application and pay claims as per normal process.

17.7.9 All rejected applications may be re-opened for review & verification purpose if the State/UT Government and/or GoI decides to do so.

17.7.10 For farmers buying crop insurance through CSC-VLEs or online, OTP/Aadhaar enabled verification shall be construed as consent and signature of the applicant for availing coverage under the scheme.

17.8 Non-Loanee Farmers - Directly to Insurance Companies or through Web Portal

17.8.1 Non-Loanee farmer may contact the Insurance Company and submit the requisite and desired supporting documents and applicable premium through conventional method or through electronic mode.

17.8.2 Non-loanee farmer can also submit application forms for getting insurance coverage through NCIP or Crop Insurance App. For this, a farmer can fill up the online application form available on NCIP (www.pmfby.gov.in) or Crop Insurance App and pay the requisite premium electronically through the payment gateway. As soon as the application is submitted through the system, an acknowledgement receipt will be generated along with a unique application number. Additionally, intimation will also be sent through SMS on registered mobile number of the farmer. In this case, farmers themselves will upload all requisite and desired supporting documents on web-portal or mobile app while filling up the application form. Applications without requisite documents would not be considered for insurance coverage and farmers themselves shall be responsible for proper filling of application form to ensure that they are enrolled under the scheme to receive the intended benefits.

17.8.3 It is mandatory that Non-Loanee farmers, willing to enroll themselves under the scheme shall have insurable interest and submit necessary documentary evidence as proof to confirm the same. SLCCCI may decide the documentary proofs to be mandated for submission along with Aadhaar Number or Aadhaar Enrolment Number. The insured farmer will lose the premium and the right to claim (if any) if the material facts furnished in the application are found to be wrong or incorrect at any stage from enrollment till claim settlement. Such farmers shall be liable to return the claim even if already paid if the same is demanded by the States/UTs upon finding and validation of any wrong or incorrect information.

17.8.4 Insurance Company retains the right to accept or reject applications under the scheme within 15 days and 30 days after the cut-off date for data entry on NCIP for Loanee and Non-Loanee farmers respectively by the concerned enrollment channels. In case the application is incomplete or not accompanied by necessary documentary proof, Aadhaar Number or Aadhaar Enrolment Number or corresponding insurance premium, the application shall be rejected and the Insurance Company will fully refund the collected premium to the applicant.

17.8.5 In cases where the farmer's application has been rejected by the Insurance Company as per the provisions of Operational Guidelines, farmer's remittance for such applications must be refunded back to the farmer's bank account within 45 days of closure of cut-off date for uploading of data by Banks, PACS, CSC-VLEs, other authorized agencies/entities, BCs, Insurance Intermediaries etc., failing which the Insurance Company will be constrained to accept the application and pay claims as per normal process.

17.8.6 All rejected applications may be re-opened for review & verification purpose if the State Governments/UTs and/or GoI decides to do so.

17.9 Option for change of crop name by the Farmer

17.9.1 All loanee farmers can change the name of the insured crop from the original crop indicated in the KCC loan application but such change should be submitted in writing to the concerned bank branch up to 2 working days before the cut-off date for enrolment and accordingly their newly proposed crops should be insured provided that the new crop is also notified under the scheme by the State/UT. Bank will ensure that all standard loans (as defined by concerned FIs) sanctioned and renewed for notified crops within stipulated cut-off date should be covered if the farmers has not opted-out upto 7 days before cut-off dates for enrolment and debiting of farmers premium. In case the premium debited earlier was higher, concerned Bank branch or Insurance Company shall credit or refund the excess premium as the case may be to farmer's account. In case the premium debited earlier was less, bank shall debit additional premium and remit to the concerned Insurance Company within the cut-off date as outlined in Operational Guidelines or digitized on NCIP.

17.9.2 Similarly, all non-loanee farmers already covered under the scheme before actual sowing or transplanting, based on advance crop planning, will also have the option to change the crop. For any reason if a farmer changes the crop planned earlier, they should intimate the change to Insurance Company, up to 2 working days before the cut-off-date for enrolment through their original enrolment channel such as bank branch/ insurance intermediary or directly as the case may be, and pay the difference in premium, if any, accompanied with revised sowing certificate issued by concerned village/ sub-district level official of the State/UT. In case the premium debited earlier was higher, concerned Bank branch or Insurance Company shall credit or refund the excess premium as the case may be to farmer's account.

17.10 Incomplete applications or applications with wrong farmer's and land details or applications with debited premium remitted by the Banks/ PACS/BCs or Insurance Intermediaries after the cut-off date shall be summarily rejected by the concerned Insurance Companies as per the timelines given in the Table -2 at **Para 16.4** of these guidelines. Similarly, the premium remitted without entering the requisite data on NCIP shall also be returned back by the Insurance Companies. Further, the eligible KCC Accounts for which the data entry and premium remittance has not been done by the banks within the cut-off date will lead to farmers not getting benefit under the scheme. **Liability for all such applications and farmers shall rest with the concerned bank branches. The Insurance Companies in case of enrollment through their directly appointed intermediaries and the Insurance Intermediaries/Brokers if engaged for enrollment directly through NCIP shall also be liable to make claim payment to farmers for such applications Accordingly the respective bank branches, Insurance Companies and Insurance Intermediaries/Brokers shall make the eligible claim payment to the concerned farmers.** The data entry on the NCIP shall stop immediately after the applicable cut-off date.

17.11 The concerned branches of Commercial Banks, RRBs and Nodal branch of DCCBs in case of PACS will upload the details of individual insured farmers enrolled through them like farmer's name, father's name, Bank Account number, Aadhaar Number, village, categories - Small and Marginal/SC/ST/Women, insured acreage, detailsof insured land, insured crop(s) etc., as prescribed in online application form available on NCIP or CBS integration module or other digital platform like AIDE App and submit the same within stipulated cut-off date as per the seasonality discipline. However, any dispute in the matter may be referred to the State Governments/UT Administrations as mentioned in **Para 17.9** by the concerned agency for taking appropriate action within the prescribed cut-off date for reconciliation of premium by banks as outlined in the Operational Guidelines.

17.12 Insurance Companies shall be responsible for verification and validation of requisite information including necessary documentation in respect of non-loanee farmers enrolled through Insurance Intermediaries or directly by employees of the Insurance Company through web-portal or mobile App, within the stipulated date of coverage of non-loanee farmers. Insurance Companies shall ensure that the documentation is complete in all respects before accepting the premium. It is the responsibility of the concerned Insurance Companies to collect/obtain any documentation of the insured farmers from the intermediaries or other channels of enrolments, or directly from the farmers, if necessary for verification and acceptance of application and also to facilitate the concerned channels to re-upload and submit all requisite documents/information on the NCIP within timelines.

17.13 Insurance Companies shall reconcile the details of individual insured farmers uploaded on the NCIP with the consolidated challan generated and consolidated farmers' premium remittance done through payment gateway of the NCIP by each Bank Branch/Nodal Bank/CSC e-Gov/other Insurance Intermediaries within the stipulated date. Any deficiency or mismatch may be reported to concerned bank branch/nodal bank and concerned applications shall be reverted back to the originating source for necessary rectification. The Bank Branch or Nodal Bank/DCCB or CSC-VLEs of insurance intermediary should further upload the requisite correct information and desired documents in respect of such farmers for whom clarification has been sought, immediately within 7 days. If such rectification is not done or completed by the Bank Branch/Nodal Bank (DCCB) within the stipulated period, Insurance Companies may reject such applications and recommend to take necessary action to the State Governments/UT Administrations, under intimation to GoI. The State Governments/UT Administrations in consultation with SLBC/Nodal Authorities may recommend suitable administrative action against such defaulting branches, banks and CSC-VLEs. **However, for such erroneous applications pertaining to loanee farmers of a bank branch or PACS, the eligible claims (if any) in such cases shall be paid to the affected farmers by the concerned bank branches only.**

17.14 Insurance Companies shall verify and satisfy themselves about the coverage of farmers and crops and accept the applications submitted by banks electronically through NCIP. The insured farmer's personal details like Aadhaar Number, Banking Details, Address, Mobile Number and all such personal details prohibited by relevant IT Act, RBI, IRDAI or Aadhaar Act shall not be displayed or disclosed publicly. Insurance Companies will reconcile the details of all the applications for the season, validate the same as per the provisions of Operational Guidelines of eligibility norms before approaching the Governments to release the final tranche of premium subsidy under the Scheme.

17.15 All Insurance Companies shall compulsorily verify and take necessary action including approval, rejection or reversion of applications of farmers through NCIP within stipulated date. After stipulated period for reconciliation & obtaining further clarifications from the concerned channels of enrolments, all pending applications of covered farmers uploaded on NCIP shall be treated as deemed approved and the Insurance Companies will lose their right for any further verification and validation of such applications. However, any losses to the Government including excess payment of premium subsidy due to delayed/non-verification of application data of individual covered farmers as available on NCIP will be recovered from concerned Insurance Companies only and suitable administrative action may also be taken against the defaulting Insurance Companies.

17.16 The Insurance Companies are mandatorily required to follow the process and protocol for processing of application, inception of risk and processing of claims as detailed in the Operational Guidelines and revise or correct the applications if:

17.16.1 The KCC Loan was covered or premium was paid outside seasonality discipline.

17.16.2 Sown area was less than the insured area under a crop in a notified area (refer **Para 25**).

17.16.3 Different crop other than the declared or notified was sown in the land survey no. insured.

17.16.4 Survey number insured was not actual crop growing survey no.

17.16.5 Area insured is more than the total land holding of the farmer.

17.16.6 Multiple insurance for same crops grown on same land with multiple insurers or through multiple banks or intermediaries.

17.16.7 The insured land parcel belongs to the other farmer but has been enrolled by some other farmers who are not tenants or sharecroppers.

17.16.8 Total Sum insured is more than the notified sum insured for insured acreage of a given insured crop.

17.17 Financial penalty shall be applicable on Insurance Companies if approval of applications is not done within the stipulated time **para 16.14 & 16.15**.

17.18 On acceptance of applications by Insurance Companies the acknowledgement status is updated for such applications on NCIP and gets visible to the concerned bank branches/CSC-VLEs/Insurance Intermediaries on their login and an intimation is sent through SMS directly to the insured farmers from NCIP. Further, the banks can download acknowledgement receipt from NCIP using their login credentials and may handover Acknowledgement Receipt to each insured loanee farmer within 7 days from the acceptance of applications by the concerned Insurance Company. Similarly, the CSC-VLEs and Insurance Intermediaries can also download the Acknowledgement Receipt from AIDE and/or NCIP and handover/share to the farmer at the time of enrollment.

17.19 All the Insurance Companies shall ensure distribution of the acknowledgement receipts through conventional/electronic mode to the loanee farmers in the template approved by the GoI within a month of cut-off date for uploading of data pertaining to farmers' applications on NCIP. However, in case of any specific directions issued by the GoI or the State Governments/UT Administrations regarding delivery of policy details by physical distribution, inland-letter card or through any other mode, the same shall be followed by the concerned Insurance Companies.

17.20 All Stakeholders shall follow all the timelines strictly as given in the Table 2 of the **Para 16.4** of these guidelines.

18 Assessment of Loss / Shortfall in Yield

18.1 **Wide-Spread Calamities (based on season-end yield):** The eligible claims on the basis of crop yield estimation data arrived through CCEs or by using values arrived through CCE and YES-TECH in a pre-defined proportional ratio will be considered only if notified trigger of Threshold Yield is breached (Refer **Para 20.2**). The State Governments/UTs should mandatorily conduct CCEs using either their own Mobile App or through CCE Agri APP or unified App (under GCES) which has been developed by GoI. The yield estimation data from State's own Mobile App or CCE-Agri App shall be shared through APIs to NCIP and other digital platforms of GoI and State Govts./UTs wherever required for the purpose of crop yield estimation & triangulation of yield data for validation and production estimates. The State Governments/ UT nodal department shall share the final crop yield values (AY values) obtained through the CCEs/Mobile App with all concerned Insurance Companies in hard or soft copy to enable them to accept the same on DigiClaim module of NCIP for the claim calculation and payment.

18.2 The Scheme operates on the basis of **'Area Approach'**. The Defined Areas for each notified crop for wide-spread calamities, i.e., the insurance unit is the Village/Village Panchayat or any other equivalent unit for major crops and for other crops it may be the same unit or a unit of a size higher than Village/ Village Panchayat level and shall be decided by the SLCCCI in the respective States/UTs. Claims for widespread crop losses on the basis of "Area Approach" will be decided by regular crop yield estimation surveys or by adopting the Smart Sampling Methodology for crop yield estimation and/or yield estimation through technology under YES-TECH. Department overseeing the conduct of CCEs will submit crop yield estimation data as per the cut-off date decided by SLCCCI, along with results of individual CCEs (conducted using CCE Agri App) on NCIP. The yield data will be approved by the concerned district authorities on NCIP. Final crop yield values shall also be shared by the State/UT nodal department with all concerned Insurance Companies to enable them to accept the same on specially developed module for the purpose on NCIP.

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

Sl. No.	Level	Minimum Sample Size
1	District	24
2	Taluka/Tehsil/Block	16
3	Mandal/Firka/Revenue Circle/Hobli or anyother equivalent unit	10
4	Village/Village Panchayat	4

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

18.4 Smart Sampling Methodology for Crop Yield Estimation

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

18.4.1 **Smart Sampling of CCEs:** Technology solutions for rationalization of CCEs basedon homogeneous selection of sample experimental plots based on crop health condition analyzed through Remote Sensing and other New Age technological solutions shall be used for rationalization of number of CCEs. For more details, refer to **Para 20.1**.

18.5 Modalities for Conducting Crop Cutting Experiments (CCEs)

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

i. To bring transparency and confidence in the data, State Governments/ UTs shall mandatorily ensure that all the CCEs are conducted through a CCE Agri App developed by GoI for the purpose of digitizing the process of crop yield estimation & collation of yield data obtained through CCEs. The yield estimation data from State's own Mobile App or CCE-Agri App shall be shared through APIs to NCIP and other digital platforms of GoI and State Govts./UTs wherever required for the purpose of crop yield estimation. State/ UTs shall ensure that their Mobile Apps have all the features, validations and specifications as maintained in CCE Agri App for the purpose.

ii. Further, in order to encourage the primary workers of the State Governments/UT Administrations to use mobile App for conducting the CCEs, the GoI shall provide incentives to promote 100% usage of CCE Agri App. Every Primary Worker or Field functionary conducting CCEs through CCE Agri-App shall be entitled for receiving Rs.150/- per CCE as the cost towards promotion of technology which shall be given by GoI, after the approval of the individual CCEs by the respective State Administration.

iii. Where the State Governments/UT Administrations are also willing to pay any amount to their workers from their resources, the same shall be over and above the amount paid by GoI.

iv. The existing system of incentivization in the form of reimbursement for the purchase of smart phone, data charges, and expenses on outsourcing of CCEs shall be discontinued with the onboarding of new system of incentivizing the primary worker upfront, however, past liabilities shall be settled.

*(Note: **Para 18.4.1** shall come into effect from the date of issue of specific SOP/Guidelines in this regard)*

18.5.2 If the State/UTs do not conduct their Crop Cutting Experiments through the CCE-Agri app, then additional weightage shall be assigned to the technology derived yield estimates, as defined in **Para 20.3.2 i.e., Yield Estimation System Based on technology (YES-TECH)**, of these guidelines.

18.5.3 CCE experimental plots shall be chosen using smart sampling technology for selected major crops and conventional random sampling for other crops and the **secrecy of the selected plot, subject to disclosure to relevant stakeholders under these Guidelines, should be maintained by all concerned until the CCE is actually conducted in order to rule out potential moral hazards**. States/UTs may continue to estimate the crop yield by adopting General Crop Estimation Survey (GCES) for estimation of crop production, as recommended by Department of Economics & Statistics, GoI. However, the States/ UTs shall keep the CCEs to be conducted under General Crop Estimation Survey (GCES) separate from CCEs conducted under PMFBY and accordingly prepare separate plan for CCEs to be conducted under GCES and CCEs to be conducted under PMFBY.

18.5.4 In case few experiments under GCES also falls in the IUs under PMFBY, the results of such experiments shall be accepted for use under crop yield estimation for the scheme and therefore only balance CCEs shall be conducted under the scheme for arriving at estimated yield value for the crop in given IU provided that the sampling methodology for selection of experimental plots under PMFBY is also based on random sampling.

18.5.5 In case of sampling methodology being SST, complete CCEs as required for the given IU shall be conducted using the SST method only. In other words, in a particular insurance unit, all the requisite experimental field plots for conducting CCEs shall either be selected using SST or using Random Number Sampling Method to avoid sampling error.

18.5.6 A comprehensive manual for Crop Cutting Experiments for Crop Yield Estimation has also been developed by the GoI in consultation with NSSO, IASRI and the respective State Governments/UT Administrations.

18.5.7 The GoI shall notify the CCE Manual 2023 and the same shall be followed by the States/UTs for conducting CCEs under PMFBY.

18.5.8 In order to provide proper benefits to the farmers and to compensate them as per near actual loss experience, crop(s) shall be notified at the lowest level i.e. Village/Village Panchayat as detailed in **Para 18.2.**

18.5.9 State/UTs shall strengthen the audit process of the conduct of CCEs, with necessary checks and balances. Digitizing the CCE process including geo-coding (providing the latitude and longitude of the CCE location), date/ time- stamping and taking photographs (of the CCE plot and CCE activity), is a must for all CCEs being conducted.

18.5.10 Wherever external agencies are proposed to be used by the State Governments/UT Administrations for conduct of CCEs (i.e. CCEs are outsourced), it should be given only to the registered 'professional/accredited' agencies with adequate experience in the agricultural field activities or yield estimation. It is mandatory for these agencies to follow the digital protocol as mentioned in the **Para 18.4**. Services of such agencies may also be utilized by the States/UTs for assessment of localized losses and losses due to post-harvest risks.

18.5.11 **District level Steering Committee:** State/UT Government shall compulsorily constitute a Steering committee in each district to plan, conduct and supervise the CCEs for yield assessment and to provide reports of yield data to the State/UT Nodal department. The Steering committee should be headed by the District level Head of the Department/Organization responsible for conducting CCEs and District Agriculture/Cooperative officers, representatives of NSSO and Insurance Companies as members. The Steering committee will compulsorily associate the representatives of Insurance Companies, NSSO, so that they shall be well informed about each and every activity and obtain the requisite information about CCE planning, schedule for conducting CCEs, selection of CCEs plot, sharing of requisite form 2, form 8 etc. and individual CCE result etc. The Head of Steering Committee will be responsible for uploading all requisite information on NCIP i.e. CCE schedule, individual CCE report etc. and imparting training to field functionaries responsible for conducting CCEs. Steering Committee will compulsorily send all their proceedings / minutes etc. to District Level Monitoring Committee (DLMC) and Nodal officer of the State. Concerned Insurance Companies shall compulsorily deploy one well conversant official at the office of the Head of the Steering Committee for at least 3 months of the harvesting period for better coordination and obtaining the information of CCEs including CCEs Schedules etc. Concerned Insurance Companies shall nominate their representatives in the steering committee well in advance and also share personal details, contacts, email ID etc. to the nodal departments of the States/UTs while ensuring that the GoI is intimated. It is the responsibility of this designated officer of Insurance Company to obtain the plan & detailed schedules of each CCE from the concerned district administration officers at the Block/Tehsil/Circle level within that district. District Administration will provide requisite space and logistics at their office for the insurance company official. States/UTs will provide the granular information related to schedule of CCEs to the nominated Insurance Company official only. Any delay/non-receipt of information shall be communicated by the nominated official only in the concerned district to the steering committee at the earliest but no later than 7 days of the due scheduled date. The copy of the reminder to the steering committee will compulsorily be forwarded to nodal department of the States/UTs & GoI. Steering committee may also form Electronic/Social Media groups for quick communication about their plan, schedules and activities etc.

18.5.12 In instances where required number of CCEs could not be conducted due to non-availability of adequate cropped area, adverse weather conditions or inadequate infrastructure etc., the yield estimate for such IUs can be generated by using methods such as:

i. Adopting yield estimate of next higher unit, or

ii. Adopting the yield of a neighboring IU with maximum correlation.

Priority of applicability of aforesaid two methods should be notified by the concerned States/UTs in the notification itself, failing which the option of yield estimate of next higher unit would be considered as default. However, this clause shall only be applicable in unavoidable situations and shall be limited to only minimal number of IU units. It cannot be made a general rule to avoid CCEs. Special efforts should be made by the States/UTs to conduct adequate number of CCEs in all notified units in order to provide appropriate benefits to farmers. However, if State/UTs fail to submit/approve the CCE data within prescribed time then claims will be settled based on the yield data generated using technology.

18.5.13 Modalities for Conducting CCEs for Multi-Picking Crops

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

18.5.13.1 States/UTs shall, in the beginning, specify the number of required picking for each crop both for irrigated and un-irrigated (rainfed) conditions. Ideally it should be as per the NSO/Indian Agricultural Statistic Research Institute (IASRI) defined guidelines. If it is not available, States/UTs in consultation with State Agriculture Universities and concerned ICAR center may identify the required number of pickings. However, as number of actual pickings depends on climatic conditions etc., hence possibility of further pickings, at each picking shall compulsorily be recorded in CCE Agri App and the number of actual pickings will be final in such cases.

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

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

An Example for Yield Calculation for multi-picking crop is mentioned in Table5 below:

Crop	Experiment no.	Picking 1 Yield (kg)	Picking 2 Yield (kg)	Picking 3 Yield (kg)	Picking4 Yield (kg)	Total Yield (Kg)
		P1	P2	P3	P4	∑P1,P2, P3,P4
Well Conducted CCEs in the Taluka with 4 pickings						
Cotton	E1	1	1.95	2.1	1.25	6.3
Cotton	E2	1	2	1.75	1.4	6.15
Cotton	E3	0.75	1.75	1.5	1.5	5.5
Cotton	E4	0.8	1.43	2.15	1.4	5.78
Cotton	E5	0.95	1.85	1.4	0.75	4.95
	Average	0.9	1.8	1.78	1.26	5.74
	Factor (Total Yield/Picking Yield)	6.373#	2.128#	1.282#		
		(1st)	(1st + 2nd)	(1st+2nd+3rd)		
CCEs with Less Pickings in any IU within that Taluka						
Cotton	E6 (only 1st Picking)	1				6.373#
Cotton	E7 (only 1st & 2nd Picking)	1.2	1.75			6.278#
Cotton	E8 (only 1st , 2nd & 3rd Picking)	1.1	1.85	1.57		5.795#

Note: # The factor has been computed as the ratio of average total yield and average yield upto that picking.

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

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

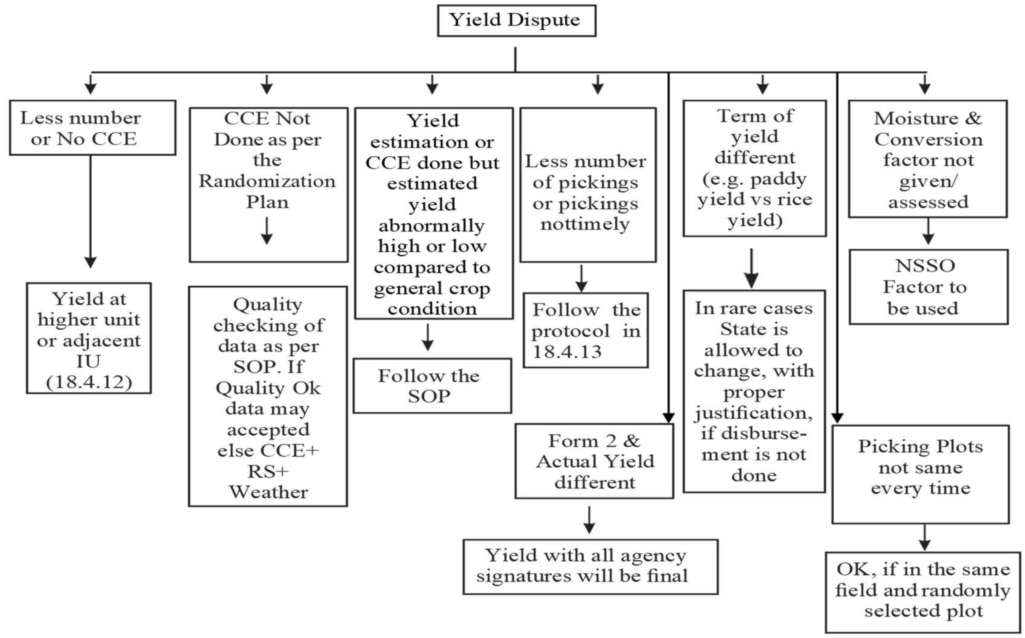
18.5.13.6 All claims will be settled exclusively on the basis of CCE based yield data available on the NCIP or a combination of the CCE based yields and YES-TECH derived yields, as the case may be. The Actual Yield Data at Crop-IU level shall be automatically synchronized with the NCIP through the CCE Agri App. Once the Actual Yield data is available on the NCIP, the same shall be verified, uploaded and approved by the concerned District/State authorities on NCIP. For those experiments which were conducted offline without usage of mobile application due to unforeseen circumstances, the Actual Yield data, along with the location information shall be uploaded and approved by the concerned District administration or State/UT nodal department on the NCIP. However, this shall be an exception and should be exercised in rare cases and such CCEs should not exceed 5% of the total CCEs. Actual Yield data through any other mode other than the NCIP shall not be accepted. If the yield data is not uploaded and approved within pre-defined cut-off date by the concerned authority/department, the concerned Insurance Company, may inform the State/UT and the GoI well in time to initiate appropriate corrective action.

18.5.13.7 Insurance Companies should be given complete access to co-witness the CCEs, the digital images of the CCEs and relevant data in the requisite format (electronic/physical) by the State/UT Government on a real-time basis. A schedule should be formally given/shared with nominated representatives of Insurance Companies who are also part of the Steering Committee, sufficiently in advance without fail to help them coordinate with the field functionaries and mobilize their manpower accordingly. For this purpose, the Insurance Companies shall permanently station one representative in the Steering Committee at the concerned district office of the department/agency mandated to conduct CCEs for proper day to day liaison **(Para 18.5.11).** State and District administration shall also provide necessary space in the concerned office & facilitate sharing of information related to conduct of CCEs. The State/UT may not provide any documents such as Form-1, Form-2 etc. to the Insurance Companies, however, the State/UT should provide facility for physical verification of documents like Form-1, Form-2 etc. on request of Insurance Companies at their premises.

19 Dispute resolution regarding Yield Data/Crop Loss Data

19.1 During the earlier years of implementation of PMFBY, various types of yield disputes were observed, leading to unnecessary delays in the claim settlement. The following chart shows the procedures to be adopted in various cases.

Chart: Procedures to be followed in different yield dispute cases



19.2 Wherever the yield estimates reported at IU level are abnormally low or high vis-à-vis the general crop condition the Insurance Companies in consultation with State/UT Government can make use of various technology solutions (e.g. Satellite based vegetation or other indices, weather parameters, etc.) or other technologies (including statistical analysis, crop models etc.) to confirm the yield estimates. If the Insurance Company witnesses any anomaly or deficiency in the mid-season yield assessment and/or CCE based actual yield data (partial /consolidated) received from the State/UT Government, the same shall be brought into the notice of concerned State/UT department within 7 days from date of receipt of yield data with specific observations/remarks providing intimation to the GoI and anomaly, if any, may be resolved in the next 7 days by the Head of the Nodal Department for State/UT Government. If the dispute is not resolved, the aggrieved party may file an appeal with the State Level Technical Advisory Committee (STAC) for dispute resolution (Constitution of STAC is defined in **Para 19.5**) to pass a speaking order. **A suggestive checklist for STAC to mandatorily follow while deciding on the crop yield disputes is annexed at Annexure-IV of these guidelines.** In case the matter stands unresolved even after examination by STAC, the aggrieved party may file an appeal with the Central Technical Advisory Committee (TAC) of GoI, in the prescribed format, along with all relevant data & documents, including minutes of the meetings of STAC and checklist as above, as per the conditions specified in **Para 19.7.1. However, data with anomalies which is not reported within 7 days shall be treated as accepted to the Insurance Company**. The protocol of the timelines defined above shall also be applicable to the actual Yield data being provided by the concerned State department in batches, i.e. Crop-wise-District-wise lots of data and timelines for each batch of data shall be counted separately/batch wise. Unnecessary delay in the finalization of yield data will attract penal interest on due claim amount payable to the farmers as per the provisions mentioned at **Para 16.14 & 16.15**.

19.3 The existing Central TAC comprising of representatives from the DES, DA&FW, Mahalanobis National Crop Forecast Centre (MNCFC), National Statistical Organization (NSO), Indian Agricultural Statistical Research Institute (IASRI), shall be further augmented and constituted under the chairpersonship of Additional Secretary, DA&FW. Additional members on case to case basis may be drawn from various organizations namely, relevant institution under Indian Council of Agriculture Research (ICAR), Indian Agriculture Research Institute (IARI), National Remote Sensing Centre (NRSC), Space Applications Centre (SAC), Insurance Regulatory and Development Authority of India (IRDAI), Reserve Bank of India (RBI), National Bank for Agriculture & Rural Development (NABARD), India Meteorological Department (IMD), MITR of the Concerned State/UT or any other such organization as may be deemed fit by the chairperson of the committee.

19.4 The Central TAC shall review all technical matters related to the execution of the Scheme. In case, the matter requires further focused deliberations, the Central TAC will refer the issue to the Technical Agency (TA) (**refer Para 19.7.2**). The TA will compulsorily take the inputs/reports/relevant information from the concerned State/UT Department and Insurance Company and may also opt for representatives of other organizations/experts (if required) with the permission of chairperson of the Central TAC and follow the procedure as defined in the SOP.

19.5 State shall also constitute the State/UT Level Technical Advisory Committee (STAC) on a similar pattern to resolve disputes. The STAC may be chaired by the Principal Secretary/Secretary/Additional Chief Secretary of the concerned Department with members from State Agricultural University, State Remote Sensing Application Center, IMD (state center), DES, any ICAR center in the State/UT, NSO, and concerned MITR etc. However, in case of disagreement between the concerned parties, the case may be referred to the Central TAC along with recommendations and findings for further deliberation/examination and decision.

19.6 TAC/TA/STAC shall deliberate and examine the subject matter and indicate their views/decisions based on statistical/technological inputs and other related scientific and technical parameters as detailed in the SOP.

19.7 The SOP to deal with Yield Assessment dispute cases is as under

19.7.1 **When to use this SOP:** This SOP shall be followed only when there is a dispute about the crop yield values between the State/UT Government and Insurance Company/ies and in the case when it remains unresolved at the Head of the Nodal Department level and STAC (**Para 19.2**) and has been referred to the Central Technical Advisory Committee (TAC), which in turn decides that the matter needs to be referred to a Technical Agency (TA). The dispute can be brought to the TAC, only in the case, where all of the following conditions are satisfied. All cases not falling in these criteria shall be decided by the head of Nodal Department with the approval of competent authority and their decision shall be final and binding on all concerned.

- There is more than 25% difference between the yield estimated by the State/UT Government and the Insurance Company.
- There is sufficient documentary evidence that the mid-season yield assessment and/or CCEs have not been conducted in the required numbers and as per the standard protocol, in at least 20% IUs for a particular crop in a given district or 20%

of total planned loss assessment surveys/CCEs for the particular crop in the given district.

- The matter has been considered by STAC but could not be resolved at the State/UT level.
- The Insurance Company has already carried out the technical analysis of the data in consultation of the State Government/UT Administration or in collaboration with Central/State/empaneled agencies and has used satellite/model/ weather data to support its objection.

19.7.2 **The Organizations to which TAC can refer the case:** The organizations can bethe Central Government or autonomous organizations, which have requisite capacity to carry out such analyses, such as: MNCFC (DA&FW), SAC (ISRO), NRSC (ISRO), empaneled MITRs and other similar government organizations as decided by Central TAC. Hereafter, these organizations will be referred to as Technical Agencies (TA).

19.7.3 **Data to be provided by State/UT Government to TA:**

- All crop loss assessment surveys or yield assessment survey or CCE data of the contested area, in digital/soft format, along with photographs and other collateral data, as collected during yield assessment survey or CCEs. The yield assessment survey or CCE data should ideally be geo referenced.
- Village level crop area estimates.
- Long term (at least 10 years) data of crop yield at GP level (if not available, at least at Taluka/block level) in digital format, (preferably Excel).
- Long term (at least 10 years) data of weather parameters (daily or weekly) at GP level (if not available, at least at Taluka /block level). The weather parameters should cover at least, rainfall, rainy days and temperature, in digital/soft format, (preferably Excel).
- Any information about pest/disease attack, hailstorm, cyclones, inundations, heavy rainfall or any other natural/ manmade disasters in that area.
- Report of any analysis carried out by the State/UT to support its claim.

19.7.4 **Data to be provided by Insurance Company:**

- Data of the co-observed crop loss assessment surveys or yield assessment survey or CCEs collected by Insurance Companies in digital/soft format, along with photographs and other collateral data, as collected during yield assessment survey or CCE.
- Data of weather observatories*, if maintained or sourced by Insurance Company, in the contested area.
- Report of the technical studies* carried out by the Insurance Company to support its claim.
- Detailed reasons for the yield data being perceived as contested.
- Any UAV data/output collected from the contested area.

*(*This data shall only be considered where government approved agency / empaneled agency has been used **Para 2.20**).*

19.7.5 Analysis to be carried out by the Technical Agency:

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

a) **Statistical analysis of the yield assessment survey and/or CCE yield data:** Basic Statistical Parameters (Mean, Variance, Coefficient of Variation (CV), Range, Standard Error, etc.) Scatter plots, Test of Normality (Shapiro-Wilk test, Quartile-Quartile plot, box and Whisker plot, Skewness and Kurtosis, etc.). It also needs to be checked whether yield assessment survey or CCEs were done using the proper sampling design. Village level crop area may also be checked to identify reasons for inadequate number of yield assessment survey or CCE.

b) **Analysis of Weather Data:** Weekly Rainfall Deviations (at least at block level) or at grid level using gridded or satellite-based data, Dry-spell Occurrence, Temperature Anomaly, Soil Moisture Analysis (either from satellite or model data) and any other available weather parameters (related to crop condition), either from ground or satellite data. Another rainfall-based index, which can also be studied, is Standardized Precipitation Index (SPI).

   SPI can be developed using WINDS data and/or IMD gridded rainfall data or National Oceanic and Atmospheric Administration Climate Prediction Centre (NOAA CPC) rainfall data. However, while using gridded data (either from satellite or ground stations), appropriate resolution should be used at appropriate level. For example, 0.25 degree data should be used only at the district level and not at the block/village level. High resolution weather data can also be sourced from weather companies.

c) **Analysis of Long-term Yield Data: Analysis of** previous 10 years' yield data (at GP or Taluka level) shall be carried out to assess the variations in yield data. The analysis should include yield ranges, mean yield, standard deviation, and CV.

d) **Analysis of Other collateral data:** Other data or reports, which should be considered, include Crop Weather Watch Report (DES, DA&FW),NSSO Supervised yield assessment survey or CCE data, Forecasting Agriculture Output using Space Agrometeorology and Land Based Observations (FASAL) program crop reports, drought assessment reports prepared by MNCFC, Market arrivals and prices data for 2-3 years (http://agmarknet.gov.in/), crop condition data available on VEDAS platform (https://vedas.sac.gov.in/vedas/), Disaster maps from Bhuvan platform, IMD weather bulletins, weather information/ forecasts available on MOSDAC (https://www.mosdac.gov.in/), etc.

e) **Analysis of Vegetation Index from Satellite Data:** The vegetation indices, which can be used for this purpose are Normalized Difference Vegetation Index (NDVI), Normalized Difference Wetness Index (NDWI), Vegetation Condition Index (VCI), Temperature Condition Index (TCI), Vegetation Health Index (VHI), Enhance Vegetation Index (EVI), etc. To derive these indices, satellite data of appropriate resolution should be used (Table 6).

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

Level of Analysis	Spatial Resolution to be used	Examples of Satellite/Sensor
Village level	5-30 m or better	Resourcesat 2/2A: Linear Imaging Self Scanning Sensor (LISS) IV (5.8m)/LISS III (23.5m) , Sentinel 2:MSI (10 m);

		Rapid Eye (6.5 m); SPOT 5 HRG (5,10 m), LandSat 8 OLI (30m).
Block/Tehsil level	10-60 m	Resourcesat 2/2A: LISS III (23.5 m), Landsat 8: OLI (30m); Sentinel 2:MSI (10 m); Resourcesat 2/2A: AWIFS (56m).
District level	50-500 m	Resourcesat 2/2A: AWiFS (56 m); Proba V (100 m), MODIS (250m/500m) or any other satellite.

However, wherever long-term satellite data is needed, Moderate Resolution Imaging Spectroradiometer (MODIS) (250 m/500m) data can be used, but it should not be used for village level information. Ideally for deriving crop specific vegetation indices, crop maps should be overlaid on the data. Generally, for few major crops, crop maps are prepared under FASAL project of GoI. Crop maps can be generated using either optical or microwave remote sensing Synthetic Aperture Data (SAR) data of appropriate resolution. Wherever, crop maps are not available, agricultural area map should be used. Agricultural area map can be obtained from the Land Use (LU)/Land Cover (LC*) available with NRSC or SRSCs. For assessing NDVI or NDWI deviation percentage, data of latest 2-3 years should be used or at least data of a normal crop year should be used.

f) **Crop Growth Modelling:** Yield loss estimates can be made using crop simulation models such as Decision Support System for Agro-Technology Transfer (DSSAT)/ Info Crop, etc., or the models recommended in the YES-TECH Manual 2023. However, care should be taken to use well calibrated and validated models and also models should be run in at higher spatial resolution, at least 5 km. Crop Growth/Simulation models should be assimilated with remote sensing products (e.g. crop map, phenology, Leaf Area Index (LAI), etc.)

g) **Identification of Outliers:** All these above analyses can be used to check whether there was any reason for yield deviation as presented in the yield assessment survey or CCE data. Then a yield proxy map may be prepared. The Yield proxy map can be derived from remote sensing vegetation indices (single or combination of indices), crop simulation model output, remote sensing based semi-physical models or an integration of various parameters which are related to crop yield, such as soil, weather (gridded), satellite-based products, etc. Whatever yield proxies to be used, it is the responsibility of the TA to record documentary evidence (from their or other's published work) that the yield proxy is related to the particular crop's yield. Then the IU level yields need to be overlaid on the yield proxy map. Both yield proxy and yield assessment survey or CCE yield can be divided into 4-5 categories (e.g. Very good, Good, Medium, Poor, Very poor). Wherever there is large mismatch between yield proxy and the yield assessment survey or CCE yield (more than 2 levels), the yield assessment survey or CCE yield for that IU can be considered, as outliers.

h) **Computing Yield for the Outliers:** For the IUs, where the yield was considered as outlier, the yield may be estimated by developing empirical models (statistically significant, with low Root Mean Square Error (RMSE) between long-term yield data (at IU level or, if not available, higher administrative level) and weather and remote sensing-based index data. If good quality long-term data is not available or if the model is not significant, when using time series data for an administrative unit (GP/Mandal/Hobli/ Block/Taluk/Revenue Circle etc.), the model can also be developed using the previous 1-2 years' data across the IUs/administrative unit, within a district. Using these models, yield for the concerned year should be estimated. The estimates of only statistically significant models (p-value < 0.1) will be considered. RMSE (%) of the Yield estimated from the model estimates, in comparison with the actual historical yield should preferably be less than 30%. The final yield estimate will be a combination of yield assessment survey or CCE (whatever experiments available) estimates and technology estimates. The estimates will be combined by giving weightage to the inverse of the errors of the estimates. If the model was not statistically significant, the average of estimated yields of adjacent blocks should be used (Note: Each and every case may have specific and special cause related to a problem and may not be considered as a reference for any other case.) Each time, the stage of the crop should be given prior importance e.g. 10 mm rainfall at vegetative stage and at harvest or post-harvest stage has different impacts; a small amount rainfall having devastating wind-speed have different impact than high amount of rainfall having calm or no-wind. The TA needs to take into account all these factors to consider each of the cases as an individual and special case.

19.7.6 **Time required for the analysis**: The analysis needs to be completed by the concerned TA, within one month of receipt of all mentioned data from the Insurance Company and the State/UT Government.

19.7.7 **Funds needed for the analysis**: All the analysis will be carried out by the TA, with its existing resources. However, if there is any need of procurement of priced data or services, this may be funded by the concerned Insurance Company or the State/UT Government, whichever organization has brought the dispute issue up to TAC.

19.7.8 **Support to Technical Agency:** The TA, if required, can take the support from the experts of SRSCs and SAUs. For this the State Agriculture Department will issue required instructions to concerned experts/agencies. A concerned officer of the PMFBY, CPMU will coordinate between the TA and the State/UT.

19.7.9 **General Suggestions:** Though this SOP identifies the procedure for yield dispute resolutions, in the long run, it will benefit the scheme and the farmers, if there is no dispute. The following suggestions are made to avoid dispute:

- The State/UTs shall conduct the crop loss assessment survey and crop yield assessment survey though CCEs following the standard procedure (proper sampling plan) and collect the data using Crop Survey App & CCE-Agri App respectively.
- State/UTs need to pro-actively use technology for more accurate crop yield estimation.
- State/UTs should develop mechanism to resolve disputes at the State/UT level through STAC by using the technical support from State/UT level organizations, such as Agricultural Universities, SRSCs, and ICAR Centers located in the State/UT, local IMD office, etc.
- The Insurance Companies should proactively, get involved with the State/UTs for supervision of yield assessment survey and CCEs.
- The Insurance Companies should increasingly invest in the use of technology to support the loss assessment.
- There should be better coordination between the State/UTs and the Insurance Companies.

20 Use of Innovative Technologies in Yield Estimation

20.1 Rationalization of CCEs - Smart Sampling Technique (SST)

20.1.1 It is observed that concerns regarding crop yield estimation in the insurance units are increasing and thereby reducing the efficiency of the crop insurance mechanism. Disputes on the quality of yield data is a challenge in the effective implementation of the Scheme. Technology interventions are highly recommended from time to time to bring improvements in the crop yield assessment. Under these guidelines, implementation of SST is mandatory for improving the CCE field's selection. Through smart sampling, the CCE fields in each insurance unit can be selected based on the yield proxy index, thus accounting for the spatial variability in crop yield. The primary and the unique advantage of this technique is achieving improved distribution of CCEs in the notified IUs thereby leading to more representative yield estimates compared to conventional random sampling approach. Crop condition and crop risks occurrence, if any, during major part of the season are taken into account while developing a-priori yield proxy. The add-on benefits of smart sampling include:

a) Notification of CCE locations only a few days before harvest, thus maintaining the secrecy of plots and minimizing moral hazards and

b) Identification of CCE locations through digital map base, thus minimizing human bias/preferences in locating the fields. Digital database of CCE facilitates linking of CCE data with satellite data and different thematic datasets.

20.1.2 The two important input data layers for implementing smart sampling are crop map and crop yield proxy map in digital form in moderate to high spatial resolution.

20.1.2.1 **Crop map:** Satellite derived accurate crop map is a pre-requisite for smart sampling. Crop mapping accuracy depends on many aspects, which include:

a) spatial resolution of satellite data vis-à-vis the field size,

b) the spectral bands being used for classification,

c) the classification algorithm,

d) the cropping pattern(mono cropping or mixed cropping) and

e) granularity and quality of the ground truth data used in analysis of satellite data.

Both commission error (e.g. non-paddy areas represented as paddy) and omission error (e.g. paddy fields are represented as non-paddy) would affect the efficiency of smart sampling. Satellite data of 10-30 m spatial resolution and crop mapping accuracy more than 80% are recommended for generating crop map for Smart Sampling.

20.1.2.2 **Crop yield proxy map:** Ability of the yield proxy to capture the spatial variability of yield within the IU largely determines the efficiency of Smart sampling technique. GoI has developed a protocol for yield proxy generation **as part of the CCE Manual**. The details of yield proxy generation using multiple satellite, weather and ground data are provided in the protocol. The yield proxy defined in the protocol is available in 10-30 m resolution, which has higher accuracy for yield estimation, as shown in various pilot studies. State/UTs may adopt that method for yield proxy generation. The yield proxy layer has to be generated in time, preferably 30 days and not later than 20 days before harvest time.

20.1.3 **Selection of CCE fields:** The Crop map should be co-registered with the Yield proxy map and overlaid on it. Density slicing based on 4-6 quantiles (divide the frequency distribution in equal proportion) should be carried out for the yield proxy of each district/block (6 classes are taken if stratification is done at district level and 4 classes are made if stratification is done at Block/Tehsil level). IU Boundaries are overlaid and for each IU 2-3 major classes are considered. 4 locations (primary) are randomly selected from these classes, proportionate to number of pixels under each class. For each point, 2 additional points (secondary and tertiary) are selected from the same class, as reserve. For each point, the latitude/longitude, class category, GP name, Taluka and District names are to be provided to the SRSCs. Field survey numbers corresponding to each location are to be identified by SRSC using cadastral maps and provided to the field functionaries at least 5-days before harvesting. Wherever cadastral map is not available, geographical locations (Latitude and Longitude) of the fields are to be given to the field functionaries, who can locate using any navigation App.

20.1.4 **Crops to be covered:** SST for CCE fields selection may be implemented for the notified crops, wherever satellite-based crop mapping and multi-index-based yield proxy layer generation are made available by MNCFC. Generally, it is recommended for main crops like Paddy, Wheat, Jowar, Mustard, Cotton etc., since the procedures for generating the above inputs are fairly operational. For other crops, methodologies are to be standardized and the State/UTs are advised to undertake such Research & Development (R&D) studies for standardization of approaches so that a greater number of crops can be brought under the purview of smart sampling.

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

20.1.6 Accordingly, the State/UTs are required to share the list of district wise crop calendar including harvesting window (i.e. Start Date and End Date) for Kharif and Rabi crops for the implementation of SST. In this regard the following shall be followed:

20.1.6.1 The State/UTs shall select and notify the districts and crops for the implementation of SST and no other sampling method shall be used for these districts and crops for conducting CCEs. However, the State/UTs may have a separate set of CCEs for GCES.

20.1.6.2 MNCFC will be the nodal agency for SST implementation in coordination with the State Remote Sensing Centers (SRSCs). The State/UTs must bring the SRSCs onboard for SST implementation especially for providing village boundaries, location of SST for identification of plot etc.

20.1.6.3 The State/UTs shall provide the following information to MNCFC for generation of SST points:

i. List of Districts and Crops for implementation of SST as part of the notification itself.

ii. 100 Ground Truth (GT) points of the identified Crops in the District, One Month before the start of the harvesting season.

iii. Boundaries of the Insurance Units in vector format (Shapefiles).

20.1.6.4 Location of SST based CCEs shall be shared by MNCFC with the concerned State/UT Agriculture Department 15 days before the harvesting period, as notified in the crop calendar as latest by the timelines mention at Table 2 of **Para 16.4** of these guidelines.

20.1.7 State/UTs are advised to make suitable preparedness to ensure implementation of SST for selection of CCE plots for the selected Districts/Crops and must work in close Coordination with the MNCFC, as any delay in providing the requested data to MNCFC will result in generation of SST points.

20.2 Direct Yield Estimation through Technology

20.2.1 Yield Estimation System Based on Technology (YES-TECH)

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

20.2.1.2 The GoI, with the support of national/international centers as mentioned in **Para 20.2.1.1** above, SRSCs and SAUs, initiated pilot studies on technology-based crop yield estimation using technology and a small number of good quality CCEs as ground truth for model calibration and validation. The results of these pilot studies have been evaluated and recommended for up scaling at national level.

20.2.1.3 Accordingly, the GoI has initiated nation-wide rollout of Yield Estimation System based on Technology (YES-TECH), from Kharif 2023 season onwards, towards enabling large scale adoption of technology-based yield estimates for yield loss and insurance claim assessments under PMFBY.

20.2.1.4 YES-TECH Manual 2023 has been notified by the GoI and all the provisions of the said manual, as amended from time to time, shall be applicable to the scheme.

20.2.1.5 Technology-based yield estimation shall be implemented on graded scale i.e., minimum 30% weightage to technology driven yield estimates in the first year along with 70% to traditional Crop Cutting Experiments approach. Gradual increase of 10%-20% thereafter will be made based on the experience of stakeholders. However, the State/UTs may opt for increasing the percentage and give higher weightage to the technology derived yield estimates from Kharif 2023 itself.

20.2.1.6 The concept of assigning the weightage to technology is being roped in for reducing the moral hazards & increasing objectivity, however the conventional CCEs (to be captured through CCE-Agri app) will continue to be conducted as being done presently.

20.2.1.7 The weightage to technology shall be increased in the following manner if State/UTs do not conduct their Crop Cutting Experiments through the CCE-Agri app:

% of CCE conducted through app w.r.t. total C conducted in a district	Weightage to technology
>75%	30%
>50% but < or =75%	35%
>25% but < or =50%	40%
>10% but < or =25%	45%
< 10%	50%

20.2.1.8 State/UTs will be assisted by the following entities in implementation of YES-TECH:

i. **Mentor Institutes for Technology Rollout (MITR)** shall supervise the adoption and implementation of technical approaches for yield assessment. These mentor institutions may be National level Technology institutions (Like NRSC, SAC, ICAR etc.), State Agriculture Universities, State Remote Sensing Centre or any other such institution.

ii. **Technology Implementation Partner (TIP)** shall be the agency that shall run the models finalized by the respective State/UT. TIP can be a private sector player or even a suitably qualified public institution. State/UTs shall choose TIP but to be selected as a TIP they will have to be technically empaneled by the YES-TECH Committee.

iii. The MITRs, TIPs and other stakeholders shall follow all relevant provisions of YES-TECH manual 2023, as amended from time to time.

20.2.1.9 Cost of implementing the YES-TECH component would be shared between the GoI and the State/UT Government on sunset basis as under:

	Particulars	**Sharing Ratio/Pattern between Central and State Governments/UT Administrations for YES-TECH**			
		2023-24 (1st year)	2024-25 (2nd year)	2025-26 (3rd year)	2026-27 onwards
1	North-eastern and Himalayan States/Uts	90:10	90:10	90:10	As per subsidy sharing pattern
2.	Other States/UTs	90:10	80:20	60:40	

20.2.2 Collection of Real-time Photos and Observations of Crops (CROPIC)

20.2.2.1 Under this initiative, crop health will be monitored by taking periodic photos of standing or peril-affected crops at pre-determined interval of its growth with GPS coordinates, three to five times during the season for assessing the crop condition at different stages of the crop cycle.

20.2.2.2 This will also greatly help in reducing the moral hazard as availability of periodic photos of crop health will ensure that there is suitable data available to validate a sudden and precipitous fall in yield at the time of the CCE.

20.2.2.3 Further, this data can subsequently be analyzed using AI/ML tools to further augment the YES-TECH models.

20.2.2.4 The use of CROPIC Mobile App for collection of crop photographs shall be mandatory for Insurance Companies and State Governments/UTs. Other rural channels viz. Krishi Sakhi, Bima Mitras etc. may also be engaged in the collection of crop photographs. The same may be made optional for farmers to crowd-source the crop photographs.

20.2.2.5 Monetary incentive of Rs. 10/- per field / visit (maximum Rs. 50/- per field per year) for sending crop condition photo from the ground level shall be given to identified individuals like Farmers, Krishi Sakhis, Bima Mitras, ground level staff of Agriculture, Economics & Statistics & Revenue departments of the States/UTs and any other channel notified by the GoI. This initiative shall be dovetailed with other initiatives of the GoI.

20.2.2.6 A detailed SOP/Manual and modalities of the CROPIC platform shall be notified by the GoI separately.

20.3 Concerns in Yield Data Quality and Timelines for Data Reporting

20.3.1 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 / handheld devices has to be done for capturing images, location of the CCE and for online transmission of data on NCIP through CCEs Agri-app. RST using satellite and drones, weather data, model etc. may also be used for the purpose of increasing accuracy and speed of yield estimation through CCEs.

20.3.2 If the CCE derived yield data is not provided by the State/UTs within the stipulated timeline then technology derived Synthetic Yield data (i.e. crop yield estimated/simulated using the Models described in the YES-TECH Manual 2023) will be used for claims settlements. Such Synthetic Yield data of a crop will be compared with corresponding yield data (derived from CCE based data) for yield loss assessment. Synthetic yield data is meant for the purpose of timely settlement of claims when CCE-derived yield data availability is either delayed or disputed. Synthetic yield or technology derived yield is generated by the agencies designated by the GoI. The GoI will convene the meeting of the Central TAC constituted for this purpose with the concerned State/UT Government and the Insurance Companies to finalize the technology-based claim calculation for that crop. If the Central TAC recommends, the GoI will send a request letter to MNCFC (Mahalanobis National Crop Forecast Centre)/ Other Designated Agency (e.g. MITR, SAC, NRSC, IASRI, IMD, etc.) for the calculation of synthetic yield (model-based yield) for that crop. After the meeting of Expert Committee and the MNCFC/ Other Designated Agency will share the synthetic yield within one month from the final receipt of required input data from the State/UT and/or Insurance Companies and the claims will be settled based on synthetic yield provided by MNCFC or any Other Designated Agency.

20.4 Fund for Innovation and Technology (FIAT)

20.4.1 Fund for Innovation and Technology (FIAT) has been created by the GoI wherein resources shall be allocated for meeting designated percentage of GoI share/100% grant in various technological interventions undertaken by the GoI/State Governments/UT Administrations as admissible. The existing technology fund has been restructured as FIAT and available fund have also been transferred.

20.4.2 The FIAT shall be funded from the amount already collected from the corpus generated from excess farmers share of premium surrendered by Insurance Companies due to application of Area Correction Factor (ACF) along with corresponding interest accrued on such funds and penalties imposed on Insurance Companies on account of unsatisfactory performance. The minor insurance claims of the value as decided by the State/UT against any individual farmer shall also be moved to this fund instead of being credited to farmer's account.

20.4.3 The FIAT shall be utilized for the following activities under the scheme:

i. Yield Estimation System Based on Technology (YES-TECH),

ii. Weather Information Network & Data System (WINDS)

iii. Collection of Real-time Photos and Observations of Crops (CROPIC),

iv. To finance and subsidize research & development and improvement in technology solutions (like Drones, IoT, Remote Sensing etc.),

v. To finance innovation and development of new insurance and risk protection solutions under the product Sandbox approach, including but not limited to SARTHI (Sandbox for Agricultural & Rural Security, Technology & Insurance)

vi. For giving grants to Academic, Research and Development institutions for carrying out research, design and development initiatives, risk protection products and technology solutions for crop damage and yield loss estimation, crop identification & digitization etc.

20.4.4 The SOP for management of FIAT and release of funds for aforesaid activities shall be issued by the GoI, separately.

20.5 **Support to the States and Insurance Companies for Technology Adoption:** PMFBY relies more on technology-based solutions for enhancing efficiency and objectivity in its implementation. For finalizing the best possible methodologies corresponding to the provisions of OGs, State/UTs and Insurance Companies need the support of Technology Institutions. This involves a lot of preparatory work by the State/UTs and Insurers for implementing the scheme. In this connection, State/UTs are advised to take the support of MNCFC, SRSCs, National Institutes like MITR, SAC (ISRO), NRSC (ISRO), IMD and ICAR to undertake research and development of innovative technologies in agricultural applications. Crop maps and satellite indices that are being generated at MNCFC under various projects like FASAL, National Agriculture Drought Assessment and Monitoring System (NADAMS), Coordinated Horticulture Assessment and Management using Geo-iNformatics (CHAMAN) etc. can be made available to State/UTs by MNCFC for the purpose of developing the technology interventions. This would avoid duplication of efforts by the State/UTs and the insurers.

20.6 **Training and Capacity Building:** PMFBY relies largely on technology-based products and services for efficiency, transparency and objectivity in its implementation. All the stakeholders should therefore create necessary infrastructure, data collection systems and manpower for technology adoption. In this connection, State/UTs and Insurance Companies have to be given regular training for better understanding of the new guidelines and developing the methods for implementation. Therefore, Training and Capacity building programs shall be curated and developed by the GoI with the support of MNCFC, SAC, NRSC, and ICAR institutes.

21 Assessment of Claims & Claim Settlement

21.1 Payment of Claim under standard PMFBY is the responsibility of concerned Insurance Companies. The Insurance Companies shall therefore take all the necessary steps to take appropriate reinsurance cover for their portfolio in order to safeguard insured's interest. In case of total premium to total claims ratio exceeds 1:3.5 or percentage of claims to Sum Insured exceeds 35%, whichever is higher, at the National Level in a specific crop season, then Government will provide protection to Insurance Companies. The losses exceeding the abovementioned level in the crop season would be met from equal contribution by the GoI and the concerned State Governments/UT Administrations. The claim settlement under the scheme shall be mandatorily assessed and processed as per the applicable relevant provisions of these guidelines. No other provisions and practices or processes or other schemes etc. shall be considered for claim assessment and settlement under PMFBY. The claim settlement protocol under basic cover and all other add-on covers are explained in details as below:

21.2 Yield Loss due to Wide-spread Calamities under Basic Cover

21.2.1 If the Actual Yield per hectare of the insured crop for the Insurance Unit (calculated on basis of requisite number of CCEs or a combination of CCE & technology derived yield estimates, as the case may be) in insured season, falls short of the specified Threshold Yield for the season, all insured farmers growing that crop in that IU are deemed to have suffered a shortfall of similar magnitude in yield. PMFBY seeks to provide coverage against such contingency.

'Claim' shall be calculated at IU level as per the following formula:

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

Where, Threshold Yield (TY) for a crop in a notified insurance unit is the average yield of the best 5 years from the past seven years multiplied by applicable Indemnity Level for that crop as notified by concerned State for the season.

Illustration

In table below, assumed yield of wheat for the last 7 years is given for insurance unit area of "X". Calculation of TY for Rabi 2015-16 season is given in Table 7 below:

Year	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Yield (kg / ha)	4,500	3,750	2,000	4,250	1,800	4,300	1,750

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

Total yield of seven years is 22,350 kg/ha and that of two lowest yield years is 3550 kg/ha i.e. (1,800+1,750). Therefore, according to the provision, the average of the best five years excluding the two lowest yield years will be (22,350 – 3,550 =18,800/5) i.e., 3,760 kg/ha. Hence, threshold yield at 90%, 80% and 70% of indemnity levels will be 3,384 kg/ha, 3,008 kg/ha and 2,632 kg/ha respectively.

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

21.3 Prevented/Failed Sowing and Prevented Planting/Germination Claims

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

21.3.2 Eligibility Criteria

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

21.3.2.2 Notified IUs will be eligible for "Prevented Sowing/ Planting" pay-out only if more than 75% of Crop-wise, normal sown area for notified crop in the IU experienced unsown/prevented sowing/germination failure during the sowing period **(as per the crop calendar notified by the State/UTs)** due to occurrence of widespread incidence of eligible risks. Normal sown area of the crops will be the average of actual sown area of the preceding three seasons.

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

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

21.3.2.5 The eligibility of claim settlement shall be decided based on the outcome of the joint loss assessment surveys carried out by the representatives of Insurance Company, District Administration/State Government's/UT Administration's Nodal Department and Farmers. In case of a dispute/disagreement between the stakeholders regarding the quantum/extent of loss reported by the Joint Loss Assessment committee, the crop loss assessment/estimation for the eligibility of the claims will be done using technology derived solutions such as weather/remote-sensing indices along with loss assessment surveys of Joint Committee with the weightage of 70% and 30% respectively for the final assessment and evaluation of the extent of loss.

Acceptance of the technology driven extent of loss will be binding on all stakeholders.

21.3.2.6 STAC in coordination with State Remote Sensing Application Center or TIP appointed under YES-TECH (for the crops notified under Crop Model Matrix (CMM)) will conduct estimation and assessment of the loss as mentioned in **Para 21.3.2.5** based on the protocol developed by MNCFC. STAC may take the help of MNCFC if they desire.

21.3.2.7 The amount payable would be 25% of the gross total Sum Insured and the insurance coverage shall get terminated. Farmers can have the alternative to sow shorter duration, resistant crops and avail crop insurance on such crops within the enrolment period for the same. **Enrollment for such alternative crops shall be allowed up to 15 days from the enrolment cut-off date mentioned in the notification, subject to the condition that such notification is issued by the State/UT Government within 15 days after the cut-off date for enrollment and debit of premium and the alternative crops also having already been notified by the State /UT Government.**

21.3.3 **Proxy-Indicators:** Indicators to be used for loss intimation could be rainfall data, other weather indices from WINDS and/or IMD, satellite imagery, Remote sensing indices, drought assessment reports of the MNCFC and crop condition reports by district level/ State Government /UT Administration officials, supported by media reports and field photographs. The State/UT's notification should include all the necessary details and the broad list of indicators to be used in this regard.

21.3.4 Loss Assessment Procedure

21.3.4.1 The States/UTs would notify the Crop Calendar indicating crop-wise and agro-climatic zone or district wise cut-off dates by which, this provision could be invoked. However, these dates should not be later than 30 days from the time of onset of sowing period and no later than 15 days from the cut-off date for enrolment of farmer. Beyond this date, this provision shall not be applicable under any circumstance.

21.3.4.2 The DLMC will recommend invoking of prevented sowing to the State Nodal Department. State/UT Government Notification will only be issued by the concerned State Nodal Department after consideration and validation using the available proxy data. Insurance Companies may also provide input to the State/UT in this regard with substantial evidence for consideration within the stipulated time so that claim of Insurance Companies may be verified by them. If Insurance Companies makes such a case, then the DLMC/State Government/UT Administration is bound to get it examined within a stipulated time of 7 days and in case State Governments/UT Administrations finds that Prevented Sowing is not applicable then they should inform the Insurance Companies accordingly along with providing cogent reasons and justifications for the same.

21.3.4.3 If it is felt that the prevailing conditions precedent triggers for invocation of prevented sowing have been breached, the Chairman, DLMC on his/her own accord or on the directions of the State Nodal Department, may convene a meeting of the DLMC wherein the weather/proxy indicator data as indicated in Table 8, **Para 21.3.5.11** shall be presented and discussed. If the Committee finds a breach of the conditions, then DLMC will issue directions for conducting the joint survey of the crop-wise affected insurance units which includes a written notice to concerned Insurance Companies for a Joint Survey. The report of the joint survey will be presented in the DLMC and with the recommendation of DLMC it shall be forwarded to the State Government/UT Administration for validation and issuance of the necessary notification for invocation of prevented sowing.

21.3.4.4 State Governments/UT Administrations would declare the list of notified IU that suffered Prevented or Failed Sowing/Planting/Germination conditions with approximate areas in percentage of the unit. Such information should be compulsorily uploaded on NCIP to arrive at the Claim amount of eligible insured farmers from the Portal itself.

21.3.4.5 Peril occurrence notification issued by the State Governments/UT Administrations shall be digitized and integrated with the NCIP to ensure complete visibility of process involved and enabling monitoring of turnaround time taken in loss surveying, claim calculations and settlement process.

21.3.4.6 For estimation of crop loss in the affected areas, the digital mobile App provided by the GoI shall be compulsorily used by the Insurance Companies, States/UTs and loss surveyors appointed by the concerned Insurance Companies. The roll-out of the mobile app for crop loss assessment surveys shall be notified by the GoI.

21.3.4.7 The State/UTs implementing YES-TECH for the notified crops, ~~may~~ shall ask the TIPs to submit the Special Report for Prevented Sowing (SR-PS) as mentioned the YES-TECH Manual 2023.

21.3.5 Conditions

21.3.5.1 The cover will be available for major crops covering a total sown area higher than 25% of the total sown area of the District/Taluka or the equivalent unit for the season (refer **Para 7.2.1.1**). Provision of Area Correction Factor (ACF) will not be applicable.

21.3.5.2 Mere disbursement/sanction of loan without receipt/ debit of premium before the notification of calamity won't make a farmer eligible for claim.

21.3.5.3 This provision has to be notified by the State/UT Government within 30 days from date of the onset of sowing and no later than 15 days of the cut-off date for enrolment and debit of premium as notified by the State/UT, beyond which the clause cannot be invoked. Insurance Companies will not have any right to press for notification of Preventive Sowing in case the same is not notified by the State/UT Government within above defined timelines and also shall not withhold any future claims for the concerned crops & IUs. Any notification beyond the above referred timelines shall require approval of the GoI before the same is notified by the State/UT.

21.3.5.4 The Insurance Companies shall disburse the claim within 30 days of the State/UTs Notification invoking the event of the insured risk.

21.3.5.5 The pay-out under the cover would be disbursed by the Insurance Companies only after the receipt of at least advance Government share of premium subsidy (1^{st} tranche of both State/UT Government and the GoI).

21.3.5.6 Insurance Cover would terminate for the affected crop in a Notified IU once a claim under this section is invoked and the affected Insurance Unit/ Crop would not be eligible for any other add-on and area yield based claim calculated at the end of the season for that crop & Insurance Unit.

21.3.5.7 Once this provision is invoked, no fresh enrolment of farmers for the affected notified crops and areas would be done.

21.3.5.8 Once exigency is invoked it applies to all the insured farmers in the Notified Insurance Unit for a given crop, including those whose crop survived.

21.3.5.9 The Bank would remit farmers' premium to Insurance Companies, with eligible loanee farmers list, within 7 days of the intimation of loss under this section, if not uploaded earlier on Portal. However, this option must be exercised as a last recourse with proper justification.

Illustration

21.3.5.10 District 'B' with 100 Insurance Units has been affected by a dry-spell at the beginning of crop season, consequently about 80% of the area could not be sown in about 50 Insurance Units for groundnut crop, where per hectare sum insured is Rs. 20,000. As per the provision of payment for prevented sowing, the benefit payable is Sum Insured x 25%, which on a sum insured of Rs.20,000 works out to Rs.5,000/- in the 50 Insurance Units with more than 75% area which could not be sown.

21.3.5.11 Detailed Procedure and Timelines for payment of Prevented / Failed Sowing and Prevented Planting / Germination Claims is mentioned in Table 8 below:

Sl. No.	Action required to be taken	Action to be taken by	Schedule for taking action
1	Formation of DLJC under the Chairpersonship of the District Collector (DC)/ District Magistrate (DM*) with the following members for loss assessment survey: • District Agriculture / Horticulture / Revenue Officer – as Convener. • Concerned Insurance Company • Representative of the IMD from nearest Observatory. • Representative of Krishi Vigyan Kendra (KVK) / Agriculture University. • 3 representatives from district farmers nominated by Agriculture Department.	State/ UT Nodal Department/ (SLCCCI).	It should be a part of main Notification to be issued the by State/UT for implementation of PMFBY. The composition of Committee should be notified in the PMFBY notification by the State/UT & first meeting should be held within a week after the notification to familiarize the members with the procedure to be followed.
	Details of AWS/ARGs under WINDS (at appropriate level according to availability) to be notified by the State/UT for the implementation of PMFBY/RWBCIS for weather data supply including rainfall to DLJC.	State/ UT Nodal Department/ (SLCCCI)	To be included in the main notification of State Governments/UT Administrations itself.

Sl. No.	Action required to be taken	Action to be taken by	Schedule for taking action
	Major crops should be declared strictly based on the criteria defined in the OG and they should be mentioned in the notification issued by State Government/UT Administration.		- do -
	District-wise tentative <u>time period and cut off dates</u> for sowing of major crops. **Cut-off date for applicability of prevented sowing provision shall not be one month from the time of onset of sowing period and no later than 15 days from the enrolment cut-off date.*	State/ UT Nodal Department/ (SLCCCI)	do -
	Details of the month-wise district-wise as per IMD's Long Period Average (LPA) of rainfall.		- do -
2	Decision to be taken about fulfilment of the eligibility of more than 75% affected sown area in the notified insurance unit within one month of the sowing period based on the occurrence of any one of the proxy Indicators occurring along with other proxy indicators:- • Severe Drought Condition, as defined inthe Drought Manual, 2016. • Dry spells and droughtdeclared by State/ UT. • Abnormally Low / High temperature in comparison to LPA >20%deviation • Abnormally Low / High rainfall in comparison to LPA > 20% deviation. • Widespread incidences of Insect, Pest & Diseases impacting > 75% crop sown Area*. • Any other defined naturalevent including flooding which may lead to widespread losses impacting > 75% crop sown area*. Supported by Satellite Image and Satellite Index based outputs to be provided by MITR, ISRO/SAC, MNCFC or MITR's under YES-TECH, Govt. crop	DLJC	Definitions & interpretations regarding proxy indicators would be applied as per IMD's Guidelines as below. %age w.r.t. LPA Abnormal Weather Parameter: (±) 20 or more deviation than the LPA. Definitions & interpretations regarding proxy indicators for drought would be applied as per Drought Manual 2016, i.e. **1. Rainfall Index:** Dry Spell: 3-4 weeks with <50% of Normal RF Rainfall Deviation: < -20% of Normal Rainfall (RF). **2. Remote Sensing:** NDVI/ NDWI deviation: < -20%-30% VCI Value--0-40%. **3. Crop Sowing:** Area Under Sowing: Kharif < 33.3%, Rabi < 50% of crop-wise normal Sown Area*.

Sl. No.	Action required to be taken	Action to be taken by	Schedule for taking action
	condition reports, and Media reports etc.		**4. Soil Moisture:** Plant available Soil Moisture (PASM) / Moisture Adequacy Index (MAI) - 0%-75%. **5. Hydrology:** Reservoir Storage Index (RSI)-->20% Ground Water Drought Index (GWDI) -->0.16% Steam Flow Drought Index (SFDI) -->0.01.
3	Keeping watch over the breaching of set triggers of proxy indicators as mentioned above. Meeting of the DLMC to be convened on breaching of any one of proxy indicators as mentioned above.	District Agriculture / Horticulture / Revenue Officer (i.e. convener of DLJC) Besides, if Insurance Companies notice the occurrence of prevented sowing / failure of sowing / planting / germination, then they can also report and appeal to DLMC for invoking the clause under the provision.	Meeting of the DLMC to be convened with relevant data, to be placed before the Committee and decision preferably be taken at-least 15 days before the date of invoking this seasonal event.
4	Sample survey for the assessment of more than 75% affected sown area in the notified insurance unit area and submission of recommendation along with supporting weather/ remote sensing indices, loss survey reports, other data and documentary proofs to State/ UT Nodal Department.	To be done by DLMC.	Within 7 days of meeting of DLMC.
5	Issue of the notification to invoke the provision of prevented sowing & failure of sowing / planting / germination.	State/ UT Nodal Department.	Within 7 days from receipt of loss assessment survey report of DLMC.
6	Supply of the details of farmers & area insured along with total premium (farmers' share & Government subsidy) debited to the Insurance Company. This is prerequisite for making payment.	Banks (loanee & non-loanee) and Intermediaries (non-loanee).	Within 15 days from the cut-off date for enrolment of farmers. This should be processed on a parallel basis with the survey and issuance of notification.

Sl. No.	Action required to be taken	Action to be taken by	Schedule for taking action
7	Dispute/Disagreement of any stakeholder on the process of Loss Assessment Survey or Extent of assessed loss.	By any stakeholder.	Written notice within 7 days to Chairperson-DLMC with proofs/data/reports substantiating the claim. DLMC to review the reports/evidences and resolve the dispute within 7 days. In case the dispute is still unresolved, the affected stakeholder can make appeal to State Nodal Department, thereafter to STAC, as per process defined in Grievance Redressal mechanism.
8	Assessment of likely claim based on notification issued by State Nodal Department.	Insurance Company	Within one month of the notification invoking this provision subject to receipt of 1st tranche of advance Government Subsidy (both State/UT and the GoI).
9	Payment to eligible farmers (25% of sum insured), and insurance coverage for the crop-IU gets over. No other claim after payment under this provision will be applicable even to those farmers whose crop survived.		
10	Data pertaining to Loss assessment report finalized by DLJC and admissible claims will be uploaded on the NCIP against each eligible farmer.	Insurance Company	Within 7 days of the Survey.

**Note: Normal Sown Area will be Average of crop-wise Actual Sown Area of immediatelypreceding three seasons and will be made available by the concerned State Governments/UT Administrations on NCIP.*

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

21.4.1 Insurance cover will be provided to the farmers to provide immediate relief in case of adverse seasonal conditions during the crop season viz**. floods, prolonged dry spells, severe drought etc., between the period from 30 days from start of onset of sowing and up to 15 days before the onset of harvest time, (as per the crop calendar notified by the States/UT Governments) wherein the expected yield during the season is likely to be less than 50% of Normal Yield**.

21.4.2 Eligibility Criteria

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

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

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

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

21.4.2.5 STAC in coordination with respective State Remote Sensing Application Center (SRSAC) or TIP appointed under YES-TECH (for the crops notified under Crop Model Matrix (CMM)) will conduct the crop yield estimation and assessment of potential loss as mentioned in **Para 21.4.2.4** based on the protocol developed by MNCFC. STAC may take help of MNCFC if they desire.

21.4.2.6 Only those farmers would be eligible for financial support under this cover who have paid the premium / the premium has been debited from their account beforethe happening of the mid-season adversity. Banks must ensure to debit farmers premium within 15 days from sanction or renewal of KCC/crop loan of all eligible farmers and well before the cut-off date for debiting the premium to provide benefitof this add on cover.

21.4.2.7 Amount payable would be 25% of the likely claims subject to adjustment against final yield claims based on yield assessment data arrived through CCEs.

21.4.2.8 **If adversity occurs within a period of 30 days from the start of onset of sowing (as per thecrop calendar/notified by the State/UTs) and within 15 days before the onset of harvesting, this provision will not be invoked.** For the former case, the losses will be compensated under Prevented Sowing/Failed Germination clause and for the later case, the losses will be paid on the basis of CCE based yield estimation data. State Governments/UT Administrations shall compulsorily notify the district-crop wise onset of sowing and harvesting for notified crops including multi-picking crops.

21.4.2.9 Maximum liability is limited to the maximum or balance Sum Insured of the damaged crop's area within insured land parcel and the pay-out under this provision would be in proportion to the loss incurred on the crop in the insured land parcel, up to the occurrence of the insured peril.

21.4.2.10 Payout under this peril will be as per the payment modalities given in the Annexure-V of these Guidelines.

21.4.2.11 In case the crop losses are triggered due to multiple events under different or similar covers, the payout under localized calamites shall be calculated as per the modalities described in **Para 21.7, "Claim Settlement under Multiple Events of Similar or Different Perils",** of the Operational Guidelines.

21.4.3 **Proxy-Indicators:** Indicators to be used for loss intimation could be rainfall data, other weather indices from WINDS and/or IMD, satellite imagery, remote sensing indices, drought assessment reports of MNCFC and crop condition reports by the district level/ State Government /UT Administration officials, supported by media reports and field photographs. The State's notification should also spell out all the necessary details and the broad list of indicators to be used in this regard. A detailed SOP/Manual and modalities for setting up crop-specific weather-parameter triggers as a first level of qualifying mechanism for conducting physical loss assessment surveys shall be notified by the GoI separately.

21.4.4 Loss Assessment Procedure

21.4.4.1 The Joint Committee of the State/UT or District Administration/Nodal Department and the Insurer (refer **Para 21.3.5.11**) for the assessment of crop damage have to be formed and notified before the start of the crop season by the SLCCCI for each district.

21.4.4.2 When it is perceived that a risk is triggered as defined in the protocol for different indices, viz. Weather, Remote Sensing, Hydrology, Soil Moisture & Insects/ Pest/ Disease impact resulting into mid-term adverse impact on crops and thereby qualifying for on-account payment of claims and if it is felt that the prevailing conditions precedent for invocation of mid-season adversity have been breached, the Chairperson, DLMC on his/her own accord or on the directions of State Nodal Department, as the case may be, convene the meeting of DLMC wherein the weather/proxy indicator data of the indicators as indicated in Table 9 shall be presented and discussed. If the Committee feels that the triggers for invocation of mid-season adversity as mentioned above have been breached, then DLMC will issue directions for convening a meeting of the DLJC for conducting a joint survey of the crop-wise affected insurance unit and written notice may be issued to concerned Insurance Company for the Joint Survey. The report of the joint survey will be presented in the DLMC/DLJC and with the recommendation of DLMC it shall be forwarded to State Governments/UT Administrations for validation and issue of necessary notification for invocation of mid-season adversity.

21.4.4.3 The Joint Committee shall decide the eligibility for mid-term adversity declaration based on the daily weather indices from WINDS and/or IMD (available AWS/ARGs under WINDS notified by the Government/long term average rainfall data/temperature data), satellite imagery and remote sensing indices, Crop condition, insect/pest/disease impact etc., indicating crop yield losses at notified IU level.

21.4.4.4 Based on these parameters, the Joint Committee will assess whether the provision of On-account payment will be invoked and will call for a joint survey. A formal letter has to be issued within 7 days from the adverse seasonal event by the concerned District Administration and District Level Joint Committee for carrying out the joint loss assessment surveys in affected IUs along with a list of such IUs.

21.4.4.5 Based on the above report, a joint inspection of the affected area shall be done the

Insurance Company along with the District Administration/Nodal Department officials and farmer representatives for ground truth/sample survey using mobile phone App and arrive at the extent of loss by carrying out IU level sample loss surveys.

21.4.4.6 Information/Services of MITR, MNCFC, ISRO or State/UT specific SRSACs may also be utilized for determination of the extent of loss, using satellite data, for On-Account pay-out.

21.4.4.7 If the assessed loss of the affected crop assessed through Loss Assessment Surveys is more than 50% of the normal crop yield for the Notified Insurance Unit,On-Account payment would be payable within 30 days from the date of the invocation of mid-term adversity. It is important that the yield / crop losses estimated for mid-season adversity should be reasonably accurate and should have parity with end of season final crop yield estimates.

21.4.4.8 The sample surveys for estimation of crop yield loss in the affected IUs shall be conducted using the digital mobile App provided by the GoI, by the States/UT officials and the loss surveyors appointed by the concerned Insurance Companies.

21.4.4.9 On-Account payment would be calculated as per following formula:

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

21.4.5 Timeframe for Loss Assessment and Submission of Report

21.4.5.1 A formal invocation of mid-season adversity through a formal letter will be issued by the District Administration/Nodal Department of State/UT Government asking to carry out the loss assessment surveys with details of the affected IUs within 7 days from the occurrence of adverse seasonal event.

21.4.5.2 Loss assessment report at the affected insurance unit level has to be completed by the Joint Committee within 15 days from occurrence of the adverse seasonal event and the loss report should compulsorily be uploaded on NCIP to arrive at the Claim amount of eligible insured farmers from the Portal.

21.4.5.3 The State/UTs implementing YES-TECH for the notified crops, may ask the TIPs to submit the Special Report for Mid-Season Adversity (SR-MSA) as mentioned the YES-TECH Manual 2023.

21.4.5.4 Peril occurrence notification issued by the State Governments/UT Administrations shall also be digitized and integrated with the NCIP to ensure complete visibility of process involved and enabling monitoring of turnaround time taken in loss survey, claim calculations and settlement process.

21.4.6 Conditions

21.4.6.1 Mere disbursement/ sanction of loan without receipt/ debit of premium before the notification of the calamity would not make a farmer eligible for the claim.

21.4.6.2 The pay-out under the cover would be disbursed by the Insurance Company only after the receipt of at least advance Government share of premium subsidy (1st tranche of both State/UT and the GoI).

21.4.6.3 On-Account payment would be paid to all eligible insured farmers within one month of the notification invoking this provision by the State/UT Government and subject to receipt of loss assessment report from State/UT Government.

21.4.6.4 These claims would be adjusted against the end season area approach yield based claims.

21.4.6.5 Banks would remit farmers' premium to the Insurance Companies, with the farmers list, within 7 days of the intimation of loss under this section, if not uploaded earlier on Portal. However, this option must be exercised as a last recourse with proper justification.

Illustration

District 'A' has been affected by floods having 100 insurance units under Crop 'X'. Out of which 50 insurance units were severely affected and as per the weather indicators / agro-met data, it has been assessed that 30 IUs could have yield loss of more than 50% of the normal yield. Out of these 30 insurance units, estimated yield loss against TY for 5 units is 80% (Category-I), for another 10 units, it is 70% (Category-II) and remaining 15 units, it is 60% (Category-III) of normal yield. As per declarations received, if sum insured for notified areas in Category-I, Category-II and Category-III is Rs. 1 crore, Rs. 2 crore, and Rs. 3 crore, respectively, then likely total claims will be Rs. 80 lakh, 140 lakh and 180 lakh, respectively. Hence on-account claims upto 25% shall be Rs.20 lakh, 35 lakh and 45 lakh, which will be released during the season subject to receipt of premium subsidy.

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

Sl. No	Action required to be taken	Action to be taken by	Schedule for taking action
1	Formation of DLJC under the Chairpersonship of DC/DM with the following members for loss assessment survey: • istrict Agriculture / Horticulture/ Revenue Officer - as Convener. • oncerned Insurance Company. • epresentative of IMD from nearest Observatory, if available. • epresentative of KVK / Agriculture University. • representatives from district farmers nominated by Agriculture Department.	State/ UT Nodal Department/ (SLCCCI)	It should be a part of main Notification to be issued by State/ UT for implementation of PMFBY. The composition of Committee should be notified in the PMFBY notification by the State/UT & first meeting should be held within a week after notification to familiarize the members with the procedure to be followed.

Sl. No	Action required to be taken	Action to be taken by	Schedule for taking action
	• istrict collector may co-opt experts.		
	Details of AWS/ARG under WINDS to be notified by the State/ UT for implementation of PMFBY for weather data supply including rainfall to DLJC.	State/ UT Nodal Department/ (SLCCCI)	To be included in the main notification of State Governments/UT Administrations itself.
	Tentative dates of crop-wise & district-wise sowing & harvesting.		
	Details of month-wise district-wise IMD's Long Period Average LPA of rainfall.		
2	After 1 month from onset of sowing and before 15 days from the onset of harvest time, fulfilment of eligibility of On-Account payment (i.e. 50% yield loss in standing crops to be compared with Normal yield in notified insurance unit area as explained in Para 21.4.2.2) is to be decided based on occurrence of any one of the proxy Indicators occurring along with other proxy indicators of: •Severe Drought Condition, as defined in the Drought Manual, 2016. •Dry spells and drought declared by State/ UT. •Abnormally Low / High temperature in comparison to LPA>20% deviation. •Abnormally Low / High rainfall in comparison to LPA > 20% deviation. •Widespread incidences of Insect, Pest & Diseases impacting > 25% insured crop Area*. •Any other defined natural event including flooding which may lead to widespread losses impacting > 25% insured crop area*. Supported by Satellite Image and Satellite Index based outputs to be provided by MITR, ISRO/SAC, MNCFC or MITR's under YES-	DLJC	Definitions & interpretations regarding proxy indicators would be applied as per IMD's guidelines as below. %age w.r.t. LPA Abnormal Weather Parameter: (±) 20 or more deviation than the LPA. Definitions & interpretations regarding proxy indicators for drought would be applied as per Drought Manual 2016, i.e. 1. Rainfall Index: Dry Spell: 3-4 weeks with <50% of Normal RF Rainfall Deviation: < -20% of Normal Rainfall (RF). 2. Remote Sensing: NDVI/ NDWI deviation: < -20%-30% VCI Value--0-40%. 3. Crop Sowing: Area Under Sowing: Kharif < 33.3%, Rabi < 50% of crop-wise normal Sown

Sl. No	Action required to be taken	Action to be taken by	Schedule for taking action
	TECH, Government crop condition reports, and Media reports etc.		Area*. 4. Soil Moisture: PASM)/ MAI -- 0%-75%. 5. Hydrology: RSI --> 20% GWDI --> 0.16% SFDI --> 0.01.
3	Keeping watch over breaching of set triggers of proxy indicators as mentioned above. Meeting of DLJC to be convened on breaching of any one of above triggers of excess rainfall, flooding, deficit rainfall and dry spells, drought, high/low temperature, Insect/ Pest-Disease.	District Agriculture / Horticulture / Revenue Officer (i.e. convener of DLJC).	Meeting of DLJC to be convened with relevant data to be placed before the Committee and decision should be taken within 7 days from the occurrence of adverse seasonal event and communicated through a letter for conducting joint loss assessment surveys in listed IUs.
4	Physical loss assessment survey to be carried out at 10 different randomly selected locations spread across the affected Insurance Units (IU).	To be done by DLJC.	Within 7 days of issuing of letter for carrying out loss assessment surveys by DLJC.
5	Dispute/Disagreement of any stakeholder on the process of Loss Assessment Survey or Extent of assessed loss.	By any Stakeholder.	Written notice within 7 days to Chairman-DLMC with proofs/data/reports substantiating the claim. DLMC to review the reports/evidences and resolve the dispute within 7 Days. In case the dispute is still unresolved, the affected stakeholder can make appeal to State Nodal Department, thereafter to STAC as per process defined in Grievance Redressal mechanism.
6	Assessment of likely losses & amount of 'on-account' payment based on the joint survey.	Insurance Company	Within one month from the date of DLJC letter to carry out loss assessment surveys subject to receipt of at least 1st instalment of advance Government Subsidy (both State/UT and the GoI).
7	Payment to eligible farmers (25% of likely claims).		
8	Data pertaining to Loss assessment report finalized by DLJC and admissible claims will be uploaded	Insurance Company	Within 7 days of the survey.

Sl. No	Action required to be taken	Action to be taken by	Schedule for taking action
	on the NCIP against each eligible farmer.		

**Note: Insured Crop Area will be the Actual Insured Area of notified crop in Notified IU in the current seasons as available on NCIP.*

21.5 Localized Calamity

21.5.1 The Scheme provides for insurance cover at the individual farm level to crop losses due to occurrence of localized perils/ calamities viz. **hailstorm, landslide, inundation, cloud burst and natural fire due to lightening affecting part of a notified unit or a specific land parcel**.

21.5.2 For the purpose of indemnification of crop losses due to inundation as localized calamity, Inundation is a situation where insured field is covered or submerged by water due to the rise in water level by natural rainfall or from an artesian well or flood water from local water bodies and where water stays for a prolonged period and causes visible damage to the crop.

21.5.3 However, this is subject to confirmation of the damage in the joint survey to be conducted by the State/UT Government representative and Insurance Company in presence of the concerned farmer. The States/UTs shall notify the crops to be included under localized calamity losses along with the crop calendar in the Bid Document and Notification (as per **Para 7.3**) on the NCIP. The crops not falling under the aforesaid category/not included in the tender shall not be included later for localized calamity loss cover.

21.5.4 Eligibility Criteria

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

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

21.5.4.3 Available for all notified crops which have been declared eligible for localized calamity losses as per the State/UT Government notification and damaged by specified perils during when the crop is in standing condition up till harvesting.

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

21.5.4.5 Maximum liability is limited to the maximum or balance Sum Insured of the damaged crop's area within insured land parcel and the pay-out under this provision would be in proportion to the loss incurred on the crop in the insured land parcel, up to the occurrence of the insured peril.

21.5.4.6 Payout under this peril will be as per the payment modalities given in the Annexure-V of these Guidelines.

21.5.4.7 In case the crop losses are triggered due to multiple events under different or similar covers, the payout under localized calamites shall be calculated as per the modalities described in **Para 21.7, "Claim Settlement under Multiple Events of Similar or Different Perils",** of the Operational Guidelines.

21.5.4.8 **Proxy-Indicators:** Rainfall data from WINDS network/ hailstorm/landslide/ lightening (natural fire) incidences substantiated by reports in the local media or reports of the Agriculture/ Revenue Department supported by media Report and other evidence. A detailed SOP/Manual and modalities for setting up crop-specific weather-parameter triggers as a first level of qualifying mechanism for conducting physical loss assessment surveys shall be notified by the GoI separately.

21.5.5 Loss Assessment Procedure

21.5.5.1 Time and Method of Reporting the Loss/Claims

A. The State/UT Government shall define the period during which the crop is in standing position (district crop wise Crop calendar), during which this provision can be invoked. In the case of any event occurring beyond the defined period, this provision shall not be applicable under any circumstances.

B. Immediate intimation (within 72 hours) by the insured farmer as detailed in **Para 21.5.5.4** below.

C. Intimation must contain details of insured farmer's name, affected survey number-wise insured crop and acreage affected, Farmer's Application No as on NCIP, his/her Mobile Number etc. KCC A/c No. (In case of loanee farmer) or saving bank Account (in case of non-Loanee farmer as declared at the time of applying for crop insurance) for identification and verification purpose.

D. Premium payment verification to be done from the portal and in case of need, may be verified from the bank. The bank shall provide the payment verification within the next 48 hours of receipt of such request.

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

21.5.5.2 Localized Calamity claim amount at individual farm level shall be calculated as per the following formula:

$$\boldsymbol{Sum\ Insured} \times \frac{\boldsymbol{Affected\ Area\ out\ of}}{\boldsymbol{total\ Insured\ Area}} (\%) \times \frac{\boldsymbol{Estimated\ Crop\ Damage}}{\boldsymbol{in\ Affected\ Area}} (\%)$$

21.5.5.3 For estimation of crop loss in the individual farms/land parcels, the digital mobile App developed by the GoI shall be compulsorily used by the Insurance Companies, States/UTs and loss surveyors appointed by the concerned Insurance Companies.

21.5.5.4 **Channel of reporting i.e. Whom to be reported:** Intimation may be given within 72 hours by the farmer either directly through the **"Crop Insurance App"** or on dedicated centralized toll-free number of Krishi Rakshak Portal & Helpline (14447). The intimation may also be forwarded through the concerned bank branch, local agriculture department Government/district officials. The first mode of intimation should be the "Crop Insurance App" and the centralized Toll-Free Number (KRPH) for this purpose. This can be followed by intimation through the bank or district officials to Insurance Company for conducting the individual level loss assessment.

The concerned bank/intermediary, if asked by the Insurance Companies would verify the insured details like crop insured, sum insured, premium debited and date of debit & remittance and share with the Insurance Company for conducting the crop loss assessment.

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

21.5.5.6 In case the intimation has been given through the concerned bank branch or State/UT Government officials, the same shall be forwarded by the Bank Branches or Govt. officials of the concerned Insurance Company within the next 48 hours through available channels or Krishi Rakshak Portal & Helpline.

21.5.6 Documentary Evidence Required for Loss Assessment

21.5.6.1 Duly filled crop loss intimation through the Crop Insurance App or Krishi Rakshak Portal & Helpline, or other mentioned channels, along with all relevant documents is necessary for initiation of loss assessment and payment of claims. However, if information on all the columns is not readily available, partial information may be sent to the Insurance Company and later within 7 days of the loss, the form with complete details may be submitted.

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

21.5.6.3 Weather data report from the WINDS network, Mid-season report (MSR) under YES-TECH), IMD reports, Media reports, Local Newspaper cuttings to substantiate occurrence of loss event and severity of the loss, if any.

21.5.7 Appointment of Loss Assessors by the Insurance Company

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

- Diploma/degree in any subject with a minimum of 2 years relevant experience or bachelor's degree in agriculture and allied subjects with one year experience.
- Retired Government officials of Agriculture/ Horticulture/ Extension Department having Diploma/B.Sc(Ag.) degree.
- Retired Bank officials with experience of Agriculture Value Chain financing or Kisan Credit Card (KCC).

21.5.7.2 For compliance under the above provisions the Insurance Companies would utilize the empaneled loss assessors for using their services as and when required.

21.5.7.3 The loss would be jointly assessed by a team comprising of loss assessor appointed by the insurer, block level agriculture officer, primary worker of the agriculture or revenue department and the concerned farmer. Loss assessment surveys shall be conducted by the Joint Committee, at each individual field level, through the Mobile App specifically developed for the same by the GoI. The loss assessment data shall be uploaded on the NCIP on a real time basis to arrive at the Claim amount of the eligible insured farmers.

21.5.8 Time frame for Loss Assessment and Submission of the Report

A. Appointment of loss assessor within 48 hours.

B. Loss assessment to be completed within the next 10 days.

C. Claim settlement to be completed in next 15 days (subject to receipt of farmers' premium& first instalment of Subsidy).

Maximum liability would be limited to maximum or balance Sum Insured of the damaged cropped area within insured land parcel and the pay-out under this provision would be in proportion to the loss incurred on the crop in the insured land parcel, up to the occurrence of the insured peril. Intimation of crop losses is compulsory for individual insured farmers through various channels in case of losses due to specified localized calamities. If the intimation of crop losses due to specified localized calamities is received by the State Governments/UT Administrations, then they will enter the data of intimations of crop losses in a form that can be uploaded in the KRPH and provide the same to Insurance Company along with copies of the intimations received. The Insurance Company shall reconcile the total intimations data by comparing with the number of insured farmers in a notified insurance unit.

If the insured area in an IU with loss intimations as compared to the total insured area for that particular crop in the IU is less than 25%, then an individual survey of all the farmers shall have to necessarily be done. This assessment shall have to be done for each insured crop-land parcel individually in the IU.

Wide-spread Localized Calamity: If the Insured area under loss intimation under localized calamity claims in an IU is more than 25% of the total Insured area in the IU during a specific weather event having a single/similar peril, then the event shall be considered as Wide-spread Localized calamity and the sample loss survey will be conducted at 10 different randomly selected crop-land parcels using the loss intimation list across the affected Insurance Unit and average loss %age basis the sample survey shall be applicable to all intimations for the given IU during the specific weather event. In this case, the losses will not be considered as individual and will be presumed widespread. Therefore, the claims shall be disbursed to all eligible insured farmers (who have given intimation/for whom intimation has been received/accepted) in accordance with the crop loss assessment arrived at following the below tabular grid. **Accordingly, loss assessment and claim disbursement shall be done as per below:**

$$(\textit{Average Area Affected \%age X Average Crop Loss \%})\ \textbf{X}\ \textit{Sum Insured X 25\%}$$

For the purpose of defining the weather event, loss of or damage to the insured crop under PMFBY arising from a single weather peril active during any given period shall be deemed as a single event until there is a break in continuity of occurrence of the same peril for 72 consecutive hours, i.e. if there is not a break of more than 72 hours between events under a similar peril, such events shall be considered as a single event for calculation of event period.

D. The tentative sample size would be as under:

Intimation (affected area against Insured area notified crop)	Survey
Less than 25%	All Intimations would be surveyed
>25%	Sample survey at IU crop level as per mid-season Adversity provisions

21.5.9 Conditions

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

21.5.9.2 When the affected area is limited up to 25% of the total insured area for the season, in the notified insurance unit, the losses of eligible farmers would be assessed individually provided they have intimated and paid premium prior to occurrence of insurance peril. The intimation is a pre-condition to get benefit for the localized claim. Intimations received during the survey would also be considered.

21.5.9.3 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 the occurrence of a calamity in the individual insured farm/land parcel within the stipulated time in the notified Insurance Unit (IU), would be deemed to have suffered localized loss and would be eligible for financial support under localized calamity loss. The percentage of loss would be arrived at by Insurance Company through a requisite number of sample survey as defined in the detailed protocol for the add-on cover.

21.5.9.4 The eligibility of claim settlement shall be decided based on the outcome of joint loss assessment surveys carried out by representatives of Insurance Company, District Administration/State Government's/UT Administration's Nodal Department and Farmers. Further if the affected area is more than 25% of the total insured area and there is dispute / disagreement between the stakeholders regarding the quantum/extent of loss reported by the Joint Loss Assessment committee, **the claim calculation will be done using technology derived solutions involving weather and/or remote-sensing indices along with loss assessment surveys with a weightage of 70% and 30% respectively for assessment and evaluation of the final extent of loss**. Acceptance of the technology-driven extent of loss will be binding on all stakeholders.

21.5.9.5 STAC in coordination with State Remote Sensing Application Centre or TIP appointed under YES-TECH (for the crops notified under Crop Model Matrix (CMM)) will conduct yield estimation and assessment of loss as mentioned in **Para 21.5.9.4** based on the protocol developed by MNCFC. STAC may take the help of MNCFC if they desire.

21.5.9.6 The pay-out under the cover would be disbursed by the Insurance Company only after the receipt of at least advance Government share of premium subsidy (1st instalment of both State/UT and the GoI).

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

21.5.9.8 Farmers getting enrolled or whose premium is debited after the occurrence of insurance peril or data has not been uploaded on NCIP would not be eligible for financial support under this cover.

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

Sl. No.	Action required to be taken	Action to be taken by	Schedule for taking action
1	Intimation may be given within 72 hours by the farmer either through Crop Insurance App, Krishi Rakshak Portal & Helpline, directly to the Insurance Company through its dedicated toll-free number or through the concerned bank, local agriculture department Government/ district officials. However, the first mode of intimation should be either crop insurance app or Krishi Rakshak Portal & Helpline. In case the intimation has been given through concerned bank branch or Government officials, the same shall be forwarded within the next 48 hours to the Insurance Company. Intimation about occurrence of localized perils/ calamities viz. Hailstorm, Landslide, Inundation, Cloud burst and Natural fire due to lightening may be given up to harvest date as notified in the State/UT Notification and supported by information of WINDS, IMD / local media, and Reports of Agriculture / Revenue Departments, Media Reports. The individual crop losses due to occurrence of localized perils will be treated as localized calamity if the crop is standing on the field provided that the said crop has been notified for localized calamity cover. However, if the crop has been harvested and/or if the	Affected farmer(s) may intimate through KRPH or Mobile App or Chat Bot Platform of GoI. Farmer should provide his/her bank account number (loan account for loanee farmer and savings account for non-loanee farmer) or Application number generated from the portal at the time of intimation.	Within 72 hours` from the occurrence of a peril.

Sl. No.	Action required to be taken	Action to be taken by	Schedule for taking action
	crop has been cut and is lying on the field, in such cases the calamity would fall under the post-harvest losses provided the said crop has been notified for the post-harvest cover and it would only be considered for crops which are required to be kept on the field for drying up maximum for a period of two weeks (14 days). During the Harvest Period window, intimations for Localized calamity and post-harvest losses shall be treated as separate risks beyond CCE based loss and losses shall be assessed accordingly as per applicable provisions of these Guidelines.		
2	Forwarding of information / Intimation of the farmer(s) to Insurance Company by either KRPH or using other alternate mechanism.	Bank/PACS, Local Agriculture Department / District officials.	Within 48 hours from the receipt of the information / intimation from the farmer(s).
3	Appointment of loss assessor as per qualifications & experience laid down in the OGs of PMFBY.	Insurance company	Within 48 hours from the receipt of the information / intimation.
4	Assessment of affected area in term of % of insured area.	DLJC	Within 10 days of the appointment of the loss assessor by the company.
5	Individual level assessment of loss (in case the affected area is < 25% of the total insured area).	Jointly by Insurance Company & block level Agriculture Officer.	
6	Verification of the details of the affected insured farmer(s) from the bank using NCIP or any other alternate mechanism.	Insurance company	Within 7 days of the intimation of loss.
7	Claim-payment to affected farmers.	Insurance company	Within 15 days from receipt of loss assessment report subject to receipt of at least advance Government share of subsidy (1st tranche of both the State/UT Government and the GoI).
8	Data of the Loss Assessment	Insurance company	Within 7 days of

Sl. No.	Action required to be taken	Action to be taken by	Schedule for taking action
	report finalized by DLJC, and admissible claims will be uploaded on the NCIP against the farmer from whom the loss intimation was received.		the survey.

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

Sl. No.	Action required to be taken	Action to betaken by	Schedule for taking action
1	Fulfilment of eligibility of localized calamities/losses on area-based loss assessment (i.e. affected area is >25% of the total insured crop area) is to be decided based on the occurrence of any one of the proxy Indicators:- • ide-spread excess rainfall. • ide-spread flooding/ inundation. • ide-spread cloud burst / landslide. • ide-spread natural fire due to lightning. • ide-spread hailstorm/ hailing. • ny other defined natural event including flooding/inundation which may lead to widespread effect and losses impacting > 25% of the insured crop area*. Supported by Satellite Image and Satellite Index based outputs to be provided by MITR, ISRO/SAC, MNCFC or MITR's under YES-TECH, Government crop condition reports, and media reports, etc.	DLJC	Definitions & interpretations of proxy indicators would be applied as per IMD's guidelines as below: %age w.r.t. LPA. Abnormal Weather Parameter: (±) 20 or more deviation than the Long Period Average.

Sl. No.	Action required to be taken	Action to betaken by	Schedule for taking action
2	Keeping watch over the breaching of set triggers of proxy indicators as mentioned above. Meeting of the DLJC to be convened on the breaching of the any one of the above triggers of unseasonal rainfall, cyclone or cyclonic rainfall, and hailstorm.	District Agriculture / Horticulture / Revenue Officer (i.e. convener of DLJC).	Meeting of the DLJC to be convened. Relevant data to be placed before the Committee. The decision should be taken within 7 days from the occurrence of adverse seasonal event and communicated through a letter for conducting loss assessment surveys in the listed IUs.
3	Physical loss assessment survey to be carried out (as mentioned in **Para 21.5.8**).	To be done by DLJC.	Within 15 days of the letter received for carrying out the loss assessment surveys by the DLJC.
4	Dispute/Disagreement raised by any stakeholder on the process of Loss Assessment Survey or Extent of assessed loss.	Any Stakeholder.	Written notice within 7 days to be submitted to the Chairman-DLMC with proofs/data/reports substantiating the claim. The DLMC to review the reports/evidence and resolve the dispute within 7 days. In case the dispute is unresolved, the affected stakeholder can make an appeal to State Nodal Department, thereafter to STAC, as per the process defined in the Grievance Redressal mechanism.
5	Finalization of likely losses & Payout.	Insurance Company	Within one month from the date of the DLJC letter to carry out the loss assessment surveys subject to receipt of at least advance Government share of subsidy (1st tranche of both the State/UT Government and the GoI).
6	Payment to eligible farmers	Insurance Company	Within one month from the date of the DLJC letter to carry out the loss assessment surveys subject to receipt of at least advance Government share of subsidy (1st tranche of both the State/UT Government and the GoI).
7	Data of loss assessment finalized by DLJC and admissible claims will be uploaded on the NCIP against the farmer from whom loss intimation has been received.	Insurance Company	Within 7 days of the survey.

**Note1: Crop damage should have occurred on account of inundation, mere water logging without corresponding crop loss will not be eligible.*

**Note2: Inundation peril is not applicable in the case of hydrophilic crops like Paddy, Sugarcane, Jute and Mesta.*

**Note3: If affected area is more than 25% of the insured area of notified crop in notified insurance unit then the losses are not considered as individual and are presumed to be widespread, therefore claim to all eligible insured farmers would be paid as per the modalities adopted for On-Account Payment of Claims due to Mid-Season Adversity claims.*

Illustration

- A - Sum Insured for a crop=Rs.30,000
- B - % area affected out of the total area insured = 100%
- C - %crop loss estimated in affected area basis joint physical survey = 80%
- D - Claims payable = A x B x C = Rs. 30,000 x 100% X 80% = Rs. 24,000/-

21.6 Post-Harvest Losses

21.6.1 Provision has been made for assessment of loss on individual plot basis in the case of occurrence of **hailstorm, cyclone, cyclonic rains and unseasonal rains** resulting in damage to harvested crop lying in the field in 'cut and spread' or small bundled condition depending on nature of the crop in that area kept solely to dry up to a maximum period of two weeks (14 days) from harvesting.

21.6.2 For indemnification of post-harvest crop losses, the provision of damage of harvested crops due to unseasonal rains shall trigger when the unseasonal rainfall is more than 20% over long period average for the month for that sub-district/district.

21.6.3 However, this is subject to confirmation of the damage in the joint survey to be conducted by concerned State/UT Government and Insurance Company. The States/UTs have to compulsorily notify the crops to be included under post-harvest losses along with the harvesting window (crop calendar) in the Bid Document, Notification and on the NCIP. The crops not falling under the aforesaid category/not included in the tender shall not be included later for post-harvest loss cover.

21.6.4 Eligibility Criteria

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

21.6.4.2 Available to all insured farmers, at farm unit level, affected by above mentioned perils in a Notified Insurance Unit, growing notified crops for which insurance have been availed.

21.6.4.3 Available for all notified crops which has been declared eligible for post-harvest losses as per the Government notification and damaged by specified perils duringthe process of drying in the field in "cut and spread condition"/small, bundled conditions up to a period of 14 days from harvest. States/UTs shall also notify the onset of harvesting period of each crop.

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

21.6.4.5 Maximum liability is limited to the maximum or balance Sum Insured of the damaged crop's area and the pay-out under this provision would be in proportion to the loss incurred on the crop in the insured plot, up to the occurrence of the insured peril.

21.6.4.6 Payout under this peril will be as per the payment modalities given in the **Annexure V** of these Guidelines.

21.6.5 **Proxy-Indicators:** Weather data from WINDS network, IMD weather reports, hailstorm incidences substantiated by local mediareports or reports of the Agriculture/ Revenue Department supported by media reports and other evidence. A detailed SOP/Manual and modalities for setting up crop-specific weather-parameter triggers as a first level of qualifying mechanism for conducting physical loss assessment surveys shall be notified by the GoI separately.

21.6.6 **Loss Assessment Procedure**

21.6.6.1 **Time and method of reporting the loss/claims:**

A. The State/UT Government would notify crop-wise and the agro-climatic zone or district-wise **onset of** harvesting dates/harvesting period during which, this provision could be invoked. In the case of any event occurring beyond these dates/this period, this provision shall not be applicable under any circumstances.

B. Immediate intimation (within 72 hours) by the insured farmer to Insurance Company through "Crop Insurance App" or any available channel of reporting as detailed in **Para 21.6.6.4** below.

C. Intimation must contain details of insured farmer's name, affected land parcel/ survey no. wise insured crop and acreage affected, Farmer's Application No ason NCIP, his/her Mobile Number, etc. KCC A/c No. (in case of loanee farmer) or Saving bank Account (in case of non-Loanee farmer as declared at the time of applying for crop insurance) for identification and verification purpose.

D. Premium payment verification to be done from the portal and in case required, may be verified from the bank and bank shall provide the payment verification within next 48 hours of receipt of such request.

E. Mobile application based "Crop Insurance App" may be used for reporting an incidence of a post-harvest providing details of longitude/latitude and pictures.

21.6.6.2 Post-harvest losses claim amount at individual farm level shall be calculated as per the following formula:

$$\boldsymbol{Sum\ Insured} \times \frac{\boldsymbol{Area\ affected\ out\ of}}{\boldsymbol{total\ Insured\ Area}}(\%) \times \frac{\boldsymbol{Estimated\ Crop\ Damage}}{\boldsymbol{in\ Affected\ Area}}(\%)$$

21.6.6.3 For estimation of crop loss in the individual farms/land parcels, the digital mobile App developed by the GoI shall be compulsorily used by the Insurance Companies, States/UTs and loss surveyors appointed by the concerned Insurance Companies.

21.6.6.4 **Channel of reporting, i.e. Whom to be reported:** Intimation may be given within 72 hours by the farmer either directly through the "Crop Insurance App" or on dedicated centralized toll-free number of Krishi Rakshak Portal & Helpline (14447). The intimation may also be forwarded through the concerned bank branch, local agriculture department Government/district officials. The first mode of intimation should be the "Crop Insurance App" and the centralized Toll-Free Number (KRPH) for this purpose. This can be followed by intimation through the bank or district officials to Insurance Company for conducting the individual level loss assessment. The concerned bank/intermediary, if asked by the Insurance Companies would verify the insured details like crop insured, sum insured, premium debited and date of debit & remittance and share with the Insurance Company for conducting the crop loss assessment.

21.6.6.5 Reporting of losses will be done primarily through the Crop Insurance App and the Centralized Toll-Free Number (14447), along with other channels. Other channels will be phased out subsequently.

21.6.6.6 In case the intimation has been given through the concerned bank branch or State/UT Government officials, the same shall be forwarded by the Bank Branches or Govt. officials of the concerned Insurance Company within the next 48 hours through available channels or Krishi Rakshak Portal & Helpline.

21.6.7 Documentary Evidence required for Loss Assessment

21.6.7.1 A duly filled intimation through Crop Insurance App or Krishi Rakshak Portal & Helpline or any other conventional channels along with all relevant documents is necessary for initiation of loss assessment and payment of claims. However, if information against all the columns is not readily available, partial information may be sent to the Insurance Company and later within 7days of the loss, the complete details may be submitted.

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

21.6.7.3 Weather data report from the WINDS network, Special Report (SR) under YES-TECH, IMD reports, Media reports, Local Newspaper cuttings to substantiate occurrence of loss event and severity of the loss, if any.

21.6.8 Appointment of Loss Assessors by the Insurance Company

21.6.8.1 The loss assessors would be appointed by the Insurance Company for assessment of post-harvest losses. 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:

- Diploma/degree in any subject with minimum 2 years relevant experience or bachelor’s degree in agriculture and allied subjects with one year experience.
- Retired Government officials of Agriculture/ Horticulture/ Extension Department having Diploma/B.Sc.(Ag.) degree.
- Retired Bank officials with experience of Agriculture Value Chain financing or Kisan Credit Card (KCC).

21.6.8.2 For compliance under the above provisions the Insurance Companies would utilize the empaneled loss assessors for using their services as and when required.

21.6.8.3 The loss would be jointly assessed by a team comprising of loss assessor appointed by the insurer, block level agriculture officer, primary worker of the agriculture or revenue department and the concerned farmer. Loss assessment surveys shall be conducted by the Joint Committee, at each individual field level, through the Mobile App specifically developed for the same by the GoI. The loss assessment data shall be uploaded on the NCIP on a real time basis to arrive at the Claim amount of the eligible insured farmers.

21.6.9 Time Frame for Loss Assessment and Submission of Report

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

B. Loss assessment to be completed within next 10 days.

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

D. Maximum liability is limited to the maximum or balance Sum Insured of the damaged crop's area and the pay-out under this provision would be in proportion to the total loss incurred on the crop in the insured plot, up to the occurrence of the insured peril.

E. Intimation of crop losses is compulsory for individual insured farmers through various channels in case of losses due to specified localized calamities. If the intimation of crop losses due to specified localized calamities is received by the State Governments/UT Administrations, then they will enter the data of intimations of crop losses in a form that can be uploaded in the KRPH and provide the same to Insurance Company along with copies of the intimations received. The Insurance Company shall reconcile the total intimations data by comparing with the number of insured farmers in a notified insurance unit.

F. If the insured area of an IU under loss intimation as compared to the total insured area for that particular crop in the IU is less than 25%, then an individual survey of all the farmers shall have to necessarily be done. This assessment shall have to be done for each insured crop individually in the IU.

G. Wide-Spread Post Harvest Losses: : If the Insured area under loss intimation under localized calamity claims in an IU is more than 25% of the total Insured area in the IU during a specific weather event having a single/similar peril, then the event shall be considered as Wide-Spread Localized calamity and the sample loss survey will be conducted at 10 different randomly selected crop-land parcels using the loss intimation list across the affected Insurance Unit and average loss percentage basis the sample survey shall be applicable to all intimations for the given IU during the specific weather event. In this case, the losses will not be considered as individual and will be presumed widespread. Therefore, the claims shall be disbursed to all eligible insured farmers (who have given intimation/for whom intimation has been received/accepted) in accordance with the crop loss assessment arrived at following the below tabular grid. Accordingly, loss assessment and claim disbursement shall be done as per below:

(***Average Area Affected %age X Average Crop Loss %***) X ***Sum Insured X 25%***

H. For the purpose of defining the weather event, loss of or damage to the insured crop under PMFBY arising from a single weather peril active during any given period shall be deemed as a single event until there is a break in continuity of occurrence of the same peril for 72 consecutive hours, i.e. if there is not a break of more than 72 hours between events under a similar peril, such events shall be considered as a single event for calculation of event period.

I. The tentative sample size would be as under:

Intimation (Insured area under notified crop)	Survey
Less than 25%	All Intimations would be surveyed
>25%	Sample survey at IU crop level as per mid-season Adversity provisions

21.6.10 Conditions

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

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

21.6.10.3 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 the occurrence of a calamity in the individual insured farm/land parcel within the stipulated time in the notified Insurance Unit (IU), would be deemed to have suffered localized loss and would be eligible for financial support under post-harvest loss. The percentage of loss would be arrived at by Insurance Company through a requisite number of sample survey as defined in the detailed protocol for the add-on cover.

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

21.6.10.5 STAC in coordination with State Remote Sensing Application Centre or TIP appointed under YES-TECH (for the crops notified under Crop Model Matrix (CMM)) will conduct assessment of loss as mentioned in **Para 21.6.10.4** based on the protocol developed by MNCFC or mentioned in YES-TECH manual, as the case maybe. STAC may take the help of MNCFC if they desire.

21.6.10.6 The pay-out under the cover would be disbursed by the Insurance Company only after the receipt of 2nd tranche of the Government share of premium subsidy (both the State/UT Government and the GoI Share).

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

21.6.10.8 Farmers getting enrolled or whose premium is debited after the occurrence of insurance peril or data has not been uploaded on NCIP would not be eligible for financial support under this cover.

21.6.11 Detailed Procedure and Timelines for Payment of Post-Harvest Loss is Mentioned in Table 11 below:

Sl. No.	Action required to be taken	Action to be taken by	Schedule for taking action
1	Intimation may be given within 72 hours by the farmer either through Crop Insurance App, Krishi Rakshak Portal & Helpline, directly to the Insurance Company through its dedicated toll-free number or through the concerned bank, local agriculture department Government/ district officials. However, the first mode of intimation should be either crop insurance app or Krishi Rakshak Portal & Helpline. In case the intimation has been given through concerned bank branch or Government officials, the same shall be forwarded within the next 48 hours to the Insurance Company. Intimation about occurrence of localized perils/ calamities viz. Hailstorm, Cyclone, Cyclonic Rains and Unseasonal Rains may be given up to harvest date as notified in the State/UT Notification and supported by information of WINDS, IMD / local media, and Reports of Agriculture / Revenue Departments, Media Reports. The individual crop losses due to occurrence of localized perils within 15 days of onset of harvest will be treated as Post-harvest Losses provided that the said crop has been notified for Post-harvest Loss cover. However, if the crop has been harvested prior to the onset of harvest and if the crop has been cut and is lying on the field in such cases the calamity would fall under the post-harvest losses provided the said crop has been notified for the post-harvest cover and it would only be considered for crops which are required to be kept on the field for drying up maximum for a period	Affected farmer(s) may intimate using mobile, landline or social media. Farmer should provide his bank account number (loan account for loanee farmer and savings account for non-loanee farmer) or application number generated from the portal at the time of intimation.	Within 72 hours from the occurrence of peril.

Sl. No.	Action required to be taken	Action to be taken by	Schedule for taking action
	of two weeks (14 days). During the Harvest Period window, intimations for post-harvest losses shall be treated as separate risks beyond CCE based loss and losses shall be assessed accordingly as per applicable provisions of the Operational Guidelines.		
2	Forwarding information / intimation of the farmer(s) to Insurance Company by KRPH or other alternate mechanism.	Bank/PACS, Local Agriculture Department / District officials.	Within 48 hours from the receipt of the information / intimation from the farmer(s).
3	Appointment of loss assessor as per qualifications & experience laid down in the OGs of PMFBY.	Insurance company	Within 48 hours from the receipt the of information / intimation.
4	Assessment of affected area in term of % of total insured area.	DLJC	Within 10 days of the appointment of the loss assessor by the company.
5	Individual level assessment of loss (in case the affected area is < 25% of the total insured area).	Jointly by the loss assessor, block level agriculture officer and affected farmer(s).	
6	Verification of the details of the affected insured farmer(s) from bank using NCIP or any other alternate mechanism.	Insurance company	Within 7 days of the intimation of loss.
7	Claim-payment to affected intimated farmer(s).	Insurance company	Within 15 days from receipt of loss assessment report subject to receipt of full Government share of subsidy (2nd tranche of both the State/UT Government and the GoI).
8	Data of the Loss assessment report finalized by DLJC, and admissible claims will be uploaded on the NCIP against the farmer from whom loss intimation was received.	Insurance company	Within 7 days of the Survey.

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

Sl. No.	Action required to be taken	Action to be taken by	Schedule for taking action
1	Fulfillment of eligibility of post-harvest losses on area-based loss assessment (i.e. affected area is >25% of the total insured crop area) is to be decided based on the occurrence of any one of the Proxy Indicators:- • Wide-spread unseasonal/excess rainfall. • Wide-spread cyclones/cyclonic rains. • Wide-spread hailstorm/hailing. • Losses impacting > 25% of the insured crop area*. Supported by Satellite Image and Satellite Index based outputs to be provided by MITR, ISRO/SAC, MNCFC or MITR's under YES-TECH, Government crop condition reports, and media reports, etc.	DLJC	Definitions & interpretations of proxy indicators would be applied as per IMD's guidelines as below: %age w.r.t. LPA. Abnormal Weather Parameter: (±) 20 or more deviation than the Long Period Average.
2	Keeping watch over the breaching of set triggers of proxy indicators as mentioned above. Meeting of the DLJC to be convened on the breaching of any one of the above triggers of unseasonal rainfall, cyclone or cyclonic rainfall and hailstorm/hailing.	District Agriculture / Horticulture / Revenue Officer (i.e. convener of DLJC).	Meeting of the DLJC to be convened. Relevant data to be placed before the Committee. The decision should be taken within 7 days from the occurrence of adverse seasonal event &communicated through a letter for conducting loss assessment surveys in the listed IUs.
3	Physical loss assessment survey to be carried out for at least the sample size (mentioned in **Para 21.6.8**).	To be done by DLJC.	Within 15 days of the letter received for carrying out the loss assessment surveys by the DLJC.
4	Dispute/Disagreement raised by any stakeholder on the process of Loss Assessment Survey or Extent of assessed loss.	Any Stakeholder	Written notice within 7 days to be submitted to the Chairman-DLMC with proofs/data/reports substantiating the claim. The DLMC to review the reports/evidence and resolve the dispute within 7 days. In case the dispute is unresolved, the affected stakeholder can make an appeal to State Nodal Department, thereafter to STAC, as per the process defined in the Grievance Redressal mechanism.
5	Assessment of likely losses and finalization of claims payment	Insurance Company	Within one month from the date of the DLJC letter to carry

Sl. No.	Action required to be taken	Action to be taken by	Schedule for taking action
	based on the joint survey.		out the loss assessment surveys subject to receipt of full Government share of subsidy (2nd tranche of both the State/UT Government and the GoI).
6	Payment to eligible farmers.		
7	Data of loss assessment finalized by DLJC and admissible claims will be uploaded on the NCIP against farmer from whom loss intimation has been received.	Insurance Company	Within 7 days of the survey.

**Note3: If affected area is more than 25% of the insured area of notified crop in notified insurance unit then the losses are not eligible as individual and are presumed to be widespread, therefore claim to all eligible insured farmers (who have given intimation/for whom intimation has been received) would be paid ad-hoc.*

Illustration

- A - Sum Insured for a crop=Rs.30,000
- B - % area affected out of the total area insured = 100%
- C - %crop loss estimated in affected area basis joint physical survey = 80%
- D - Claims payable = A x B x C = Rs. 30,000 x 100% x 80% = Rs. 24,000/-

21.7 Claim Settlement under Multiple Events of Similar or Different Perils

21.7.1 There have been instances of multiple perils happening over the course of a crop season in an IU, or simultaneously during the crop harvesting window affecting same crop-land parcel or application, leading to complexities in damage assessment and claim calculation. Accordingly, the detailed modalities of claim assessment and settlement in case of multiple events being triggered under similar or different perils are described below.

21.7.2 The claim events under PMFBY (including RWBCIS) have been divided into three wider categories on the basis of approach and applicability of these events:

A. Wide-Spread Events with Policy Termination feature --- Preventive Sowing/Failed Germination

B. Individual Events — Localized Calamity and Post-Harvest losses

C. Wide Spread Events — Mid Season Adversity and Yield Based losses

21.7.3 In the event that the Claims for a same crop-Land parcel or application are triggered under different types of coverages viz., Localized Calamities, Mid-season adversity, post-harvest losses and final yield based claim (Basic Cover), then the final claim assessment shall be done by either adjusting the claims in case of identical covers or by reducing the sum insured in case the claims are triggered under different types of covers.

21.7.4 In case multiple events affecting same crop-Land parcel or application are triggered under the identical covers, differential claim amount will be paid without reducing the

Sum Insured. i.e., the Sum Insured will remain intact, and the claims will be adjusted against the previous paid claim with the principle that highest payable claim shall be paid at any given point in time. The different scenarios are given below:

a. In case of multiple localized calamity events,

b. A combination of widespread events:

- Mid-season adversity and Yield-Based Claim (Basic Cover)
- A combination of Mid-season adversity, Wide-Spread Localized Calamities and Yield-Based Claim (Basic Cover).

21.7.5 In case of multiple claim events are triggered under different covers in combinations other than those specified above, then the available sum insured for the subsequent perils would be derived by reducing the amount of claim already paid in the preceding loss event. Accordingly, the claim under the subsequent event shall be calculated on balance left-out Sum Insured only. The different scenarios are given below:

a. Localized Calamity events and Yield-Based Claim,

b. Yield-Based Claims and Post-Harvest losses,

c. Localized Calamity and Post-Harvest losses

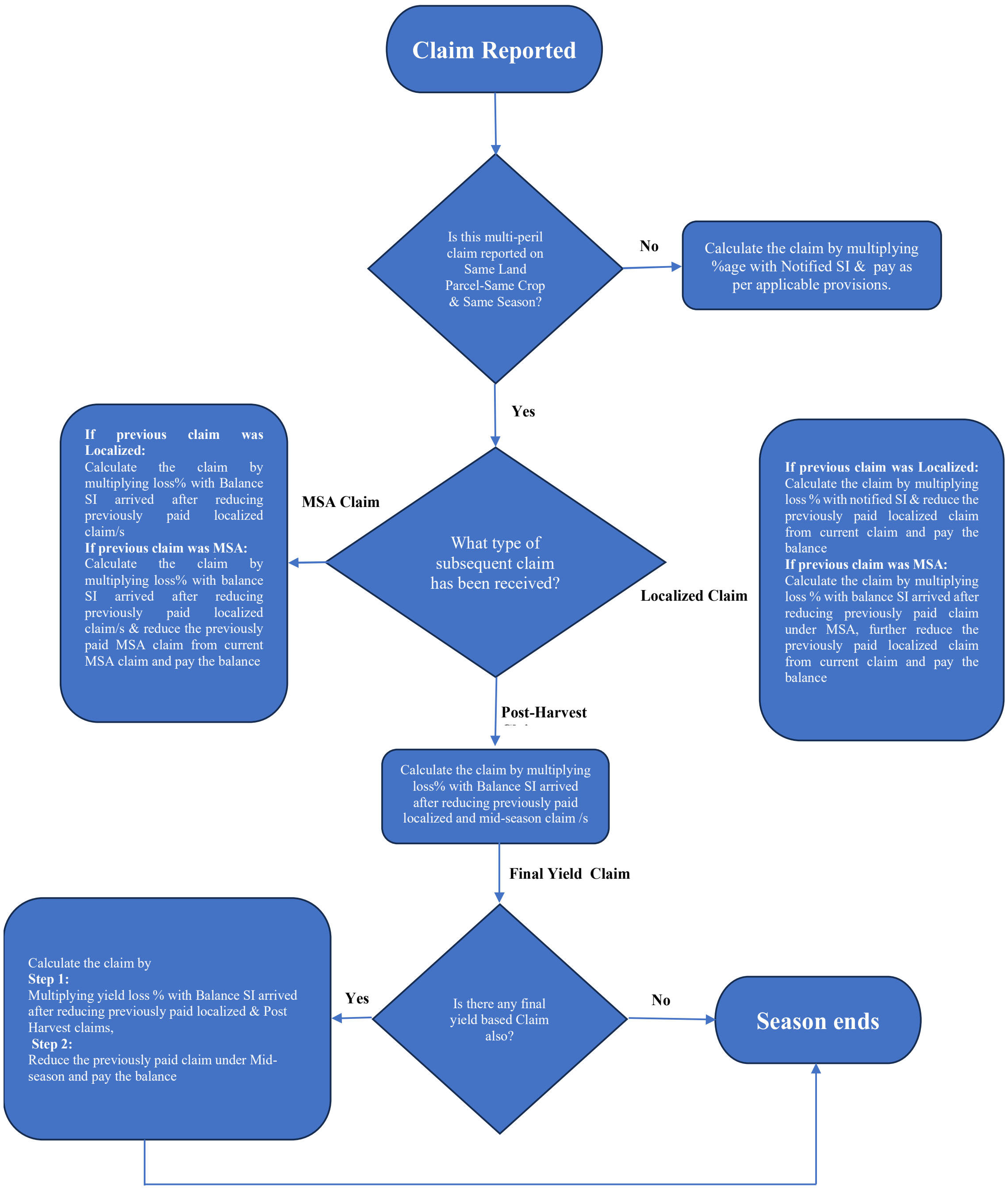
d. Localized Calamity and Mid-Season Adversity,

e. Mid-season Adversity and Post-Harvest Losses

21.7.6 After the initial event the balance Sum Insured for any given application only shall be utilized to ascertain the payable claims in future events using the above modality. The final yield-based claim under the Basic Cover, therefore, shall be computed based on Yield shortfall multiplied by available balance of Sum Insured at the stage of final yield-based claim settlement.

21.7.7 Under **Para 21.7.2 (A)** above, where the clause of Preventive Sowing/Failed Germination is triggered, the insurance cover will cease to exist and therefore there is no possibility of any further claims, whereas under **Para 21.7.2 (B) & (C),** the interplay can happen more than once within same IU for same crop & season. Accordingly, the eligibility and claims shall be calculated and paid by the concerned Insurance Companies as defined in **Para 21.7.3 to 21.7.6** above. A multi-event claim calculation flowchart is appended below for more clarity. Further detailed illustration of the same is placed at **Annexure-V** of these Operational Guidelines.

21.7.8 Multi-Event Multi-Peril Claim Calculation Flowchart:



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

22.1 Empanelment Criteria

22.1.1 The agencies having relevant field experience, financial and infrastructural strength, sufficient skilled manpower having diploma in any subject with minimum 2 years of relevant experience or a Bachelor's Degree in Agriculture and allied subjects with one year relevant experience in rural/crop insurance, crop loss assessment and having desired operational capabilities shall be empaneled by the GoI as a Loss

Assessment Agency.

22.1.2 Once loss assessment agency has been empaneled by the GoI, it will be considered as a pre-qualified company to participate and engage with the concerned State/UT Government and Insurance Companies to undertake loss assessment under the provisions of the Scheme, however concerned agency will be responsible for maintaining the quality of services being delivered by them.

22.1.3 Once empaneled, the performance of such agencies will be evaluated every season against vital parameters defined in the monitoring and evaluation framework notified by the GoI and the non-performing agencies shall be de-empaneled for a period of 2 consecutive seasons. The de-empaneled agency shall be required to get empaneled again to provide the services under the scheme.

22.1.4 Detailed guidelines for the empanelment and accreditation of loss assessment agencies shall be prepared and notified by the GoI separately. These guidelines will enable empanelment and de-empanelment of agencies based on set performance parameters to maintain desired quality and standardization of protocols and processes related to crop loss assessment.

22.1.5 As loss assessment is a vital activity under the Scheme and forms the basis of claims settlement, any malpractice, manipulation or misreporting is non-acceptable and shall be taken very seriously. Accordingly, an appropriate legal and administrative action shall be taken against the agencies and individuals associated with such agencies. Loss assessment agencies shall follow the guidelines issued by the GoI while engaging in PMFBY implementation.

22.1.6 In order to develop the capacity of the loss assessment agencies and to create a large pool of Certified Crop Loss Assessors (CCLAs) at national level, GoI shall design a LMS based open online course/certification for crop loss assessors. The individual loss assessors employed by the loss assessment agencies shall mandatorily complete this certification before conducting loss assessment surveys under PMFBY.

22.1.7 The loss assessment agencies shall be provided with a transition period of One/Two Years to create a pool of Certified Crop Loss Assessors (CCLA), after which the Loss assessment agencies shall mandatorily employ or engage the CCLAs only, for crop loss assessment under PMFBY.

23 Procedure for Settlement of Claims to the Farmers

23.1 The Insurance Company should have received the final share of Government subsidy (2nd tranche), both Central and State, on the basis of the enrollment data basis the applications approved on the NCIP to enable the settlement of Actual Yield-based claims arising out of wide-spread calamity as well as post-harvest losses. However, for the settlement of payment of claims under add-on covers viz. MSA & Localized Calamities, advance subsidy (1st tranche) of 50% of the advance upfront premium subsidy of the Central and the State Governments/UT Administrations based on the corresponding previous season's premium or current season's premium as the case may be as per **Para 6.1.7** of the operational guidelines shall be sufficient to pay the claims.

23.2 State Governments/UT Administrations shall compulsorily upload the Threshold

Yield and Actual Yield data for all Crop-IUs on NCIP for all notified crops which shall also be verified and accepted by the concerned Insurance Company within the given timelines**. In order to avoid manipulation or misuse of the information at field level, Threshold Yield values for the Crop-IU and season shall never be shared publicly by the State/UT or primary worker or Insurance Company with anyone and this information shall never be a part of public information before the payment of yield-based claims for that season**.

23.3 The DLMC will be required to upload or enter the details of crop loss as per the Joint Loss Survey conducted by DLJC for all intermediate loss events viz. prevented sowing/planting/germination failure &Mid-season Adversity on the NCIP. Similarly, the crop loss details for localized losses and post-harvest loss events shall be entered by the concerned Insurance Company on the Portal. Once the Actual Yield data is available on the NCIP, the same shall be verified and approved by the concerned District and State authorities in sequence. For those experiments which were conducted offline and without the use of mobile application, the Actual Yield data shall also be uploaded by the concerned District administration on NCIP which subsequently shall be approved by the State/UT nodal department on the NCIP itself. **All the estimations of Yield and crop loss assessments shall be uploaded within the stipulated timeline on the NCIP by the concerned stakeholders as envisaged above. The admissible claims shall be calculated on the NCIP. The status of claim payment and the claim amount shall accordingly be made available on NCIP for stakeholders to track and validate**.

23.4 The loss reports and Actual Yield data shall be approved or reverted (in case of any discrepancy or /concern on the authenticity and correctness of the report and data) by the Insurance Company. Based on the loss reports of add-on claims and actual yield data, eligible claims shall be calculated through the NCIP and accordingly the payment of claims shall be initiated by the concerned Insurance Company and remitted directly into the beneficiary account as per the pre-defined process and timelines using the PFMS platform developed for initiating financial transactions. The application-wise payment details viz. amount, reference number, date etc. shall be synchronized with the National Crop Insurance Portal for future reference & reconciliation.

23.5 In case of wide-spread calamity (end of season claims), once yield data is finalized and received from the State/UT Government as per the decided cut-off-dates and is uploaded, approved and accepted on NCIP, claims shall be calculated on the NCIP for approved applications in each notified area and crops as available on NCIP. Accordingly, the claims will be approved by the Competent Authority of the implementing Insurance Company and all claims will be initiated through Public Financial Management System (PFMS) platform developed for initiating financial transactions. The application-wise payment details viz. Amount, Reference Number, Date etc. shall be synchronized with the NCIP for validation, audit and future reference purposes.

23.6 In case the CCE data submitted through CCE Agri App is not approved within the stipulated timelines, it will be auto- approved and used for claim calculation. In case of non-submission of Actual Yield (AY) data by the State/UT Government to the implementing insurance companies within the stipulated timelines, Synthetic Yield data computed through technology-based solutions shall be used for calculating admissible claims and subsequent settlement of claims to the eligible farmers. The cut-off date for submission of yield data to insurance companies is normally two months after completion of harvesting of a particular crop.

23.7 In case of farmers (loanee) covered by financial Institutions, claims shall be released only electronically through NCIP using PFMS platform directly into insured farmer's given loan or saving bank account. The claim settlement details shall also be available on NCIP for the individual Bank Branches and Nodal Banks to access and validate. Bank Branch should spread awareness and motivation amongst farming community to opt for enrollment under the scheme. In case of failure of claim remittance due to earlier account number being wrong, the applications shall be enabled for the concerned bank branch for updating the correct or new bank account details of the farmer and accordingly the claims shall be initiated into new account number as per process defined above. For the closed accounts or failure of claims in updated account numbers, the claims shall be initiated through Aadhaar Enabled Payment System (AEPS) directly into Aadhaar ceded bank account number of beneficiary farmer.

23.8 In case of farmers (non-loanee) covered through Insurance intermediaries or CSC or any other enrollment channel, Aadhaar Enabled Payment System (AEPS) shall be used mandatorily as primary mode of payment of claims directly into Aadhaar ceded bank account number of beneficiary farmer through NCIP using PFMS platform. In case of failure of claim remittance using AEPS, the claims shall be initiated in the saving bank account entered on NCIP at the time of enrollment. In case of failure of claim remittance into bank account and through AEPS, the applications shall be enabled for the concerned Insurance Companies for updating the correct or new bank account details of the farmer and accordingly the claims shall be initiated into new bank account number as per process defined above.

23.9 For change of account numbers, a certificate/declaration shall be required to be submitted by the concerned farmer to the Insurance Company containing the revised and updated banking details and being the rightful recipient of the claims.

23.10 In case of demise or the insured farmer, the applications shall be enabled for the concerned Insurance Companies for updating the new bank account details of the legal heir of the insured farmer and accordingly the applicable claim amount shall be initiated by the Insurance Company to the legal heir of the insured farmer subject to submission of legal heir certificate and certificate/declaration by the legal heir of the insured farmer about rightful recipient of the claim amount and containing the relevant banking details.

23.11 In case the eligible claims could not be remitted by the Insurance Company to the concerned insured farmer during 6 consecutive seasons despite due attempts and efforts have been made to trace the farmer & collect banking details, the said claim amount shall be remitted to the FIAT account maintained by GoI. Further, in the previous years, a special dispensation was given by GoI to the States to open the Escrow Accounts to pool all such claim funds from Insurance Companies which could not be remitted into the loan/saving bank account or Aadhaar seeded accounts of eligible beneficiaries. In case there are unclaimed/accumulated funds in these Escrow accounts for immediately preceding 6 seasons which could not be remitted to their rightful beneficiaries despite due attempts and efforts have been made to trace the farmer & collect banking details, such funds along with accumulated interest shall also be remitted to FIAT fund maintained by GoI,

23.12 In case of claims under prevented/failed sowing, localized calamities, post-harvest losses; Insurance Company will process the claims after assessment and shall release the claims as per detailed procedure given in the relevant sections above.

23.13 The claim settlement intimation shall be sent to each beneficiary farmer through SMS initiated through NCIP and an intimation through Chatbot platform shall also be initiated to the farmers. State Governments/UT Administrations, CSCs, Banks & Insurance Companies shall ensure the accuracy of the data beforehand viz. Threshold Yield, Actual Yield, Insured Area, Sum Insured and Indemnity levels etc. Responsibility of any error, omissions and misreporting shall lie with the concerned State Nodal Department, Banks, CSCs and Insurance Companies as per their relevant roles and responsibilities defined under these Operational Guidelines. State Governments/UT Administrations, Banks, CSC-VLEs and Insurance Companies shall resolve all the grievances of the insured farmers and other stakeholders in the shortest possible time.

23.14 In any situation, the State/UT Government cannot reopen or re-calculate already assessed and disbursed claims after 30 days from the time of claim settlement for the notified crop(s) at the notified insurance unit. However, all States/UTs may compulsorily audit the calculation and payment of claims to the eligible farmers at the earliest and complete the process within One Month. In the case of disputed or sub-standard claims, due to erroneous data, the matter may be referred to State Level Coordination Committee on Crop Insurance (SLCCCI) or STAC within this time and further to the central Technical Advisory Committee (TAC), if required, for consideration and appropriate decision.

23.15 All the details of the farmers pertaining to payment of claims shall be verified through PFMS before initiating the claim payment on NCIP. Applications with invalidated bank accounts and Aadhaar Numbers shall be enabled for re-entry of account numbers as per the process defined above.

23.16 The State/UT may define the minimum claim amount per farmer as threshold for all the seasons below which the claims shall be held back by the insurance companies. The claims above this threshold amount may be disbursed directly to the farmers' account. The State/UTs may exercise any one of the following options and inform GoI regarding the same well before the timelines for initiating the claims for the season:

23.16.1 Option 1 – The amount below the defined threshold may be transferred to FIAT account maintained by the GoI.

23.16.2 Option 2 – The State/UTs may top-up the actual claim amount from their own budget to meet the defined minimum threshold.

23.16.3 Option 3 - The State/UTs may retain the claim amount below the defined threshold and add to the claim amount of the same farmer in the next season(s).

24 Important Conditions/ Clauses Applicable for Coverage of Risks

24.1 Insurance Companies shall receive the premium for coverage either from the bank, channel partner, CSC-VLE, insurance intermediary or directly. In case of any error in data entry or non-entry of relevant data on NCIP due to negligence by these agencies or non-remittance of premium by these agencies, the concerned agency shall be liable for payment of eligible claims.

24.2 **In case of any substantial misreporting by nodal bank /branch with respect to** loanee farmers coverage which may include incorrect insured and sown acreage and survey number details, bank account details & IU details etc., the concerned bank only shall be liable for such misreporting.

24.3 Mere sanctioning/disbursement of crop loans and the submission of relevant data on NCIP and remittance of premium by the farmer or bank, without explicit intent to raise the crop or without having raised the said crop on the insured land parcel, shall not mean eligibility of such farmer for coverage under the scheme and also shall not constitute acceptance of risk by the concerned Insurance Company.

24.4 The acceptance of risk and payment of claims by Insurance Company shall be purely based on the provisions of these Guidelines and no other guidelines or modalities of any other scheme of Central/State/UT Government or terms and conditions of any other product of Insurance Companies shall be referred to or adopted by the States/UTs or Insurance Companies.

25 Acreage Discrepancy

25.1 Some areas across the country in the past have reported excess insurance coverage vis-à-vis planted or sown acreage, leading to over-insurance. Any discrepancy in coverage of excess area should be handled at the individual unique applicant level to protect the interest of farmers with genuine insurance coverage. All suitable measures shall be taken by concerned stakeholders for de-duplication with the help of Aadhaar Number, land records including State/UT specific digital land record platforms and data validation from Agri-stack system of the GoI, banks records, revenue records and KCC loan application of insured farmers against the details of individual insured farmers as available on NCIP. Integration of digitized land records with the NCIP is ongoing to resolve the problem of multiple coverage or excess coverage on the same parcel of land. Any misreporting in acreage will be verified and validated by the concerned Insurance Companies with the Digital land record portals of the States/UTs and the same can also be verified from the concerned bank branches in case of loanee farmers .The scheme also covers the risk of prevented sowing/germination failure which is not included in the final sowing area furnished by the State/UT Government for arriving at end of season sown area of respective crops during the season. Hence, the comparison of insured coverage without removing prevented sowing/germination failure acreage with the final season end sown area is not justifiable. However, misreporting of area insured or misrepresentation of, non-cultivable or Govt./Temple land or cultivable land not belonging to the insured farmer, as owned or leased land or farmers not sowing or having no intention of raising the crop in the insured land parcel etc. should be verified, de-duplicated and eliminated from the final coverage. For the purpose of elimination of duplicate applications (application on same land parcel for same crop and area for same farmer), the application enrolled though Banks as loanee farmers shall get precedence over non-loanee application enrolled through any other channel and therefore non-loanee application/s shall get rejected first. In case of multiple enrolments either though banks as loanee farmer and/or non-loanee farmers and non-loanee farmers through same or multiple channels, the LIFO principle shall be applied, i.e. applications which has been enrolled last shall be rejected first. The State/UT Government along with the District administration and the Insurance Company should take appropriate measures for verification of land/area sown at ground level. The Scheme also provides for the option to change the insured crop by the insured farmers upto 2 days before the cut-off date for debit of premium and enrollment of farmers. Hence, Bank Branches and other agencies may publicize this provision adequately along with the consequences of over insurance and malpractices in advance amongst the farmers.

25.2 The Insurance Companies should also verify sufficient number of insured land parcels for each notified major crop by visiting those Insured fields and report the same though mobile app to the GoI.

25.3 Under the scheme, notified crops are being insured by the Insurance Companies on the basis of actuarial premium rate by sufficiently pricing the underlying risk, hence, it is not their prerogative to reduce the Sum Insured and resultant claims on the application of ACF. However, to rationalize the government subsidy, it is the responsibility of all concerned stakeholders including farmers and financial institutions to insure the crop which the farmer actually intends to sow or is actually sown and to the extent of actual sown area. The option to change the insured crop has also been provided under the scheme for reporting of crop(s) actually sown. There is also a provision to indemnify the crop losses due to the localized perils on the basis of a survey of individual land parcels under insured crops. Incorrect reporting of insured crops i.e. if the crop actually sown and insured are different, may lead to forfeiting of premium and rejection of application leading to denial of claims.

25.4 Any case of large-scale irregularities or anomalies regarding insurance of excess area i.e. the insured area being more than the published sown area (i.e., the average of the last three consecutive years) at Taluka level should compulsorily be brought to the notice of the State/UT Government and the GoI. This should be submitted in writing after the cut-off date of data entry on NCIP but before the period specified for reconciliation with banks and other agencies so that the same may be examined by the State/UT Government and rectified by the concerned bank and agencies themselves before finalization of enrollment data for the season on NCIP.

25.5 In spite of all suitable measures taken by the Insurance Company for de-duplication and elimination of ghost farmers or identification of excess area insured by the individual farmers, all Insurance Companies have to necessarily report excess insured area in the prescribed template to the concerned States/UT and GoI well before the start of crop cutting experiments for verification of the issues raised by the concerned Insurance Companies and for taking necessary corrective measures, if required. It is the responsibility of the Insurance Company to verify the sown area before the time prescribed for auto-approval of application. In case of any financial loss incurred by the Government in respect to subsidy claimed against the non-genuine or ghost applications, the Insurance Company shall be liable for making the refund of Government subsidy premium, forfeiture of farmer’s premium and depositing it to FIAT account maintained by the GoI. The decision for application of ACF will be taken by the GoI based on the field reports submitted by Insurance Company, thorough evaluation of the situation and the decision of the GoI in regard to the applicability of discrepancy in insured area shall be binding on all. The template for such reporting is given in **Annexure-II.**

25.6 If at all, ACF has to be applied in the case of established gross irregularities on ground, until the land integration, ceding of land parcels with Aadhaar or Unique

Land Parcel Identification Number (ULPIN) and real-time reconciliation remains in abeyance for development, the GoI will be allowed to apply the ACF only on those major crops for which sown area at Block/Taluka level is available as per the prescribed Standard Operating Procedure as defined below.

25.7 If the difference between insured area and sown area (maximum of preceding last three years) is greater than 30% at the Block/Tehsil/Taluka level, the matter should be compulsorily brought to the notice of the MoA&FW, GoI in the prescribed format. The GoI will examine these cases. If required, the CPMU and/or MNCFC will also be asked to validate and provide crop sown area data for the same. The concerned Insurance Company is required to provide requisite ground level data (at-least covering 20 locations per block) collected using the Mobile App specially developed for CROPIC initiative for Crop Health Monitoring by the GoI to generate crop signatures for accurate enumeration of area sown data at Block/Tehsil level. The data of the revised insured area for the application of ACF, if any shall be uploaded on NCIP as well.

25.8 Accordingly, after scrutiny, excess insured area, if any shall be treated as un-insured and corresponding farmer's premium will be forfeited. The same will be surrendered to the FIAT Fund maintained by the GoI and the same may be utilized for leveraging technology in PMFBY to support technology-based solutions, research and Impact assessment projects etc., and towards assisting State/UTs to foster innovation and adoption of various technology solutions as outlined in these Guidelines.

25.9 Premium subsidy surrendered by the Insurance Companies due to application of ACF shall be refunded to the Central and State Governments/UT Administrations respectively in their subsidy sharing ratio through Central Nodal Agency designated by the GoI.

26 Information Education & Communication (IEC) and Capacity Building

26.1 Information, Education and Communication (IEC) and Capacity Building activities through awareness drives, campaigns, trainings and handholding support are the focus areas under revamped PMFBY. It is imperative to create awareness about PMFBY amongst farmers and bridge knowledge gaps among various implementing stakeholders. As Insurance Companies are being allocated continuity of business for long term i.e., for three years, they will have adequate time for awareness generation and building capacities of the different stakeholders. Therefore, systematic management of IEC and training activities is essential for a scheme like PMFBY, where multiple stakeholders are involved at various stages of scheme implementation. The primary target groups for conducting IEC and training and capacity building activities are farmers, State level and district level officials of the State Governments/UT Administrations, Banks, Primary Agriculture Co-operative societies (PACS), Common Service Centers (CSCs)-VLEs, Insurance Intermediaries, field functionaries and primary workers of different departments and implementing Insurance Companies.

26.2 Major challenge in creating well informed ecosystem is the multiple layers of hierarchy within each stakeholder and their different levels of understanding about scheme implementation aspects. Thus, IEC and training needs of the stakeholders are not uniform but vary in its functional areas. Since, different stakeholders represent PMFBY to the farmers, any deficiency in the knowledge or services greatly impacts the understanding and adoption of the scheme by the farmers, implementation of scheme as per the protocols, understanding of different technology aspects infused under the scheme and eventually the claim settlement process. Since, the scheme has been made voluntary for all the farmers, it becomes even more important to generate awareness about the benefits of the scheme, build trust in the scheme and make efforts for ensuring faster and efficient service delivery to the farmers to improve overall satisfaction amongst them, thus instilling behavioral change towards creating an enabling environment in favor of the concept of risk protection through insurance. Therefore, a robust awareness and capacity building platform has great significance in streamlining and strengthening scheme implementation.

26.3 It requires sensitization of higher authorities of the targeted stakeholders at the National, State/UT, & district level, massive awareness generation and error free implementation at the ground level throughout the season. It equally requires focus on awareness and education of all stakeholders including farmers about all implementation aspects of the scheme, right from scheme publicity, enrolment of farmers, yield & loss assessment, claim calculation, claim settlement and addressing grievances of farmers. Broad objective of IEC and capacity building is to build overall literacy on crop insurance among the stakeholders and capacitate farmers to take informed decisions.

26.4 Following would be the broad strategies for creating awareness and improve knowledge about the scheme that shall be focused by GoI for desired outcomes:

26.4.1 All IEC and Training and Capacity Building activities need to be carried out in a multi-pronged approach comprising of awareness generation at a mass level and sensitization of key stakeholders at all levels through sensitization programs. The approach will further comprise of engagement of stakeholders actively involved in scheme implementation at the field level through continuous trainings and time to time hand holding support. Additionally, greater emphasis shall be on developing long term synergy with apex training institutes for knowledge management in crop insurance ecosystem sector to make it sustainable and scalable for long term education and creation of capacities.

26.4.2 At the beginning of each crop season, concerned Insurance Companies need to prepare a stakeholder-wise micro level IEC and training activity plan and ensure strict implementation of the same. The GoI will facilitate in finalizing the micro activity plan in consultation with other stakeholders. It will also provide a standard template & SOP detailing target groups, select activities to be undertaken, timeline, frequency, responsibility etc. before the commencement of season.

26.4.3 The Insurance Companies shall undertake an exercise of activity mapping and corresponding budget allocation for IEC and Training. This would help in planning diverse activities with maximum outreach and concentrating on few select activities with enhanced and long-term impact.

26.4.4 Adequate publicity and awareness generation needs to be conducted in all the villages of the notified districts and IUs by all the implementing stakeholders in co-ordination with each other. All possible means of mass communication such as, print, digital traditional and social media may be utilized to create and disseminate awareness about the provisions and benefits of the Scheme among the farmers and the agencies involved in implementing the Scheme.

26.4.5 Awareness generation and training and capacity building activities need to be carried out on regular basis starting from three months prior to the beginning of the enrolment period till the claim settlement for a season. Insurance Companies need to start the work immediately, within 15 days of award of contract and submit a comprehensive plan to the concerned State Governments/UT Administrations and to the GoI.

26.4.6 Insurance Companies are required to prepare a dynamic social media calendar for generating awareness and addressing issues raised on social media.

26.4.7 State Governments/UT Administrations shall facilitate all the implementing stakeholders in organizing training & capacity building and sensitization workshops/ on key implementation activities on crop insurance under PMFBY/RWBCIS.

26.4.8 Insurance Companies shall earmark 0.5% of the Gross Written Premium for the concerned season for expenses on publicity, awareness generation, training and capacity building activities at the field level. Implementing Insurance Companies need to submit corresponding details of expenses to the GoI and the respective State Governments/UT Administrations at the end of every season.

26.4.9 A share of 0.25% of the total Gross Premium i.e. 50% out of the earmarked 0.5% of the Gross Written Premium will be pooled at the central level in the form of a Central IEC Pool Fund which shall be used for centralized efforts for doing various awareness, educational and capacity building activities including creation of a knowledge repository comprising of IEC and training material such as interactive videos, short films, training manuals, booklets, brochures, pamphlets, e-learning material and courses, its designing and dissemination, and creating a pool of knowledgeable individuals at ground level. This would involve using existing infrastructure by engaging apex training institutes at the National, Regional, State/UT level, etc. For this purpose, an IEC advisory Committee has been constituted by GoI comprising of members from Insurance Companies, Academia, State Governments/UT Administrations and officials from DA&FW and CMPU which shall function under the supervision of Joint Secretary/CEO-PMFBY to plan, design, curate and undertake aforesaid activities while utilizing the central IEC Pool Funds for the same.

26.4.10 The balance 0.25% of gross funds for IEC needs to be spent by Insurance Companies on publicity, awareness generation, training and capacity building activities about the scheme while synchronizing their efforts with the activities being undertaken under the activities being planned and executed by the GoI at central level. Any unspent balance of the concerned season shall be carried forward for IEC activities during the next season.

26.4.11 Specific IEC needs of NER/Himalayan States and UTs may be taken up by the GoI through IEC advisory committee on case-to-case basis and the GoI may direct the concerned Insurance Company regarding the same.

26.4.12 All the publicity material/information/training material should necessarily be uploaded on the NCIP or Mobile App specially designed by GoI along with the coverage, frequency and duration etc., for better execution and effective monitoring.

26.4.13 Resources from Central IEC Pool Fund shall also be used to support the engagement of apex/premier institutes at the national and state level having institutional infrastructure and skilled human resources to impart training, developing e-learning modules, organizing seminars, conferences, workshops on technical aspects and conducting research on application of various technology and media interventions in crop insurance for various stakeholders.

26.4.14 All the stakeholders are required to contribute in developing a pool of resource persons/master trainers on the subject of crop insurance across the country.

26.4.15 Insurance Companies to contribute in building institutional capacities by providing training and support to the Faculty Members of select apex/premier training institutes (identified/empaneled by GoI) in the country. Infrastructure of these training institutes may further be utilized for conducting trainings at its premises with the provision of bearing course expenditure, boarding and lodging of participants and faculties/resources persons and offering honorariums to faculties/resource persons.

26.4.16 Strict monitoring, tracking and impact assessment of all the activities planned and executed through the Central IEC Pool Fund at National and State/UT level shall be done periodically for ensuring efficiencies of such activities and for enabling the corrective measures to ensure the desired outcomes.

27 Service Charges

27.1 All payments of commission, rewards & service charges by the Insurance Company to Banks, CSC eGov & Insurance Intermediaries etc. shall be subject to the applicable circulars and regulations issued by the GoI and the IRDAI from time to time.

27.2 Even if the farmer's share of premium is contributed or/financed by the concerned State Governments/UT Administrations under preferential universalization, the applicable service charges on total farmers' share of premium including contribution made by States/UTs shall be paid by the concerned Insurance Company only.

27.3 The bank Head Offices, CSC e-Gov & Insurance Intermediaries shall request service charges from Insurance Companies based on approved applications for the respective season. The Bank HQ, CSC e-Gov & Insurance Intermediaries shall compulsorily enter the GST numbers and details of the bank accounts for remittance of service charges on NCIP to facilitate online generation and routing of the service charge invoice to the concerned Insurance Company and remittance of the same electronically while creating transaction logs on NCIP for tracking and reconciliation.

27.4 No service charges will be payable to the concerned bank/branches, CSC e-Gov, Insurance Intermediaries etc. for the applications involving anomaly or misrepresentation of details or data and for the applications which have been rejected by the Insurance Company as per applicable provisions of Operational Guidelines. However, service charges on the applications undergoing area reduction due to validation of individual applications as per the process outlined in these guidelines shall be payable on the basis of revised and validated acreage and corresponding farmer's premium only.

27.5 If there is a delay in the payment of service charges by the Insurance Company beyond 30 days of finalization of enrollment statistics, the payable service charges shall be required to be paid with interest @12% p.a. to concerned Banks, CSC-eGov, Insurance Intermediaries and other channel partners.

27.6 The services charges shall be paid by the concerned Insurance Companies to the Banks, CSC eGov & other Insurance Intermediaries without waiting for the full premium receipt, subject to receipt of Farmer Share and Advance Premium share from the State Govt./UTs.

27.7 Bank HQs and Bank Branches

27.7.1 Bank and other financial institutions, including the Banking Correspondents shall be paid service charges @ 4% of the farmer's share of premium by Insurance Company for the farmers enrolled by the bank branches, as per the data generated from the NCIP within the 30 days of the finalization of business statistics. The NCIP will be equipped to auto-generate invoices on behalf of Bank HQ which will then be validated and signed by the concerned signatory of Bank Head Office. Based on this validated and signed invoice, the concerned insurance company shall initiate payment of service charges as per invoice within 15 days from date of submission of the invoice by the concerned Bank HQ. These charges include the services provided by the banks including enrollment, data entry, subsequent clarifications, corrections of data, reconciliation of premium debit & remittance, payment gateway charges, activities related to awareness generation and saturation of KCC farmers etc. There shall be Centralized payment of service charges to the banks wherein one account of the Bank HQ only shall be mapped to NCIP. The distribution of these service charges to the concerned branches and attached Banking Correspondents shall be the responsibility and discretion of the Bank HQ only. If there is a delay in the payment of service charges by the Insurance Company beyond 30 days of finalization of business statistics, the amount needs to be paid with interest @12% p.a. to Banks/FIs.

27.8 CSC, BCs & Other Intermediaries

27.8.1 CSC e-Gov. India Pvt. Ltd. shall be paid service charges as decided by GoI from time to time and mutually agreed between CSC e-Gov and concerned Insurers for all applications approved by the Insurance Company on the NCIP by the cut-off date for doing so as per the Seasonality Discipline. This shall be subject to a capping on commissions prescribed under IRDAI regulations. The NCIP will be equipped to auto-generate invoice on behalf of CSC e-Gov. which will then be validated and signed by concerned signatory of CSC e-Gov. Based on this validated and signed invoice, the concerned insurance company shall initiate payment of service charges as per the invoice within 15 days from date of submission of invoice by CSC e-Gov. There shall be Centralized payment of service charges to the CSC e-Gov wherein one account of the CSC e-Gov HQ shall be mapped to NCIP.

27.8.2 Common Service Centers, Banking Correspondents shall be paid service charges by Insurance Companies, against the finally approved applications generated by them. This includes charges for submission of electronic data of farmers along with uploading of the copy of Land Possession Certificate (LPC)/Land records/ /contract document or any other document defined by the concerned State Governments/UT Administrations to identify sharecropper/tenant farmer, self-declaration of the intent to sow the proposed crop or sown crop/sowing certificate as notified by the State, Bank Passbook up to 5 pages and printout of one page of the premium acknowledgement receipt. This shall also include re-upload/re-submission and correction of data and documents if any application is reverted for clarification/correction by the Insurance Company.

27.8.3 Rural and other insurance intermediaries engaged in providing services under the scheme to the farmers for enrolment may be paid service charges as mutually agreed between the Insurance Intermediaries and concerned Insurers or as per the charges decided by the GoI from time to time for all applications approved by the Insurance Company on the NCIP by the cut-off date for doing so as per the Seasonality Discipline. This shall be subject to a capping on commissions prescribed under IRDAI regulations.

28 Goods & Service Tax (GST)

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

29 Monitoring and Review of the Scheme

29.1 The State Level Coordination Committee on Crop Insurance (SLCCCI) of the concerned State shall be responsible for the monitoring of the Schemes in respective States & UTs. However, a National Level Monitoring Committee (NLMC) under the chairmanship of Secretary, DA&FW, GoI, shall monitor the Scheme at the national level.

29.2 A National Review Conference shall be held twice in a year or as decided by the Crop Insurance Division of DA&FW, GoI to review the progress with all concerned stakeholders under the scheme to discuss the challenges, opportunities and future strategic interventions planned under the scheme. The expenditure for the same shall be contributed by all the implementing Insurance Companies and Re-insurance Companies having Branches in India & underwriting PMFBY business. Detailed SOP in this regard shall be issued with the approval of CEO-PMFBY separately from time to time.

29.3 The following monitoring measures are proposed to ensure the effective implementation of the Scheme during each crop season ensuring maximum benefits to the farmers:

29.3.1 The Bank branches/CSCs/ Insurance intermediaries may collect the details of individual insured farmers (both loanee and non-loanee) and submit the information electronically using the web or CBS Integrated module for submission of crop wise consolidated declarations on or before final cut-off date. Final yield data based on CCEs shall be made available online on NCIP for the concerned Insurance Companies by the State Governments/UT Administrations within One month from the date of final harvest of the specific notified crop.

29.3.2 The calculation of excess insured area if any shall be reported by the Insurance Companies immediately after the completion of coverage period and uploading of data of individual insured farmers on the Portal but no later than the onset of CCEs. Similarly, any anomaly in the actual yield data shall be brought to the notice of the concerned State Government/UT Administration no later than 7 days from the final receipt of actual yield data as detailed in **Para 16.4 point 42 of Table 2 & Para 19** of these guidelines.

29.3.3 Insurance Companies shall calculate crop-wise, IU wise payable claims on add-on covers and final claims based on the actual yield data and threshold yield as per the type of TY adopted at the time of tendering. Accordingly, the payable claims subject to payment of applicable premium share by the Central and State Governments/UT Administrations for the season shall be remitted by the Insurance Companies directly into the beneficiary farmer's accounts electronically through NCIP using the DigiClaim Module.

29.3.4 After the finalization of the claim amount from the concerned Insurance Companies, the same shall be made available on the NCIP for the concerned bank branches, CSC e-Gov and other channel partners. The bank branches and CSC VLEs shall spread awareness and motivation amongst farming community to opt for enrollment under the scheme.

29.3.5 The individual farmer shall be able to check and track the status of Application, Claim and Grievance ticket on the NCIP. Further, the farmer should be able to raise complaints, queries and grievances related to PMFBY through Krishi Rakshak Portal & Helpline which has been designed and developed with exhaustive provisions and mechanisms of public grievance redressal & feedback etc.,

29.3.6 The State/UTs should ensure that crop insurance products, including the weather index-based coverage under RWBCIS, provide comprehensive insurance coverage to the farmers on sound insurance principles and provide the best value for the premium. State/UT Government may also review the progress of the Scheme periodically and undertake impact assessment after the completion of each season and send their suggestion and recommendations to the GoI for making further course corrections in the provisions of the scheme.

29.3.7 About 5% of the beneficiaries shall be verified by Regional Offices or Local level Offices of Insurance Companies who will send the feedback on Crop Insurance to the concerned DLMC, State/UT Government and SLCCCI.

29.3.8 At least 10% of the beneficiaries verified by the Insurance Companies may be cross verified by the concerned DLMC and they should send the feedback to the State/UT Government.

29.3.9 1% to 2% of the beneficiaries may be verified and validated by the Head Office of the Insurance Companies or the Independent Agencies appointed by the GoI or NLMC and they should send the necessary feedback to the GoI.

30 Grievance Redressal Mechanism

30.1 Each implementing State/UT and empaneled Insurance Companies are required to compulsorily collaborate for setting up a robust grievance redressal mechanism with requisite infrastructure up to the level of Block/Taluka to address grievances of all stakeholders particularly insured farmers.

30.2 At the initial level, for grievance redressal, each district shall designate a Taluka and District level grievance redressal officer preferably Tehsil/Taluk or District Agriculture/Horticulture Officer to record & respond to the grievances of Farmers, Banks, & Insurance Companies etc. In case of receipt of any grievance, the Tehsil/Taluk level grievance redressal Officer shall take suitable action as per the provisions of these guidelines within 7 days from the receipt of grievance. In case of dissatisfaction, the matter may be brought before the **Appellate Committee (AC) constituted viz. District Level Grievance Redressal Committee (DGRC).**

30.3 **Appellate Committee (AC)/DGRC at District Level**: In line with the DLMC, an Appellate Committee (AC)/DGRC shall also be constituted for redressal of grievances of Farmers, Banks, Insurance Company, CSC-VLE, Insurance Intermediaries, District Authority/Department. This Committee will be headed by the District Magistrate (DM*)/Collector and the representatives of Farmers, Lead District Manager (LDM/Banks, District Development Manager (DDM) NABARD, Insurance Company and concerned District Authority/Department (i.e, Agriculture/Horticulture/Cooperative/Revenue/ Agricultural Statistics etc.) shall be appointed as members. This Committee may also invite subject specialists/experts from Universities/IMD/commodity Boards/Research Institutions, SRSAC etc., if deemed necessary. If the AC is satisfied that there is an error of judgement by the by the grievance redressal officer at the Tehsil / Taluk level then it may admit the appeal filed before it. The AC shall record the averments of the appellant as well as all the connected parties, examine the issues raised in the light of the operational guidelines and dispose the matter within 15 days by passing a speaking order and the grievance shall be treated as closed. However, in case if the AC is of the view that the appeal is not admissible, it shall reject the same in writing by recording the reasons thereof.

30.4 **State Level Grievance Redressal Committee (SGRC):** The State/UT shall also constitute a State Level Grievance Redressal Committee for redressal of grievance of Farmers, Banks, Insurance Company, CSC-VLE, CSC eGov, Insurance Intermediaries, District Authority/Department unsettled at the level of the DGRC. This Committee will be headed by the Principal Secretary/Secretary of the Nodal Department, SLBC/Banks, Chief General Manager (CGM) NABARD, Insurance Company and the concerned State Authority/Department shall be appointed as members. This Committee may also invite subject specialists/ experts from Agriculture University/ IMD/ research institutions/commodity Boards/, State Remote Sensing Application Centre, SRSAC, STSU, STAC, concerned MITRs etc., if deemed necessary.

30.5 The grievances which have wider scope of effect impacting a greater number of districts or there is a breach of guidelines by any of the stakeholder or the grievance matter exceeds Rs. 25 Lakh in monetary terms, such matters may be directly raised at the level of the State Level Grievance Redressal Committee (SGRC). The Committee will dispose of the grievance within 15 days from the time of receipt of grievance. The decision of the Committee shall be accepted by all the parties. The States/UTs shall notify the constitution of such a grievance redressal committee and make wide publicity amongst farmers along with the name, address, email ID and contact number of grievance redressal officer. State/UTs may also nominate the State level Grievance Redressal Officers at the rank of Director to register and dispose of grievances not in the purview of District Level Grievance Redressal Committee (DGRC) In addition, the State/UTs shall strictly comply and take the responsibility of the following activities:

A. Strengthening of the different levels of Grievance Redressal Committee (GRCs) and the Appellate Committees for resolving the grievances at the ground level (Taluka /

District level).

B. Required capacity building shall be provided to the officials concerned with Grievance Redressal and its timely resolution and disposal.

C. Systematic functioning of such Committees at various levels with proper reporting mechanism and documentation.

D. Timely disposal of the Grievances and intimation of the status of disposal to the complainant with proper tracking mechanism.

E. Avoiding procedural delays in channelizing the Grievances to officials and organizations for taking necessary action and strict adherence to the timelines defined in these Guidelines.

F. Proper documentation of the Grievances and Disposal status shall be ensured for further tracking by the State/UTs and the GoI and for disposal of complaints or queries raised by farmers, public representatives etc., through RTIs or by any such Government provided Citizen rights mechanism for ensuring greater transparency and accountability of the stakeholders within the Scheme.

G. The status of the grievance receipts and disposal shall be regularly updated by concerned Insurance Companies, Banks, State/UTs or the GoI on respective platforms e.g. CPGRMS, KRPH and on social media handles of PMFBY maintained by the GoI and the respective State/ UTs.

30.6 Krishi Rakshak Portal & Helpline (KRPH)

30.6.1 A dedicated Centralized Toll-free Number, under the aegis of Krishi Rakshak Portal & Helpline (KRPH) has been set-up for query resolution and grievance redressal of farmers. Any query or complaint of the farmer will be registered on the NCIP against a unique ticket number. The ticket number will be shared with the farmer through SMS or Chatbot indicating the tentative resolution timeline. Simple queries or complaints shall be resolved by the concerned agent handling the call whereas the serious complaints and grievances which the agents are not able to resolve shall be further forwarded to the concerned Stakeholder viz. Insurance Company, Banks, CSC e-Gov or nodal departments of the States/UTs. The concerned Stakeholder shall provide the resolution electronically within given timelines defined by GoI. The solution or redressal shall be intimated to the farmer through a feedback telephonic call and also through NCIP, Chatbot & Mobile App basis the information given by the concerned stakeholder on NCIP and/or KRPH.

30.6.2 The Krishi Rakshak Portal shall be the centralized system equipped with the necessary features viz., Complaint/Query capturing through multiple modes (electronic, telephonic and conventional or physical mode), farmer authentication & online ticket creation and forwarding to the concerned stakeholders, online escalation as per escalation matrix, updating of resolution details, MIS & Dashboards for data analysis and visualization.

30.6.3 The farmers' grievances would be registered and transmitted to the concerned Insurance Company, banks, CSC e-Gov, State, Districts or Bank users etc., for resolution within a definite turn-around-time. At each stakeholder, the query or grievance shall have multiple escalation levels from lowest to highest and shall have maximum 15 days to dispose the same. Any appeal against the decision of the stakeholder shall be at the lowest defined level of the stratified grievance redressal structure created by the State/UT Government. The State/UT Government shall have access to the entire process and this portal shall act as a platform for the State/UTs for grievance redressal and their monitoring. There will be landlord-tenant framework where the platform shall be provided by the GoI and the State Governments/UT Administrations will be completely responsible for day to day functioning of effective grievance redressal mechanism for their own State/UT. GoI shall only act as the facilitator and the responsibility of redressal and closure of grievances shall vest with the Insurance Companies, Banks, CSC e-Gov and the State Governments/UT Administrations.

30.6.4 The system shall not only take the grievances/queries through calls but will also facilitate those grievances from the farmers which are received through other sources like mobile app, Chatbot, social media, email, handwritten applications, walk-in grievances lodged by the farmers at local State, District or Taluka Agriculture Office or Insurance Company.

30.6.5 Every grievance shall be taken to a logical conclusion to the satisfaction of the farmer. Every grievance will have a Ticket ID with ticket closure responsibility lying with the Insurance Company, State/UT and Bank respectively as per the type of grievance. The turnaround time for the grievances and queries on the grievance portal shall be 15 days. Grievances which are tagged to State/UT officials will be dealt with exclusively by the State/UT.

30.6.6 IRDAI already has an Integrated Grievance Management System named as Bima Bharosa, a platform for complaint registration and grievance redressal, which shall also be integrated with KRPH for real-time information sharing and escalation of grievances which stands unresolved with the Insurance Company within the given period of 15 days. Further, similar integrations shall also be done with respective grievance redressal portals of RBI, States/UTs specific grievance redressal portals and Central Govt. portal i.e. CPGRMS etc. comprehensive visibility and quick resolution of all types of grievances and complaints related to multiple stakeholders under PMFBY.

30.6.7 Any grievance resolved by the respective stakeholders shall be liable for re-opening in case the concerned farmer is not satisfied with the resolution.

30.7 Grievance Redressal Mechanism by Insurance Company

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

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

30.7.3 Insurance Company shall ensure that details of the grievance redressal officers along with the name, address and contact number and email id is publicized widely among farmers. Insurance Companies will have to dispose the grievance within 15 days' time of receipt of each and every grievance/complaint.

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

30.7.5 All the queries, complaints or grievances related to the scheme shall mandatorily be ported and handled through Krishi Rakshak Portal & Helpline.

30.8 Committee to Examine the Additional Claims Arising due to Errors, Omissions and Commissions of the financial Institutions

30.8.1 A committee has been be constituted under the chairpersonship of CEO-PMFBY/Joint Secretary (Credit), DA&FW with the representatives of Internal Finance Division (IFD), DA&FW, concerned State/UT Government, Insurance Companies to examine and dispose the issues related to additional claims arising due to errors or omissions and commissions of the Bank branches, CSC-VLEs, Insurance Intermediaries etc., which are beyond the available provisions of the Operational Guidelines and remains un-disposed and un-resolved despite having undergone though various grievance redressal committees at District/State Level to facilitate the redressal of disputes and grievances.

30.8.2 The Committee may also invite the senior executive/officers of concerned stakeholders to present their cases before the committee.

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

30.8.4 The committees constituted at Tehsil/District or State level under PMFBY for redressal of various disputes and grievances of the stakeholders should examine and dispose of grievances including the grievances and issues pertaining to old seasons as per the provisions of the Operational Guidelines applicable during the respective seasons. Any clarification / interpretation of the provisions of these Guidelines solely lies with the GoI.

31 Empanelment and Selection of Insurance Companies (ICs)

31.1 Empanelment Criteria

31.1.1 All the General Insurance Companies including specialized Insurance Companies as empaneled by DA&FW, GoI and selected by concerned State Governments/UT Administrations through a tendering process, shall implement PMFBY. Once an Insurance Company has been empaneled by DA&FW, it is considered as pre-qualified Company to bid for selection as Implementing Agency (IA) through tenders published by the State/UTs and to undertake implementation of the Scheme/Program in accordance with the advisories, directions and Operational Guidelines issued by DA&FW, GoI from time to time.

31.1.2 Insurance Companies shall not be permitted to surrender full or partial clusters or districts once the company has been selected as L1 bidder. If any Insurance Company declines after being declared L1, it will be de-empaneled/ de-barred to implement crop insurance Scheme for the coming/next season(s) in the concerned or all the State/UTs and L2 may be given the cluster for implementing the crop insurance scheme at L1 district-crop combination rates. If L2 bidder also declines to implement the scheme with prescribed conditions, other bidders' viz. L3, L4 and so on, shall be asked for their consent. All Such bidders will be required to simultaneously furnish appropriate reasons for withdrawal, surrender or non-acceptance in writing to the State/UT Government with the copy to the DA&FW, GoI, to enable further corrective measures and appropriate administrative & legal action accordingly. Financial losses, if any, to the State/UT Government, in re-tendering due to withdrawal of selected bidder, will be recovered from the withdrawing L1 bidder.

31.1.3 Each Insurance Company should compulsorily bid for any NER or Himalayan States and UTs. Suitable penalty may be imposed to the non-participating insurers by the D&FW, GoI.

31.1.4 Core businesses such as underwriting, grievance redressal, claim calculation and settlement cannot be outsourced by the Insurance Company to any third party outside of the organization. Suitable financial penalty shall be imposed on the defaulters by DA&FW, GoI and will also send recommendations to IRDAI and other regulators for taking necessary action in the matter.

31.1.5 Since premium rate is being decided on the basis of transparent bidding process, the co-insurance arrangements between the insurers as per the standard practices of the insurance industry within the provision of IRDAI regulations and guidelines shall be allowed under PMFBY in order to expand the insurance retention capacity within the country and support smaller insurers to gain experience and increase their capacities. All companies however have to inform such arrangements if any in advance to the DA&FW, GoI.

31.2 Selection Criteria of Empaneled Insurance Companies as Implementing Agency (IA)

31.2.1 The selection of Insurance Company from the empaneled list, as communicated by DA&FW, GoI from time to time, to act as Implementing Agency (IA) shall be done by the concerned States/UTs for implementing the Scheme in their State/UT. Selection of IA will be made by adopting the cluster approach by clubbing multiple districts into clusters comprising of 3-6 districts each. In the case of smaller States, the whole State/UT may be assigned to one IA.

31.2.2 Before the commencement of the crop season, **the State/UT Government would invite the pre-qualified empaneled Insurance Companies through open tender for submission of district-wise and crop-wise cluster level actuarial premium rates as percentage of Sum Insured (financial bid)**. Indemnity Level, Threshold Yields, Sum Insured etc. along with all other data and conditions will be the same for all the Insurance Companies for the season. The participating empaneled companies have to bid the premium rates for all the crops notified / to be notified in the cluster by the State Governments/UT Administration. Non-compliance will lead to rejection of the bid.

31.2.3 Based on the district-wise and crop-wise actuarial premium rates quoted by the empaneled companies, the total premium amount and weighted average premium rates for cluster of districts will be calculated to arrive at lowest bid rate (L1). The L1 Bidder at cluster level will be selected to act as the Implementing Agency in the concerned cluster.

31.2.4 State/UTs shall be required to select Insurance Companies for minimum period of three years. Ensuring long-term continuity will facilitate the Insurance Companies to build their credibility amongst the farmers by investing in manpower and infrastructure creation and also committing part of its profit towards Corporate Social Responsibility (CSR) initiatives through various activities aiming at the welfare and socio-economic development of the farmers viz. creation of the facilities of drinking water, healthcare, education, farm levelling, weather forecasts & advisory services, technology testing and transfer, etc. It is also anticipated that long term continuity gives an opportunity to Insurers, Bankers, State Governments/UT Administrations and other stakeholders to achieve a supportive and collaborative approach to ensure close working relationship and efficiency in service delivery.

31.2.5 The insurance coverage in terms of the number of farmers and acreage should be at least at the level of the corresponding previous season. In case of fall in coverage, DA&FW, GoI may get the facts examined and the reduction in coverage may impact the ranking of the Insurance Companies and the State/UT Government and also warrant corrective action including penal action by the DA&FW, GoI.

31.2.6 The State/UT Government may provide the requisite data about past yield of the last 10 consecutive years or more, threshold yield, crop-wise sum insured, indemnity level, insurance unit levels, names of notified units, calamity years etc. in a digital form by uploading the same on NCIP before floating the formal tender notice. This will enable in ensuring a single source of data throughout the years and instill confidence and objectivity in the datasets being used for assessment of underlying risk and pricing by the Insurance and re-insurance companies.

32 Clustering/Clubbing of Districts for Bidding by the State/UT

32.1 In order to diversify and spread the risk and cover high risk and low risk districts area without any prejudice, the State Governments/UT Administrations are required to group the districts/ area in such a way that each group contains a mix of districts/ area with different risk profiles. Prior to inviting the bid, the Stat/UTs Government, especially the large States have to divide the State into multiple clusters of districts depending on the volume of risk associated in the crops and district/areas proposed to be notified under the Scheme. The purpose of clustering is to divide the States into different groups of districts, so that expected sum insured (ESI) becomes relatively low and risk is shared and diversified. The States may form the clusters of districts based on the following approaches:

i. Districts of high risk and low risk areas,

ii. Districts of different agro-climatic zones, and

iii. ESI of each cluster should be preferably of similar size and order.

32.2 The district having a very high risks exposure, i.e., the total Sum Insured (SI) value may also be divided and distributed across clusters, combining sub-districts as a new cluster or clubbing with clusters comprising of other districts. However, while dividing the District in more than one clusters, administrative convenience may also be considered. Prior to the bid invitation, details on the cluster formation shall also be made available to the insurance companies compulsorily.

32.3 The Clustering/ Clubbing of districts should be done to achieve the following objectives:

A. Cluster formation shall be applicable for up to 3 years and shall not be changed during the contract period. Different clusters may be defined basedon the risk profile of the district so as to increase the diversification of risk within a cluster and enable risk spreading for insurer.

B. Cluster may contain districts with mixed agro-climatic zones so as to increase the diversification of a risk within a cluster.

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

32.4 Hence, one of the major requirements of clustering is the risk analysis of different districts. For the purpose of clustering and clubbing of districts and determination of L1 bidder, the risk is analyzed based on the long-term data of yield by:

a) Computing the average burn cost (percent difference between actual yield and threshold yield) and

b) Computing the level of variability in the long-term yield.

32.5 Although high quality long-term yield data is available at IU level since 2016 onwards, but the same is not always reflective of the crop losses especially when the claims on localized risks exceed the yield loss across few states or districts or crops therefore separate assessment of such trends along with the yield variations should be taken into account for underlying risk analysis. Other methods (including the use of satellite data) should also be explored for accurate risk assessment.

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

32.7 The above-listed approaches are only to provide guidance to the State/UTs. The State Governments/UT Administrations are free to follow the recommended approaches, or any other method devised by them however, ensuring that the DA&FW is suitably informed.

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

33 Assessment of Performance and De-empanelment of Insurance Companies

33.1 The performance of the empaneled Insurance Companies shall be closely monitored by the concerned Nodal Department of the State Governments/UT Administrations at the end of the completion of each 1 year interval comprising of at least two crop seasons i.e. Kharif and Rabi through ascertaining the company's skills, commitment and efficiencies for providing cost effective and efficient insurance services to farmers.

33.2 For the purpose, a detailed performance evaluation matrix containing key performance indicators with assigned weightage shall be notified by DA&FW from time to time and circulated to the stakeholders.

33.3 The Nodal department at the end of two complete seasons of a year may initiate performance evaluation of the Insurance Companies working in their state on the specific parameters as prescribed in the Insurance Company's Performance Evaluation Matrix as notified by DA&FW, GoI from time to time and complete the activity as per timelines defined in the Seasonal Discipline.

33.4 The base data to be used for the evaluation shall be extracted from NCIP by DA&FW and analyzed as per the performance evaluation matrix. The Nodal department of the states/UTs shall be required to submit Insurance Company wise assessment separately as per the template prepared by the DA&FW for the purpose. The state/UT will share their evaluation report with respective Insurance Companies for their comments and confirmation. Each Insurance Company should be given enough opportunity to present their views and substantiate their observations with valid data and proofs. Nodal Department shall evaluate such additional data and /proofs submitted by the Insurance Company and accordingly review their evaluation report and submit to DA&FW, GoI within given timelines.

33.5 DA&FW, GoI will have the final authority to implement and execute the performance evaluation report after thorough evaluation and validation of facts. DA&FW, GoI may ask for additional data and proofs from the Insurance Company or Nodal Department of the State/UT Government to substantiate the facts as stated in the report.

33.6 Once the Performance Evaluation report has been accepted and finalized by DA&FW, GoI, and the corresponding reward and punitive actions will be taken by the Ministry along with similar actions by the Nodal Department of the State/UT.

34 Evaluation of Efficiency of Nodal Departments of the State/UT

34.1 The efficiency evaluation of the State Nodal Department shall also be closely monitored by DA&FW on every 1-year interval through ascertaining the State's efficiency and execution / implementation of the Scheme.

34.2 For the purpose, a detailed performance evaluation matrix containing key performance indicators with assigned weightage shall be notified by DA&FW from time to time and circulated to the stakeholders.

35 Evaluation of Efficiency of Districts

35.1 The efficiency evaluation of the Districts shall also be closely monitored by DA&FW

on every 1-year interval through ascertaining the District's efficiency in execution & implementation of the Scheme.

35.2 For the purpose, a detailed performance evaluation matrix containing key performance indicators with assigned weightage shall be notified by DA&FW from time to time and circulated to the stakeholders.

35.3 Once the Performance Evaluation report has been accepted and finalized by DA&FW, GoI, the corresponding reward and punitive actions will be taken by the GoI along with similar actions by the Nodal Department of the state.

36 Evaluation of Efficiency of Banks

36.1 The efficiency and evaluation of the performance of the Financial Institutions shall be carried out by DA&FW on every 1-year interval as per the Performance evaluation matrix and ranking framework for these institutions.

36.2 For the purpose, a detailed performance evaluation matrix containing key performance indicators with assigned weightage shall be notified by DA&FW from time to time and circulated to the stakeholders.

37 Evaluation of Efficiency of CSC-VLEs

37.1 The efficiency and evaluation of the performance of CSC-SPV shall be carried out by DA&FW on every 1-year interval as per the Performance evaluation matrix and ranking framework for CSC-VLEs.

37.2 For the purpose, a detailed performance evaluation matrix containing key performance indicators with assigned weightage shall be notified by DA&FW from time to time and circulated to the stakeholders.

38 Role and Responsibilities of Various Agencies

For successful implementation and administration of Scheme, roles of various Agencies, Institutions, Government Departments & Committees are spelt out herein.

38.1 Government of India (GoI)

38.1.1 Support and Coordination with the State Governments/UT Administrations for implementation of PMFBY including awareness creation, publicity and the issuance of necessary instructions and Operational Guidelines from time to time for smooth and effective implementation.

38.1.2 Issue of directives to RBI, NABARD, Commercial Banks, RRBs and Cooperatives for compliance with the terms and conditions of PMFBY and its operational modalities.

38.1.3 Design, development, operationalization and maintenance of National Crop Insurance Portal (NCIP), WINDS Portal, KRPH Portal, YES-TECH Portal, LMS Portal, etc. and various mobile applications including AIDE App, Crop Insurance App, CCE Agri App, CROPIC App, Crop Loss Assessment App and other such applications & tools.

38.1.4 Setting up of the Central Program Management Unit (CPMU) with adequate infrastructure and expertise as defined in **Para 15**.

38.1.5 Constitution of Technical Advisory Committee and operationalization of central TAC as defined in **Para 19.3** to take up matters/disputes referred to it by any of the stakeholders for resolution and redressal.

38.1.6 Facilitate States in strengthening of AWS/ARG network under WINDS by providing financial support as outlined in **Para 7.6.10**

38.1.7 To release central share of premium subsidy as outlined in **Para 6.1.6 & 6.1.7** and to release claim liabilities under Cup & Cap (60-130) & Profit & Loss Sharing Models under ARTM as outlined in **Para 5.7** of these guidelines.

38.1.8 To release balance tranches of premium subsidy for the season to the concerned Insurance Companies as per the enrollment statistics on NCIP.

38.1.9 To review and monitor the implementation of PMFBY including premium rates, product-benchmarking and other matters and issue necessary directives to Insurance Companies, Banks, CSC e-Gov, Insurance Intermediaries, Technical Partners (MITRs, TIPs, WIPs) and other channel partners. Review the performance of participating stakeholders and suggest modifications/ improvements wherever required.

38.1.10 To organize Capacity building trainings and workshops for the State Governments/UT Administrations, Banks, CSC-eGIv/VLEs, Insurance Intermediaries, Technical Partners ((MITRs, TIPs, WIPs)) and Insurance Companies, to interpret the provisions of the Scheme and take decision on matters of risk or dispute in implementation of the scheme and settlement of claims.

38.1.11 To provide necessary assistance, guidance and resources for adoption of new technology for ensuring transparency, objectivity, better administration of Scheme and timely payment of claims to insured farmers.

38.1.12 To utilize 0.25% of the total Gross Premium (out of 0.5% of the total Gross Premium earmarked for awareness, publicity & capacity building) pooled at the central level to ensure sustainable and scalable awareness, publicity and capacity building interventions and build a knowledge repository.

38.1.13 To develop Technology related protocols including the protocols for Smart Sampling Techniques and Technology Based yield estimation for claim assessment and disbursement.

38.1.14 Empanelment of Insurance Companies, constitutions of various committees including YES-TECH, WINDS, Central TAC, SARTHI (Sandbox for Agricultural & Rural Security, Technology & Insurance) Committee and Quality Assurance Partners (QAPs) for QC & QA assessment of WIPs under WINDS, empanelment of Loss Assessment Agencies and accreditation of Loss Assessors, empanelment of technical partners viz. MITR, TIPs and WIPs under YESTECH & WINDS.

38.1.15 Fostering experimentation and innovation for the creation of new Agri-insurance products under Agri-Sandbox framework for quicker adoption of technological developments and enhanced risk protection to rural and agricultural economies so that access to affordable insurance increases and development of region / State specific products is encouraged.

38.1.16 Interpretation of any provision of the Scheme, decision in any aspects of the acceptance of risk or any dispute in settlement of claims between the stakeholders, and facilitation of stakeholders though technology interventions for effective implementation of the scheme.

38.1.17 To issue clarifications for the interpretation of these guidelines. The advisories, directions or clarifications issued by DA&FW, GoI shall also be considered as a part of these guidelines.

38.1.18 To amend & issue Operational Guidelines of PMFBY, amendments of manual of YESTECH, WINDS, CROPIC, KRPH, LMS, guidelines of FIAT and SOP/Manuals of various other interventions under PMFBY from time to time.

38.2 State Government/UT Administration

38.2.1 To constitute the SLCCCI with adequate representation of all stakeholders as detailed in **Para 6.1.9**. 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.

38.2.2 To set up and notify State level Technical Advisory Committee (STAC) and State level Grievance Redressal Committee (SGRC) at State/UT level in order to take up matters/disputes referred to it by any of the stakeholders for resolution and redressal.

38.2.3 To set up and notify the District Level Monitoring Committee (DLMC), District Level Grievance Redressal Committee (DGRC), District Level Joint Committee (DJLC) for crop damage assessment and District Level Steering committee for conducting CCEs and to hold regular meeting and ensure frequency of meetings at the district level.

38.2.4 To hold SLCCCI meeting well in advance to finalize clusters, issue bid document & notice, selection of Implementing Agency and issuance of Notification. Notification of the State/UT Government shall contain all information as per model tender document outlined in **Para 7** of these guidelines.

38.2.5 To publish bid document for selection of TIPs and WIPs for implementation of YES-TECH and WINDS under the scheme as per respective manuals issued by GoI from time to time.

38.2.6 To take suitable action for adoption of new technology solutions including YES-TECH, CROPIC, WINDS Smart Sampling Technique (SST), etc., for early loss assessment and better administration of Scheme.

38.2.7 To issue necessary directives to all agencies, institutions, Government departments and Committees involved in implementation of Scheme.

38.2.8 Notify insurance unit area at Village or Village Panchayat or other equivalent units for major crops. Unit size may be above the level of Village or Village Panchayat for other crops as per the availability and actual cultivation of the crops.

38.2.9 To furnish in advance insurance unit-wise (or of higher unit, if unit level data not available) yield data of past 10 years of all crops notified under PMFBY, previous 10 years season-wise, crop-wise & IU-wise loss cost data, past 5 years season-wise, crop-wise, IU-wise coverage and claim data and other relevant data as per **Para 8** of these Guidelines on NCIP as per the templates detailed in model tender document issued by DA&FW, GoI.

38.2.10 Issuance of necessary instructions to the WIPs implementing WINDS and the Regional Meteorological Centers of IMD for maintenance and supply of weather data as per standards and specifications outlined in WINDS Manual 2023.

38.2.11 Plan and conduct awareness and publicity three months prior to the start of the coverage period, to maximize coverage of the farmers especially non-loanee farmers in co-ordination with implementing Insurance Companies, Banks & CSC-VLEs.

38.2.12 To release state share of premium subsidy as outlined in **Para 6.1.6 & 6.1.7** and to release claim liabilities under Cup & Cap (80-110, 60-130) & Profit & Loss Sharing Models under ARTM as outlined in **Para 5.7** of these guidelines.

38.2.13 To release balance tranches of premium subsidy for the season to the concerned insurance companies as per the enrollment statistics on NCIP.

38.2.14 Submission of yield data for all notified crops and insurance units to the insurance companies in a standard template in an electronic form on the NCIP within the stipulated timelines.

38.2.15 Assist the insurance companies for assessment of crop loss of the individual insured farmers caused by localized perils and also assist in assessment of the post-harvest losses. Also to notify preventive sowing/germination failure and Mid-Season Calamity and assess the crop damage along with Insurance Companies.

38.2.16 To conduct requisite number of CCEs using CCE Agri App of GoI in the notified area as per the GCES/State manual. Provide the yield data to the Insurance Company within the prescribed cut-off date, along with results of the individual CCEs.

38.2.17 To approve Actual Yield (AY) & Threshold Yield (TY) data under PMFBY on NCIP and approve loss cost under RWBCIS in order to enable Insurance Companies to accept the AY & TY data & loss cost under PMFBY & RWBCIS respectively and initiate the claims.

38.2.18 To provide relevant documents to the Insurance companies for those CCEs co-observed by them. It is only in cases of CCEs co-observed by Insurance Companies that they can raise objections in case of any discrepancy or contradiction in yield data. States/UTs shall also resolve the objections raised by the Insurance companies on any yield data.

38.2.19 To notify district-wise and crop-wise seasonality discipline including onset of sowing dates and cut-off date for completion of harvesting.

38.2.20 To provide crop-wise, IU-wise data of normal area sown and notify cut-off dates for invoking provisions of prevented/failed sowing/transplantation/germination clause.

38.2.21 Approval of CCE data on NCIP and uploading of missing CCE data to facilitate calculation of claims on portal.

38.2.22 Ensure mandatory use of Mobile Application and other technology solutions like RST for improvement in the quality of CCEs and digitization of CCE-wise yield on NCIP.

38.2.23 Setting up of the State PMU with adequate infrastructure and domain expertise.

38.2.24 To provide office space to implementing Insurance Companies at its District/Tehsil/Block office. The States/UT may charge suitable payment for such accommodation offered to Insurance Company as per government rates.

38.2.25 To undertake performance evaluation of implementing Insurance Companies and calculate financial penalty as per Operational Guidelines.

38.2.26 Timely and correct preparation, updation and digitization of Village level master (Location master) on the NCIP.

38.2.27 Ensure no condition is enforced in violation of the provisions mentioned in the Operational Guidelines while publishing the tender or selection of bidders and implementation of scheme.

38.3 Central PMUs and State PMUs

38.3.1 Monitoring of the implementation of Crop Insurance Schemes at national and State/UT level.

38.3.2 Calculation of Scheme-wise/season-wise/crop-wise Loss Cost, evaluation of bids received and providing actuarial analysis to the GoI and State Governments/UT Administrations.

38.3.3 Design & develop~~ment~~ parametric products and multi-peril hybrid products for the crop / areas based on the local weather conditions and underlying risks.

38.3.4 Appraisal/ benchmarking and standardization of crop insurance products (weather based) for various participating Insurance Companies.

38.3.5 Undertake the evaluation, impact & correlation studies for various activities being performed and executed under the scheme.

38.3.6 To undertake awareness, capacity building and training of all the stakeholders engaged in crop insurance.

38.3.7 To provide technical input to Government & Insurance Companies regarding crop insurance products.

38.3.8 To develop methodology for crop loss assessment & yield estimation including assessment through remote sensing, suggest improvements in the method for yield assessment through CCEs & other alternatives etc.

38.3.9 Development of integrated database for crop insurance, data analytics of data as available on NCIP for monitoring and other strategic interventions by the GoI and the State Governments/UT Administrations.

38.3.10 Development of effective and objective Monitoring & Evaluation (M&E) Framework & Management Information System (MIS).

38.3.11 To undertake other related works/activities entrusted by the DA&FW, GoI and the work/activities referred by the State Governments/UT Administrations to GoI for technical assessment and feedback.

38.4 Insurance Companies (ICs)

38.4.1 To liaise with State Governments/UT Administrations and Agencies/ Institutions & Committees involved in the implementation of PMFBY and regular participation in meetings conducted.

38.4.2 To undertake risk underwriting-responsibilities, claim settlement & grievance redressal for acceptance of risk and processing claim liabilities strictly as an in-house activity. It should not be outsourced to external/third party.

38.4.3 To process claims on receipt of crop damage & yield data from States/UTs and remittance of claims directly into farmers' bank account through NCIP using the DigiClaim module of NCIP within the prescribed timelines.

38.4.4 Obtain re-insurance arrangements, if necessary for diversifying the underlying risk with rated re-insurers as per the regulatory provisions on the same.

38.4.5 To verify the land records and other details of farmers immediately after the cut-off date for data uploading is over but before the onset of crop harvesting and arrival of actual yield data. No validation or holding back the claim shall be done after the approval of yield data and calculation of claims.

38.4.6 Share the details of the designated insurance intermediaries with the State/UTs before the inception of non-loanee farmers' enrolment for the season to the concerned authority. Also share the list of Crop Loss Survey Agencies and Loss surveyors with the States/UTs before the onset of crop damage assessment surveys.

38.4.7 Ensure timely payment of commission/ service charges to Banks, CSC e-Gov, BCs & Insurance Intermediaries for implementation of the Scheme.

38.4.8 To undertake extensive efforts to create awareness, education and generate publicity about the scheme at the grass-root level including for bank branches, VLEs, BCs, State & District level officials and staff and especially for the farmers. Also coordinate with the States and other agencies for awareness and publicity of the Scheme. Refer to the IEC and Training activities detailed in **Para 26** of the guidelines.

38.4.9 Provide requisite reports, statistics and information demanded by the GoI and the State Governments/UT Administrations.

38.4.10 Handhold Bank branches, VLEs and Insurance Intermediaries and facilitate their training and capacity building especially in terms of timely digitizing details of the insured farmers on the NCIP.

38.4.11 Ensure insurance intermediaries and other channel partners use AIDE App for farmers' enrollment to make the entire process paperless and cashless and enable enrollment of farmers at their doorsteps.

38.4.12 Redressal of all queries, complaints and grievances within the time frame fixed by DA&FW, GoI under the KRPH framework and integration of the Grievance Redressal system of Insurance Companies with the KRPH for resolution. Maintenance of the record of grievances received from different sources and its disposal.

38.4.13 The coverage of eligible loanee farmers should be carried out by Insurance Companies through the bank branches, Coverage of non-loanee farmers or the farmers not willing to enroll through bank branches may be done though insurance intermediaries.

38.4.14 To establish a functional office at the sub-district level i.e. Tehsil/Block level in each District and at least one personnel to be deployed at each Tehsil/Block level office in the allocated Districts. The district office will be headed by a full-time on-roll employee of the Insurance Company preferably an Agri Graduate. The Insurance Companies may also seek separate space from the State/District administration to set-up their functional office in their Tehsil/Block level and District level departmental offices for ease of farmer's access and close monitoring. These functional offices shall be operational though out the concerned season and thereafter until the full closure of the activities, operational matters and complete settlement of claims of the concerned season. Details of the offices at the district and sub-district level including names and contact number of the resources employed should be compulsorily uploaded on the NCIP before the start of enrollment.

38.4.15 To deploy sufficient manpower to co-observe CCEs and allied activities. Ensure compulsory co-observance through CCE-Agri App.

38.4.16 At the beginning of each crop season, concerned Insurance Companies need to prepare a stakeholder-wise micro level IEC and training activity plan and ensure strict implementation of the same and undertake IEC activities as detailed in **Para 26**.

38.4.17 To assist the States/UTs, Insurance Intermediaries & CSC-VLEs with the requisite reports/updates, for reconciliation of premium, payable/paid claims, application data, service charges etc. for closure of the season.

38.4.18 To provide necessary inputs to the State Governments/UT Administration/SLCCCI as required as per the notification or otherwise.

38.4.19 To implement the scheme as per the provisions of the Operational Guidelines, Advisories, Manuals and SOPs issued by GoI from time to time and comply with the terms and conditions of the tender document and provisions of the notifications issued by the State Governments/UT Administrations from time to time.

38.5 Financial Institutions/Banks

38.5.1 For the purpose of PMFBY, scheduled banking institutions engaged in disbursing KCC loan as per relevant guidelines of DA&FW, GoI, and NABARD/RBI shall be reckoned as Banks.

38.5.2 To comply with the Operational Guidelines, Notification, as well as other directives, of the GoI and the State Governments/UT Administrations etc. and transact the requisite functions on NCIP with given timelines for such functions.

38.5.3 To communicate notification, as well as other directives, guidelines, etc. to all agencies & branches that fall within their jurisdiction.

38.5.4 To ensure that all agencies within their jurisdiction sanction additional loan component to loanee farmers towards insurance premium payable by them.

38.5.5 To assist all farmers who want to opt-out from the scheme and maintain records of all opt-out applications.

38.5.6 To ensure that all service (subordinate) bank branches within their jurisdiction serve all non-loanee farmers desiring and eligible to take insurance cover under PMFBY. Such a service will include opening of saving bank account of non-loanee farmers, helping them to fill up the requisite details on NCIP, accepting premium from them and maintaining records etc.

38.5.7 To ensure that the premium for both loanee and non-loanee farmers shall be remitted to the concerned Insurance Companies and the related data is uploaded on NCIP within the prescribed time.

38.5.8 Lead Bank/Administrative Offices of Banks should ensure that all farmers sanctioned crop loans/seasonal operational loans, i.e., KCC loan for notified crop(s) are necessarily insured (except for those farmers who have opted out) and strict adherence of all provisions stated in the Operational Guidelines of the Scheme. No eligible farmer should be deprived of insurance cover. Lead Banks/ Administrative Offices of Banks, therefore, should make all efforts and pursue their branches for enrolling all eligible loanee farmers and interested non-loanee farmers under crop insurance. **In case, claims have arisen during crop season then respective defaulting bank and its branches would be responsible to make payment of the admissible claims to loanee farmers who were deprived of insurance cover**.

38.5.9 To ensure digitization of insured farmer details on NCIP along with details of remittance of premium within stipulated time. The consolidated premium of farmers' share will be remitted electronically through the payment gateway of NCIP followed by the compulsory challan generation & entry of payment details on the NCIP for proper and timely reconciliation by the Insurance Companies. **If the Concerned Bank and its branches are not able to remit the amount of premium collected /debited within defined timeline to the concerned Insurance Companies, then they will be liable to pay the admissible claims to farmers who are deprived of insurance cover**.

38.5.10 To respond to the clarifications or rectification sought by the Insurance Companies within 7 days. The banks should cross-check with their records and aberrations, if any, should be brought to the notice of the Insurance Companies immediately. If no response is received from banks within cut-off time or reconciliation period, the details submitted on the NCIP shall be considered final and no changes will be accepted later on. The Insurance Companies shall thereafter act as deemed fit as per applicable provisions of these Guidelines to process the applications.

38.5.11 To assist the States/UTs & Insurance Companies with the requisite reports/updates, for reconciliation of premium, payable/paid claims, application data, service charges etc. for closure of the season.

38.5.12 To compulsorily take Aadhaar number or Aadhaar enrolment number as per the notification under Section 7 of the Aadhaar Act before sanctioning or renewal of KCC loan and/or during enrollment under the scheme. Hence the coverage of loanee farmers without Aadhaar number is not allowed and such accounts need to be reviewed by the concerned bank branch regularly.

38.5.13 To permit the Insurance Companies to access all relevant records/ledgers related to insured farmers at the Bank Branch and PACS for the purpose of scrutiny, if desired by them.

38.5.14 To ensure that the farmers are not deprived of any benefit under the Scheme due to errors of omission or commissions by the concerned bank branches or PACS, and in case of such errors, the concerned banks shall be liable to pay the claims to the beneficiary farmers.

38.5.15 To educate the farmers on the Scheme features, benefits and importance to get enrolled under the scheme.

38.5.16 To guide the farmers on filling up the application for insurance on the NCIP and collection of the required documents and record keeping of the same, particularly in case of non-loanee farmers.

38.5.17 To collect Aadhaar Number, mobile number and intended crop wise sowing planning of all eligible farmers well before the start of enrolment of farmers and debit of premium.

38.5.18 To maintain the records of relevant documents, loan application and other statements for the purpose of scrutiny and verification by the Insurance Company or its authorized representatives and DLMC, if necessary.

38.5.19 To reconcile, validate and provide clarification, if necessary, on the coverage details to the Insurance Companies within next 15 days from the cut-off date for data uploading on the NCIP and within 7 days of the receipt of such request from Insurance Companies.

38.5.20 To debit and collect the applicable premium from the farmer's account on or before cut-off-date and remit it entirely to the concerned Insurance Company electronically.

38.5.21 Not to re-enroll the farmers under crop insurance for the same crop if the State/District has notified prevented/failed sowing/germination or to enroll the same land parcel number multiple times.

38.6 Common Service Centre- Special Purpose Vehicle (CSC-SPV)

38.6.1 To ensure enrolment of non-loanee farmers through its network of VLEs strictly as per the provisions of Operational Guidelines.

38.6.2 To educate and train the VLEs on marketing and sale of crop insurance through the NCIP at the Gram Panchayat level.

38.6.3 To electronically remit the premium collected from the VLEs to the concerned Insurance Companies in T+1 days from the date of receipt of premium from the farmers.

38.6.4 To reconcile the data uploaded on NCIP and premium remittance to the concerned Insurance Companies within 7 days post cut-off date for enrolment of farmers.

38.6.5 To raise an invoice for pre-agreed service charges per farmer per crop-season application to the respective Insurance Companies on monthly basis through the NCIP.

38.6.6 To ensure post sales services and facilitate grievance redressal of the insured farmers.

38.6.7 To ensure that the applications reverted by the Insurance Companies due to any error or omission is taken up for resolution immediately and is re-submitted to the Insurance Company within 7 days from receipt of such applications.

38.6.8 To ensure that no VLE is involved in any moral hazard, forgery or unlawful activities involving insuring other farmers land, allowing any third persons to take insurance on other farmers land or misrepresentation of information or facts while entering data of farmers on NCIP or taking money from farmers as service fee for enrolling them on NCIP.

38.6.9 To take corrective and punitive actions against the erring and defaulting VLEs as per prevalent legal provisions under the law.

38.6.10 To be responsible for accuracy of details and document of individual farmers uploaded on NCIP and liable for claim payment due to errors and omissions committed by VLEs. In case any application gets rejected owing to errors or omission or commissions committed by the concerned CSC-VLEs in data entry and document sharing at the time of enrollment of farmers and if the same is also not rectified after reversion of application by the Concerned Insurance Company, the Liability to pay the claims to the beneficiary farmers for all such rejected applications shall rest with the CSC-eGov.

38.7 Common Service Centers - Village Level Entrepreneurs (CSC-VLE)

38.7.1 To educate and assist in the awareness of the farmers, especially non-loanee farmers about the features of the Scheme. While accepting the application from the individual farmers, CSC-VLE shall explain the provisions and provide details of the documents required. They must also make the farmers aware of the consequences of incorrect submission of information and documents. Further, they must ensure that all the documents submitted by the farmers should be scrutinized thoroughly, verified and uploaded on NCIP in legible form to avoid any anomaly or insufficiency of any kind in the coverage of that particular farmer upon the quality check process adopted by the concerned by Insurance Company.

38.7.2 To display the advertisement, publicity material, banner, poster, leaflets in its premises for farmers as provided by the Insurance Companies and the State Governments/UT Administrations.

38.7.3 To compulsorily take Aadhaar number or Aadhaar enrolment number as per the notification under Section 7 of Aadhaar Act. Hence the coverage of non-loanee farmers without Aadhaar number is not allowed.

38.7.4 To fill up the online application on the NCIP and collect the required documents from non- loanee farmers.

38.7.5 Collect the premium on behalf of the implementing Insurance Companies strictly as per the provisions of the Scheme. VLEs shall not demand any service charges or any extra amount from farmers other than the applicable premium amount. If any CSC-VLE is found to ask for any additional monies from the farmers, the CSC-VLE shall be de-empaneled by CSC e-Gov and a suitable legal action may also be initiated against them.

38.7.6 To fill up the correct details of non-loanee farmers and upload the requisite documents along with their mobile number on NCIP. Due care should be taken in filling-up the details in the application form of each of the insured non- loanee farmer and it should be cross-checked with the documents attached in the application.

38.7.7 The VLE should ensure that the insured farmers are not deprived of any benefit under the Scheme due to errors or omissions or commissions by them, and if such cases are reported, necessary administrative and legal action shall be initiated by CSC e-Gov & the concerned Insurance Company or State Governments/UT Administrations, for lapses in service/malpractices.

38.7.8 To issue acknowledgement receipt to the concerned farmer upon successful submission of application under the scheme.

38.7.9 The CSC-VLE shall not be engaged in any kind of unlawful activities including but not limited to insurance of land parcels of other farmers in their names or any other farmer's name or any kind of hacking of the digital platform leading to excess insurance exceeding the land area of a parcel or insurance of non-agricultural land parcels. If any such cases are reported or identified, the State Governments/UT Administrations shall mandatorily initiate necessary administrative and legal actions for such malpractices or fraudulent activities untaken by them. CSC e-Gov shall also mandatorily take them off the CSC network for at least 3 years. All such actions taken shall be reported by States/UTs and CSC e-Gov respectively to DA&FW within 90 days after the closure of enrollment cut-off date.

38.7.10 In case any application gets rejected owing to errors or omission or commissions committed by the concerned CSC-VLEs in data entry and document sharing at the time of enrollment of farmers and if the same is also not rectified after reversion of application by the Concerned Insurance Company, the Liability to pay the claims to the beneficiary farmers for all such rejected applications shall rest with the CSC-eGov.

38.8 Designated Insurance Agents/Insurance Intermediaries

38.8.1 To educate and assist in awareness of the farmers especially the non-loanee farmers about the features of the Scheme. While accepting the application from the individual farmers, the Insurance Intermediaries shall explain the provisions and provide details of the documents required. They must also make the farmers aware of the consequences of incorrect submission of information and documents. Further, they must ensure that all the documents submitted by the farmers should be scrutinized thoroughly, verified and uploaded on NCIP in legible form to avoid any anomaly or insufficiency of any kind in the coverage of that particular farmer upon the quality check process adopted by the concerned Insurance Companies.

38.8.2 To display the advertisement, publicity material, banner, poster, leaflets in its premises and remote kiosks/outlets established for enrollment of farmers as provided by the Insurance Companies and State Governments/UT Administrations.

38.8.3 To compulsorily take Aadhaar number or Aadhaar enrolment number as per the notification under Section 7 of Aadhaar Act. Hence the coverage of non-loanee farmers without Aadhaar number is not allowed.

38.8.4 To fill up the online application on AIDE or NCIP and collect and upload the required documents from non- loanee farmers.

38.8.5 Collect the premium on behalf of the implementing Insurance Companies, strictly as per the provisions of the Scheme. Insurance Intermediaries shall not demand any service charges or any extra amount from farmers other than the applicable premium amount. If any Insurance Intermediary is found to ask for any additional monies from the farmers, the Insurance Intermediary shall be de-empaneled by the concerned insurance broker or Insurance Company or any such entity responsible for his/her activities and a suitable legal action may also be initiated against them.

38.8.6 To fill up the correct details of non-loanee farmers and upload the requisite documents along with their mobile number on AIDE or NCIP. Due care should be taken in filling up the details in the application form of each of the insured non- loanee farmer and it should be cross-checked with the documents attached in the application.

38.8.7 The Insurance Intermediaries should ensure that the insured farmers are not deprived of any benefit under the Scheme due to errors or omissions or commissions by them, and if such cases are reported, necessary administrative and legal action shall also be initiated by the concerned Insurance Company or State Governments/UT Administrations for lapses in service or malpractices.

38.8.8 To issue acknowledgement receipt to the concerned farmer upon successful submission of application under the scheme

38.8.9 To facilitate post sales services, claim intimation and grievance redressal of the insured farmers.

38.8.10 The Insurance Intermediaries shall not be engaged in any kind of unlawful activities including but not limited to insurance of land parcels of other farmers in their names or any other farmer’s name or any kind of hacking of the digital platform leading to excess insurance exceeding the land area of a parcel or insurance of non-agricultural land parcels. If any such cases are reported or identified, the State Govts./UTs shall mandatorily initiate necessary administrative and legal actions for such malpractices or fraudulent activities untaken by them. The concerned Insurance Companies shall also mandatorily take them off their distribution network for at-least 3 years and report the same to IRDAI. All such actions taken shall be reported by States/UTs and Insurance Companies respectively to DA&FW within 90 days after the closure of enrollment cut-off date.

38.8.11 In case any application gets rejected owing to errors or omission or commissions committed in data entry and document sharing at the time of enrollment of farmers by the Insurance Intermediary engaged for enrollment directly by the Insurance Company and if the same is also not rectified after reversion by the concerned Insurance Company, the Liability to pay the claims to the beneficiary farmers for all such rejected applications shall rest with the concerned Insurance Company.

38.9 In case any application gets rejected owing to errors or omission or commissions committed in data entry and document sharing at the time of enrollment of farmers by the Insurance Intermediary/Brokers engaged for enrollment directly through NCIP and if the same is also not rectified after reversion by the concerned Insurance Company, the Liability to pay the claims to the beneficiary farmers for all such rejected applications shall rest with the concerned Insurance Intermediary/Broker.

38.10 Loanee Farmers

38.10.1 As the Scheme is made optional for all loanee farmers availing KCC loans for notified crops, it is mandatory for all loanee farmers to submit a signed declaration in the concerned bank branch in case they want to opt-out of the insurance coverage under the Scheme for a particular season anytime during the year but at-least 7 days before the cut-off date for enrolment and premium debiting. In case no such "Opt-out" declaration is submitted by the farmer for the season, they shall be automatically covered by the bank branch for the season. Any change in the crop plan should be brought to the notice of the concerned KCC bank branch immediately but not later than 2 days prior to the cutoff date for the enrolment and premium debiting. This should be supported by a sowing certificate issued by the concerned village/ sub-district level official of the State/UT.

38.10.2 All loanee farmers are compulsorily required to submit Aadhaar Number or copy of Aadhaar card or authenticate themselves through Aadhaar enabled e-KYC along with mobile number for enrolment under the crop insurance before the prescribed cut-off date.

38.10.3 Insurance Proposals are accepted only up to a stipulated cut-off date for enrollment of farmers and debiting of premium, which will be decided by the SLCCCI of the concerned States/UT. Hence, loanee farmers may verify from the concerned bank branches that applicable premium has been debited and remitted to the Insurance Companies within the cut-off date and details are uploaded on the NCIP as well.

38.10.4 Give information of any loss due to a localized risk or a post-harvest loss due to specified perils preferably to the Central Grievance Redressal helpline i.e. Krishi Rakshak Portal & Helpline (KRPH) or to the concerned bank branch or enrollment channel partner viz. CSC-VLE or Insurance Intermediaries or Insurance Company within 72 hours.

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

38.11 Non-Loanee Farmers

38.11.1 All non-loanee farmers are compulsorily required to submit Aadhaar Number or copy of Aadhaar card or authenticate themselves through Aadhaar enabled e-KYC along with mobile number for enrolment under the crop insurance before the prescribed cut-off date.

38.11.2 Insurance Proposals are accepted only up to a stipulated cut-off date for enrollment of farmers and debiting of premium, which will be decided by the SLCCCI of the concerned States/UT. Therefore, the Non-loanee farmers desirous of availing insurance under the scheme for any notified crop in any notified insurance unit may approach the nearest bank-branch or PACS or authorized channel partners or CSC-VLEs or Insurance Intermediaries of Insurance Company or may also directly fill-up the online application on the Mobile App or NCIP within cut-off date. The requisite documents may also be simultaneously submitted along with the applicable premium to concerned agency enrolling the farmers.

38.11.3 Applicants must sign and authorize electronically (using biometric authentication or SMS validation) while enrolling under the scheme along with submitting a copy of the LPC/Land Records or contract document or any other document defined by the concerned State/UT Government to identify share-cropper or tenant farmer, sowing certificate or self-declaration of intent to sow the proposed crop and copy of bank pass book to the agency enrolling the farmers.

38.11.4 The farmer desiring coverage under crop insurance should open an operative saving bank account in the branch of the designated bank, and the details should be provided while submitting the application for the same. Non-loanee farmers should also link the bank account number with Aadhaar number to enable remittance of claims through AEPS directly into the desired account number.

38.11.5 The farmer should correctly mention their land identification number or survey number to enable clear identification of the land parcel during the currency of the insurance cover.

38.11.6 To notify implementing Insurance Company in the event of change of crop or sown area being different from the details previously declared in the application form at-least 2 days before the cut-off date for enrollment of farmers and collection of premium amounts.

38.11.7 The farmer must furnish area sown confirmation certificate or the self-declaration of intent to sow the proposed notified crop(s) as per requirement of the notification published by the State/UT.

38.11.8 Give information of any loss due to a localized risk or a post-harvest loss due to specified perils preferably to the Central Grievance Redressal helpline i.e. Krishi Rakshak Portal & Helpline (KRPH) or to the concerned bank branch or enrollment channel partner viz. CSC-VLE or Insurance Intermediaries or Insurance Company within 72 hours.

38.11.9 The non-loanee farmer should not insure the same land more than once or same land through multiple channels of enrollment. The non-loanee farmers should also not insure the land parcel belonging to other farmers which is not leased-out or taken on share-cropping. They should also not insure the non-agricultural land parcels or the land belonging to public or Govt. entities. If any such cases are reported or identified, the insurance cover shall be terminated, the premium shall be forfeited, and necessary administrative and legal action may also be taken for such malpractice by the concerned State/UT Government.

39 National Crop Insurance Portal (NCIP) for Administration of Crop Insurance Program under PMFBY

39.1.1 In the implementation of the scheme, multiple stakeholders are involved at different stages from enrolment of farmers till the claim disbursement to farmers. A hallmark of the Scheme is leveraging technology adoption for the effective and auto-administration of the scheme. In an endeavor to integrate technology in the implementation and execution of the Scheme, the DA&FW, GoI has designed and developed a National Crop Insurance Portal (NCIP) (https://pmfby.gov.in) which serves as a centralized digital platform for all stakeholders. The idea behind developing a web-based, integrated digital platform is to speed up service delivery, unify fragmented databases, act as a single source of all data and information, eliminate manual processes and thus provide faster insurance services to farmers. This in turn will bring in better administration, transparency and coordination amongst stakeholders viz., Farmers, State/UTs, Insurance Companies, Banks, Common Service Centre-VLEs (CSC-VLEs) & other channel partners and help in administration, monitoring and operationalization of scheme components along with real time dissemination of information. The NCIP captures the entire data relating to insured crops and also serves as the repository for the data relating to the crop insurance scheme.

39.2 The NCIP shall provide a single Information Technology (IT) enabled platform for digitization of processes and information data bank and dissemination mechanism, automation of administrative procedures, integration of information and systems across multiple external platforms and data sources, information validation and premium and claim calculation and remittance etc. This IT driven system aims at addressing the issues which affect the current system of program administration, thereby reducing the scheme’s efficacy and leads to denial or delay in benefit transfer to farmers viz. selective or layered information access, manual interventions, multi-step procedures, documentary evidence/proofs, delayed/defective information sharing etc. Hence, integration of IT platforms of banks, Insurance Companies, State/UTs Governments. Yield & weather data providers, Digital Land Records, UIDAI etc., with NCIP directly or through an interface for fetching in information, is felt essential to avoid errors for timely transmission of requisite information amongst major stakeholders, early settlement of claims, proper monitoring and transparent administration of the Schemes. Once the entire linking of IT platforms of all stakeholders with the Web Portal is established, it would also lead to faster processing of claims due to electronic flow of information.

39.3 The conceptualization and development of the NCIP has already been completed and launched and facilitates for the notification digitization, farmers application enrolment, application management, user management, subsidy release management, claim disbursement etc. Few other functionalities are proposed to be made available in the upcoming version of NCIP wherein following modules have been planned to be incorporated or enhanced and rolled out in coming future.

39.4 Different Modules of NCIP

39.4.1 Integration with Public Fund Management System

The NCIP has been integrated with PFMS and a module known as DigiClaim has been developed for managing financial transactions to facilitate release of State/UT and GoI share of premium subsidy, Bank Account and AEPS verification and payment of insurance claims by the Insurance Companies to the farmers.

39.4.2 Online Remittance of Premium by Financial Institutions

A third-party payment gateway has already been integrated with NCIP for the remittance of farmer premium by the Bank branches and other channels partners like CSC eGov & Insurance Intermediaries. The remitted amount is added in a wallet of the Bank-Branch, CSC-VLE or Insurance Intermediary for onward remittance to the concerned Insurance Company implementing the scheme in a particular geographical area. These partner agencies (Bank Branches, CSC-VLEs & Insurance Intermediaries) can remit the premium amount multiple times to the concerned Insurance Companies before the cut-off-date. For each transaction, a Unique ID (UTR) is assigned using which reconciliation of payments and applications is done by the Insurance Companies.

39.4.3 Add-on Coverage of Crop Risk

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

39.4.4 Land Record Integration

Land record detail is one of the critical requirements under the PMFBY scheme for validation of insured area. Manual verification of the land record data is a sheer challenge. Many State/UTs have digitized land record system, however their hierarchal system and practices are different. DA&FW has moved ahead to integrate the land record system of 10 major states with NCIP to validate the farmer's land parcel with land record system at the time of enrollment under the scheme.

State/UTs shares the land record API subsequent to which customization of API consumption for integration of land records of the State(s) with NCIP is executed. The land record details of the farmers is required to be entered during enrolment process and rest of the land details viz. extent of land, ownership share and names of owners/shareholders are fetched through the State/UT land record portal.

In the Future, as and when the Agri-Stack system becomes operational, the farmer’s Golden ID along with land records, land area, cadastral maps and sown crop details shall be fetched & validated using it.

39.4.5 Location Master Management

Location master is the base for the effective implementation of the PMFBY Scheme. The scheme implementation is based on the State's revenue hierarchy. The revenue hierarchy is dynamic, differs from State to State and there might be changes from season to season on account of re-organization of revenue units or creation of new units. NCIP is therefore required to be equipped with related provisions to capture the re-organization of the hierarchy. The location master being used in NCIP is primarily based on Local Government Directory location codes as provided by MoPR.

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

39.4.6 Multi-lingual Portal

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

39.4.7 Seasonality Discipline

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

39.4.8 CCE Agri App for Crop Yield Estimation

Mobile applications have been developed and is being used for capturing the CCE data from the field and for uploading on the server. CCE Agri app works in both online and offline mode. CCE Agri app captures, Form-1, Form-2 & Form-3 data along with geo-coordinated photographs. It is customizable as per the requirement of the States. Further, following functionalities have also been enabled:

a) CCE schedule digitization

State/UTs schedules the CCE for the insurance unit and crop. State selects the village (If IU is at higher level) and plot (Survey/Sub Survey no.) randomly for conducting the CCE. There are two ways to select the CCE plot i.e. through smart sampling technique or conventional method. In State/UT's login, option to declare the randomly selected village of the IU and survey number /sub survey number of CCE field for a crop shall be developed. State shall declare the locations for the selection of CCE field according to smart sampling technique or the conventional technique. In smart sampling technique, the geo-coordinates and survey/sub survey number for the CCE field are shared currently by MNCFC through conventional method which going forward shall be shared through the APIs. Under the conventional method, the survey number shall be selected though the random sampling mechanism. Further, the schedule of the CCE shall be approved by the

State/UTs. The approved schedule shall then be available to the concerned insurance company for co-observing the CCEs.

b) Smart Sampling Technique

GoI through MNCFC or CPMU shall share the Geo-coordinates of the CCE field through API and the same will be shared to the CCE-Agri App based on the declaration done by the State for the use of smart sampling technique. CCE Agri App will validate the CCE primary worker's geo-coordinate with the co-ordinates shared for smart sampling technique and ensure the authenticity of location and CCE Plot.

c) State Specific customization

CCE specifications may differ from State to State i.e. measurement units of CCE field, shape of CCE plot etc. State specific customization has already been made for the smooth implementation of CCE through CCE Agri App across all States/UTs.

39.4.9 Digitization and Customized Notification

Notification is the basis for the enrolment of application of farmers under NCIP. Under notification, the State declares the crop, premium rate, scale of finance and other parameters. Accordingly, premium amount is calculated on the basis of the premium rate and scale of finance defined under notification. Revised guidelines allow State/UTs to exempt the farmer's premium but, in such cases, differential premium is borne by the State Govt./UT. However, in this scenario at least Re.1 per application is taken from farmer as token money to have the record of such applications on the Portal and also to facilitate electronic tracking, enrolment validations & reconciliation. Also, if the State/UT provides the exemption for the farmer's premium for certain limit of land area, the same also have been provided on the NCIP. Two additional variants of customizable notification are as follows:

a) Absolute amount-based farmer premium

In case of enabling option in notification to declare the farmer premium in absolute amount the State needs to enter the premium amount instead of percentage. However, the total amount of farmer premium shall not exceed the amount calculated in terms of percentage defined in the Operational Guidelines. Also, the State/UT may define that this exemption shall be facilitated on the first cum first serve basis up to certain limit. For example, for the first 1,000 applications the farmer premium may be Rs.1 or Rs. 100 only.

b) Limited area-based notification

State limits the farmer premium subsidy upto certain limit of the insured area for a farmer. If the insured area exceeds the defined limit, then farmer has to pay the full premium for the exceeded area insured. The notification module has already been developed to cater to such requirements and customization.

39.4.10 Subsidy Release Framework

Premium Subsidy is an important feature of the scheme. GoI and State/UT Government share the insurance premium subsidy with implementing Insurance

Companies on behalf of insured farmers. The subsidy release framework is being implemented through NCIP to keep track of the movement of subsidy from the State/UTs and the GoI to the Insurance Companies.

The NCIP shall auto-calculate the State and Central Subsidy as per the applicable provisions of Operational Guidelines, State Notification and on the basis of applications approved on NCIP. Accordingly, Insurance companies raise the subsidy release request with the State Government/UT Administration through NCIP.

All the subsidy release sanction order are entered by the State/UT and the GoI on NCIP for the purpose of reconciliation, payment and audit purposes.

39.4.11 Crop Insurance App for Self Service

Crop Insurance App is mobile based app developed for the farmers for self-service related to all requirements under PMFBY. Through this app, farmers can enroll themselves directly and can track the status of their application and the status of the claims. The app has also been enabled for Crop Loss Intimation.

39.4.12 Monitoring Framework/MIS Dashboard

Module wise web reports for monitoring the progress of schemes on different parameters for different stakeholders has already been made available on NCIP which can be accessed using separate logion credentials. These reports are granular, having information till the lower level. Comparative reports with earlier respective seasons on different parameters for the users have been developed and are available for all stakeholders.

Search module has also been available in each stakeholder's login on different parameters like Policy search, Farmer search, Notification search, Bank-Branch Search, Location master Search, User Search etc.

39.4.13 DigiClaim: Automatic Claim Calculation and Settlement

DigiClaim module has been developed on NCIP with functionality for claim calculation, claim approval/rejection and settlement using PFMS platform. Modules have also been developed for the States/UTs to upload and approve the IU and crop wise and season-wise AY and TY values. States/UTs are also required to upload the loss cost under Preventive Sowing/Failed Germination and Mid-Season Adversity claims. Insurance Companies are required to accept the AY & TY values uploaded and approved by States/UTs and also accept the loss cost under Preventive Sowing/Failed Germination and Mid-Season Adversity claims. Once the values are finally accepted, the corresponding claims are calculated automatically for further processing of claims settlement though PFMS platform directly into farmer’s account.

States/UTs are also required to approve the Loss Cost for claims under RWBCIS which is uploaded by the concerned Insurance Company on NCIP before the calculation of corresponding claims. Once the claims are calculated, the same are processed through PFMS platform for direct remittance into farmers bank account.

Provisions for following Claims Type have also been developed:

a) Prevented Sowing

b) Mid-Season Adversity

c) Localized Risks

d) Post-Harvest Losses

e) Yield based Widespread Calamities

f) Add-on Cover Claim settlement under PMFBY

g) Weather Based Claims for RWBCIS

h) Add-on Cover Claim settlement under RWBCIS

39.4.14 Centralized Call Centre—KRPH (14447)

A National level integrated grievance redressal mechanism having digital portal and a call centre named as Krishi Rakshak Portal & Helpline (KRPH) has been developed to enable farmers to lodge their grievances/concerns/queries. The KRPH has a short code **Toll-Free number 14447** for farmers to call and raise their concerns, queries and grievances.

KRPH has also been dovetailed with National Crop Insurance Portal and integrated with all stakeholders viz. Insurance Companies, Banks, CSC-VLEs, District Administration and State Govt. departments for real-time tracking, monitoring and redressal of grievances and queries of the farmers covered under PMFBY.

39.4.15 WINDS – Hyperlocal Weather Data Platform

WINDS (Weather Information Network & Data System) is a pioneering initiative of the country to set-up a network of Automatic Weather Stations & Rain Gauges at Taluk/Block and Gram Panchayat level to create a strong database of hyper-local weather data for the different Govt. and other entities to use for all farmer and farming oriented services. The hyper-local weather data so collected will be used for claim assessment under Parametric Crop insurance, Yield estimation through Technology, Crop-Region specific Agriculture Advisories to the Farmers, Disaster Risk Resilience & Mitigation needs. As of now the country has approx. 13,000 AWS and 20,000 ARGs installed for all institutions including IMD. Under WINDS, an additional 3,500 AWS and Approx. 1.6 lakh ARGs are proposed to be established across the country. IMD and DA&FW have collaborated for setting up this network to make it 5 times of what it is today.

The data collected from AWS should be available in the WINDS portal designed and developed by DA&FW, GoI. This will also act as the single data pipeline for data related to Rainfall/Weather stations across the country. This data will be a Digital Public Good. The WINDS portal shall be maintained & hosted by DA&FW, GoI.

The Ministry of Earth Sciences/IMD will be responsible for the supervision, regulation and ensuring quality standards as per WINDS framework to ensure accuracy of the data. In order to foster & leverage the value of information and data for welfare and betterment of farmers and citizens, the data shall be available to users and concerned stakeholders through standard APIs.

39.4.16 AIDE App for Enrollment through Intermediaries

In addition to the existing channels of enrolment for non-loanee farmers viz. CSC, Banks, Post Offices etc., a smart-phone App also has been designed and rolled out in Kharif 2023 for enrolment of farmers at their doorsteps through a large network of Insurance Intermediaries. This App has been designed to streamline the process of enrolment and offer a completely paper-less and cash-less experience to a farmer to get enrolled by leveraging the digital technology for registration, documentation and premium payment.

As of now the option is enabled for the insurance company for which the cluster is allocated i.e. L1 insurance company as per bidding process. As per the guidelines, other empaneled Insurance Companies which have participated in the bidding and are keen for enrolment of non-loanee farmers in the cluster may also be allowed to enroll non-loanee farmers at L1 premium rate. The interested companies have to inform their willingness in writing within seven days of finalization of tender/issuance of work order to L1. The AIDE App shall be enabled for such interested Insurance Companies to also do the enrollment of farmers under PMFBY.

39.4.17 SARTHI for Risk Resilience though Insurance

To facilitate a comprehensive risk protection environment for Agriculture and Rural sector, GoI has developed an open-source digital platform called Sandbox for Agricultural & Rural Security, Technology & Insurance Platform , which will provide seamless integration of different insurance products approved by IRDAI & offered by Insurance Companies and allow for digital distribution of the products via various distribution channels directly to the farmers through a farmer facing application. This digital platform (Mobile App & Web Platform) will help offer the bouquet of products curated by the insurance companies for the agriculture & rural communities and will offer customized insurance products tailored as per the specific needs and the risks faced by the farming & rural households in different regions across complete agriculture value chain.

39.4.18 Integration of NCIP with Crop Insurance portal of State/UTs

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

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

39.4.19 Integration of NCIP with the External Agencies using Block Chain technology

Insurance Companies and Banks are one of the important stakeholders for the implementation of the scheme and provide crop insurance to the farmers. Farmers' applications, entered into the NCIP by the banks and other channel partners, are validated by the Insurance Companies and approval, reversion or rejection of applications happen. The Banks and Insurance Companies have their own system for application creation and processing respectively. Integration of NCIP with the internal tech system of the Insurance Companies and Banks will be done for the flow of information to-and-fro in an automated manner over block chain network. Block chain nodes shall be created at NCIP and at the Insurance Company's and Bank's end. Farmer Applications and other relevant details will be replicated to the respective Insurance Company and Bank database. NCIP and external partner's nodes shall always be in sync. Changes in NCIP node will automatically update the information on other partner's node over block chain network. NCIP node will be the primary source of data.

39.4.20 SMS and Instant messaging platform

SMS platform has already been enhanced for sending the intimation or acknowledgement to the stakeholders. SMS is sent for every change in the status of the application for the farmer and also at the time of initiation of eligible claims to the farmer's account. Additionally, instant messaging platforms have also been developed for real-time interactive communication involving AI enabled chat-bot system.

39.4.21 Change of Crop/s

Farmers, having crop loan from financial institutions, covered under the Scheme, can change the insured crop up to 2 working days before the cut-off-date. Farmer can raise the crop change request for the current season as per the applicable guideline for which interface shall be developed on the NCIP, Crop Insurance App, and Krishi Rakshak Portal & Helpline (KRPH) for enabling the same. Intimation of the crop change request and its status tracker shall also be shared with the farmer via SMS. Crop change request shall also be displayed to the concerned stakeholder for necessary action.

Due to the change in insured crop, sum insured, and premium will change accordingly. Changes in application details due to change in crop will be carried out on NCIP & Crop Insurance App under which a crop change facility shall be provided. Option to handle excess and short farmer premium shall also be provided which shall enable correction in premium amount as per changed crop specifications.

39.4.22 Aadhaar Vault implementation

Aadhaar Number and Aadhaar related information to be encrypted by a reference key and stored in Aadhaar Vault; all protocols to be defined as per UIDAI guidelines shall be implemented for the purpose.

39.4.23 YES-TECH- Platform for Technology Based Yield Estimation

YES-TECH (Yield Estimation based on Technology) is a technology-based yield estimations mechanism which has been developed after 2 years of rigorous testing and pilot runs across 100 districts of the country. Crop Loss assessment and Yield estimation approaches assisted by data inputs from sources such as Remote Sensing indices, Weather indices WINDS and/or IMD, crop phenological information, soil types etc. using approved models have been finalized for adoption.

YES-TECH provides for minimum 30% threshold for technology driven yield for arriving at the final crop yield value for the crops identified and approved for YES-TECH. These values of technology driven crop yield along with multiple modeling and data synthesis are required to be digitized and made available on a digital platform to enable utilization of same by different stakeholders. A digital platform therefore is envisaged to be developed for all practical purposes under YES-TECH.

Yield Calculated under YES-TECH will be reviewed on a six-monthly basis by a High-Power Committee. The learnings and feedback shall be used for improving the existing models, including those being used at the National level by MNCFC. The raw data shall also be used by MNCFC and DES for triangulation of yield estimates and for further Research & Development. Yield Data is of the nature of public good therefore there will be a Central repository of yield data so that it is accessible to the insurers, researchers and others interested stakeholders.

39.4.24 Auto-Calculation of Service Charges

The bank Head Offices, CSC e-Gov & Insurance Intermediaries shall request service charges from Insurance Companies based on approved applications for the respective season. The Bank HQ, CSC e-Gov & Insurance Intermediaries shall compulsorily enter the GST details and details of the bank accounts for remittance of service charge on NCIP to facilitate online generation and routing of the bank service charge invoice for the use of concerned Insurance Company and remittance of the same electronically while creating transaction logs on NCIP for tracking and reconciliation.

In cases where the farmer's premium is borne by the Government, the service charges shall be calculated on the actual farmer's premium as is pre-defined in these guidelines irrespective of the amount deducted/paid.

The NCIP shall calculate the applicable service charges for Bank, CSC and Insurance Intermediaries based on the approved applications. It shall be calculated at the end of the season to minimize the variation. Auto calculated service charges along with demand/invoice from the concerned partner shall be available in insurance company login for approval. The validated service charges shall be paid electronically to the concerned agencies by the Insurance Companies as per the timelines envisaged under the Operational Guidelines.

39.4.25 NCIP as a Single Source of Truth for Risk Analysis

NCIP shall be developed to be a single source of truth for all data and statistics related to PMFBY ranging from Historical crop yield data, weather data, remote sensing indices, coverage and claim details etc. NCIP shall transition from being a data repository to an auto-administrating mechanism for implementation of scheme as per the provisions and applicable guidelines.

Further, the NCIP shall also have module to analyze the underlying risk and auto-calculate the loss cost/burn cost to assist the States/UTs to compare and evaluate the cost of premium quoted by the Insurance Companies through the bidding process. Apart from this, the NCIP shall also assist GoI in defining its liabilities towards premium subsidy across states especially for the states/UTs who are implementing Cup & Cap Models.

39.4.26 Crop Monitoring through Digital Crop Survey (DCS) and CROPIC: Deep Technology for Crop Loss Assessment

CROPIC shall be mandatory for implementing Insurance Companies & State Government/UTs to use though their field resources for collection & monitoring of crop health & stress/calamity. Further the App may be used by farmers to crowdsource the photographs during the crop life cycle & during calamity affecting the crops. Further, the pictures collected through CROPIC Mobile App shall remain within the NCIP server and may be consumed though APIs for validation, analytics & research by other DPIs of the Govt. and external entities duly approved/empaneled by GoI as & when required.

The photograph received from Digital Crop Survey shall be used for validation of sown and insured crops whereas the photographs received from CROPIC Mobile App shall be used for crop health monitoring over entire crop life cycle, crop damage assessment at the time of any localized and wide-spread calamity or climatic condition affecting the crops for making the quick claim payment and also act as an input for Technology based yield estimation models.

While using the CROPIC Mobile App, details of location (village), name of sown Crop and polygon with latitude-longitude of subject Land Parcel shall be mandatorily captured. For the intended purpose it is not mandatory to identify the land-parcel ID, cadastral map of land parcel & details of cultivating farmer for randomized mechanism of Crop Health Monitoring. However, for the purpose of Crop Damage Assessment on specific land parcel, land parcel ID & Insured Farmers details shall be captured though App and validated against the insurance data as available on NCIP and also against the data provided through Agri-Stack wherever applicable.

Further, under another initiative of GoI, named as Digital Crop Survey (DCS), one time photograph of crop at each land parcel of the country at any stage during entire crop life cycle is envisaged to be collected. The data from this one-time crop picture at each land parcel taken under DCS may also be used for verification of crop being cultivated on the particular land parcel with the insured crop for pre and/or post insurance validation & QC purpose. For this the corresponding data collected shall be consumed through APIs however the pictures collected under DCS shall remain within the DCS/designated server and may be fetched through APIs for validation for insurance as and when required.

The Pictures and data collected through CROPIC shall all be fed into a specially developed digital system and will be used for crop identification, crop health monitoring at different stages, further analytics, exceptions identification and triangulated informatics & decision support system including verification of perils like mid-season adversity, pertaining to Insurance & other agricultural objectives.

39.4.27 Integration with Agri-Stack & Krishi DSS

Govt. of India is developing a Digital Public Infrastructure in the country which captures and maintains farmer registry, crop sown registry, and geo-referenced village maps. Agri-Stack shall enable interconnecting various digital databases spread across various States/UTs and other public & private entities across the country and globally also for leveraging various digital capabilities to increase the efficiency and service delivery across various farmer welfare schemes being run by the Central Govt. & State Governments/UT Administrations. One such DPI is Agri-Stack wherein a Digital centralized switch will act as a conduit between multiple users and databases across the country & beyond. The information and data being collected through various sources and modes then shall be converged together for an informed and fortified decision support system known as Krishi DSS platform.

For effective and efficient management of PMFBY, the DA&FW will rely on the data sharing mechanism of AgriStack. The relevant data pertinent to implementation of scheme shall be consumed electronically (using open API) for the purposes of beneficiary identification, verification, benefit delivery and monitoring pertaining to the States. Districts and villages where these data are available. The information as and when collected and collated in the Farmers registry, digital crop surveys, and geo-referenced village maps shall be used for implementation of this scheme. The NCIP shall therefore be integrated with Agri-Stack & Krishi DSS to leverage huge capacities of both the systems to bring in more efficient and objective implementation of PMFBY and other insurance programs under SARTHI.

39.4.28 Validation of Farmers, Land and Crops with KCC Ecosystem

A large proportion of insured farmers under PMFBY comes from loanee farmers having Short Term Agriculture Operational Loans i.e. Kisan Credit Cards (KCC) through institutional financing channels i.e. SCB, RRB & Coop Banks.

It is therefore important to identify and validate the farmers, their land details and crops sown with the details entered for insurance purposes to rule out any mis-utilization or misreporting under the scheme. This will also assist in identification of farmers who have not been enrolled under PMFBY despite they not opting out of the scheme and therefore help in fixing responsibilities on the erring banks and branches for knowingly depriving the farmers from the benefits of the scheme.

39.4.29 Integration with Various Digital Platforms

To streamline the flow of information amongst stakeholders, the portal will also be integrated with the system/data being developed by multiple other platforms and digital public infrastructure:

a) Settlement of Yield data disputes or disputes relating to crop loss.

b) ACF (Area Correction Factor) for insured crop for every season.

c) Satellite data-based Clustering.

d) Integration of smart sampling tool for CCE plot selection.

e) Integration of innovative technology driven approach for rationalization of CCE.

f) Integration with the technique that is being developed for estimation of crop yield at Gram Panchayat level.

g) Cadastral level crop and land ownership verification.

h) Smart Sampling technique.

i) Agristack and Agri DSS being developed by GoI for the purpose of various data validation and standardization protocols.

Add-on Coverage for Crop Loss due to Attack by Wild Animals

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

1.1 The provision for cover against losses to crops due to attack of wild animals wherever the risk is perceived to be substantial (equivalent to or more than the indemnity level under PMFBY), is identifiable and is not frequent or regular shall be covered. It is intended for farmers whose crop fields are likely to be affected by raiding or grazing or by the impact of damage by movement of wild animals occasionally affecting the individual isolated farms. This cover is intended to provide protection against such incidences causing irreversible damage to the standing and insured crop.

1.2 The definition of wild animals will be as per the categorization of the MoEF&CC and/or Forest Department of respective State Govt./UT based on historic analysis of yield losses of crops occurred. Hence, the nodal department of the State Governments/UT Administrations implementing the scheme should obtain the consent and validation from MoEF&CC and/or State Govt. /UT forest department for list of area/IU wise prevalent Wild animals.

2. Risks Covered:

2.1 Initially this add-on cover would be available on a pilot basis. In the initial stages of pilot, the add-on cover against losses due to wild animals would be available for those crops only which have a history of demonstrable economic loss by attack of wild animals and the cover shall be available up to the limit of indemnity level notified by the State/UT. List of these wild animals will be notified by State Governments/UT Administrations, preferably notified area/IU wise.

2.2 Notification of the wild animals covered under add-on cover shall be done in area(s) and crop(s) to be notified under the scheme.

3. Risk Acceptance:

3.1 As substantial historic yield data is not available to establish the economic losses to crops by attack of wild animals, actuarial pricing is not possible at present for this add-on cover. However, states having 10-12 years historic yield loss data attributed to crops by wild animals can ask for a separate premium rate for this add-on cover along with the PMFBY tender, although the add-on actuarial premium rate will be considered separately and shall not form a part of the evaluation of L1 bidder for PMFBY. Further, same Insurance company shall implement PMFBY and add-on cover of loss due to attack by wild animals in a given district or cluster. L1 bidder of PMFBY will be asked to match the L1 rate of add-on coverage. In case L1 PMFBY bidder doesn't agree to match the L1 add-on coverage rates, State may negotiate with L1 PMFBY bidder for coverage of add-on cover due to wild animals.

3.2 States may ensure that the actuarial premium rate quoted by the Insurance Companies should be rational basis the past loss experience. Under this provision all risks will be borne by the concerned Insurance Companies.

3.3 Alternatively, those states not having requisite historical yield loss data to crops damaged by the attack of wild animals to determine the rational actuarial premium rate, can consider implementing this add-on cover on corpus model. However, there should be some past experience of demonstrable crop losses by wild animals. The State Govt./UT shall ask for a separate administrative service fee for implementation of add-on cover along with the PMFBY tender, however, the administrative service fee shall be considered separately and shall not form a part of the evaluation of L1 bidder for PMFBY. Further, same Insurance company will implement PMFBY and add-on cover of loss due to attack by wild animals in a given district or cluster. L1 bidder of PMFBY will be asked to match the L1 administrative service fee. In case L1 PMFBY bidder doesn't agree to match the administrative service fee, State/UT may negotiate with L1 PMFBY bidder for providing operational support for implementation of add-on cover due to wild animals.

3.4 The total liability towards crop loss due to Add-on cover of wild animal attack shall be met first from PMFBY and only differential claims shall be met from the add-on cover. In case any farmer has 100% crop loss due to attack of wild animals then the farmer will not be eligible for any claims under PMFBY. The total liability under the add-on cover shall be limited to the value of indemnity level multiplied with the total sum insured. Farmer shall be eligible for claims as per the provisions applicable for Localized Calamity as defined under **Para 21.5** of these guidelines.

3.5 State Governments/UT Administrations opting for corpus model for the implementation of this add-on cover will create a corpus fund at the State level to provide claims to eligible farmers over and above the claims exceeding the eligible claims under normal PMFBY. Any claims arising for this add-on cover will be paid from the corpus fund with 100% contribution from concerned State Governments/UT Administrations through the State/UT Forest Department or Nodal Department implementing PMFBY, provided the concerned departments have the available provisions /allocation for the same. Detailed modalities of Corpus fund and its management shall be framed by the concerned State Governments/UT Administrations in consultation with their concerned department/MoEF&CC well before floating the tender for greater transparency and better understanding of the add-cover amongst the other stakeholders.

3.6 Under corpus mode, the Insurance Companies under PMFBY for the respective season will also act as an implementing agency for this add-on cover at defined rational administrative charges notified by the State Governments/UT Administrations at the time of the tender in consultation with the Insurance Companies. The notional premium of the farmers should at least be equivalent to the administrative service fee being charged by the implementing Insurance Companies.

3.7 This add-on cover would run concurrently and follow the cut-off dates as specified in seasonality discipline of PMFBY and shall be available for only those farmers who are enrolled under PMFBY. Farmers who opt for this cover shall be enrolled after payment of a notional premium notified by the state governments/UT Administrations at the time of the notification for both alternatives mentioned above. The States/UTs may also subsidize the farmers' share of premium for add-on cover fully or partially as per their discretion however, there would not be any subsidy liability on the Central Govt. for the same.

Claim Payment Illustration:

Case - I:

Sum Insured = Rs.1,00,000

Yield Based Claims = Rs. 60,000
Crop loss due to Add-on Coverage (Wild Animals) = Rs.40,000

Indemnity Level = 80%
Claims due to Add-on Coverage (Wild Animals) = Rs.40,000 X 80% = 32,000
Total admissible claims to the Farmers = Rs. 60,000
Liability of claims met through PMFBY (Insurance Company) = Rs. 60,000

Liability on Add-on Cover (Insurance Company or Corpus Fund) = Nil

Case - II:

Sum Insured = Rs.1,00,000

Yield Based Claims = Rs. 40,000
Crop loss due to Add-on Coverage (Wild Animals) = Rs.70,000

Indemnity Level = 80%
Claims due to Add-on Coverage (Wild Animals) = Rs.56,000
Total admissible claims to the Farmers = Rs. 56,000
Liability of claims met through PMFBY (Insurance Company) = Rs. 40,000
Liability on Add-on Cover (Insurance Company or Corpus Fund) = Rs. 16,000

Note: If the loss due to add-on cover happens mid-season, claim for the same should be paid to the farmer first by the Insurance Company or through the corpus as the case may be. In case the add-on cover is implemented through corpus fund, the Insurance Company implementing PMFBY shall be replenished by the corpus fund for the additional claim liability under Add-on cover after payment of eligible claims under normal PMFBY.

3.8 As mentioned in **Para 5.2.5** of these OGs of PMFBY, the financial liability towards claims under corpus mode of this add-on cover shall be borne by the concerned State Governments/UT Administrations only. However, the fund available in other related schemes of the State Governments/UTs and assistance aid of MoEF&CC may also be utilized for meeting the financial liabilities of States/UTs.

3.9 State Governments/UT Administrations may provide requisite information related to historic crop losses by wild animals etc. to the Insurance Companies and also get concurrence in the SLCCCI meeting for implementation of add-on cover and mode to be adopted.

3.10 Eligibility Criteria:

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

3.10.2 Available to all those insured farmers, at land parcel level, affected by above mentioned perils in a Notified IU growing notified crops for which insurance under normal PMFBY has been availed.

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

3.10.4 Available for all notified crops which has been declared eligible for the Add-on cover as per the notification issued by the States/UTs and damaged by Wild Animal attack during when the crop is in standing condition up till harvesting.

3.10.5 Maximum liability is limited to the Sum Insured value arrived by multiplying indemnity level with the total Sum Insured of the damaged crop's area and the pay-out under this provision would be in proportion to the loss incurred on crop due to the occurrence of the insured peril. The sum insured will be same as notified under PMFBY. **There would not be any additional sum insured for this add-on cover.**

3.10.6 The add-on cover will be optional for both the loanee and non-loanee farmers. If a farmer opts for the cover, he will have to pay notional premium rate. However, the concerned State Governments/UT Administrations will provide remaining premium as subsidy and/or eligible claims from the corpus fund as per the mode adopted.

3.10.7 Non-loanee farmers will opt for this add-on cover at the time of enrolment and loanee farmers will inform the concerned Bank branches to opt for this cover in writing at least 2 working days prior to the prescribed cut-off date of enrolment and debiting of premium. Provision in this regard shall be made in NCIP for capturing the enrollment of farmers under the add-on cover, however, State Governments/UT Administrations and concerned Insurance Companies shall maintain the granular data of insured farmers under add-on cover.

3.10.8 This add-on cover will be available initially for major crops only.

3.10.9 The State Governments/UT Administrations would notify the list of wild animals, which inhabit the region & IU and crop-wise which will be covered under this add-on cover in consultation with state forest department.

3.10.10 The add-on cover would be applicable from 30 days after sowing to harvesting period. The coverage duration should compulsorily be notified by the State/UT in the notification also.

3.10.11 Indemnity would be payable only when the area affected by notified wild animals is more than 25% of the individual insured land parcel, and the affected notified crop has less than 25% chances of crop revival till harvest. This provision may be reviewed by the respective implementing States & UTs as per their specific requirements.

3.10.12 If the pay-out under area-approach (based on CCEs data) is more than losses under this add-on cover, the balance claims, if any, shall be settled at the end of season.

4. Proxy-Indicators:

4.1.1 Incidence of raiding or grazing by wild animal must be substantiated by media reports or the reports of the agriculture and/or Forest and/or Revenue department. The State governments/UT Administrations may also consider other reports of damage including reports of Panchayati Raj or Gram Sabha etc. as intimation and quantity of loss. However, only damage assessment report based on the joint survey report as per provisions under clause of the Operational Guidelines applicable for Localized Claims shall be considered for deciding the extent of crop damage and eligible claims.

5. Loss Assessment Procedure:

5.1 Time and method of reporting the loss/claims:

A. The State Governments/UT Administrations would notify crop-wise and the agro-climatic zone. This provision can be invoked during the period while the crop is in standing position (30 days after crop sowing to harvesting period). In the case of any event occurring beyond this period, this provision shall not be applicable under any circumstances.

B. Immediate intimation (within 72 hours) by the insured farmer as detailed in **Para 5.2** (Annexure I) below.

C. Intimation must contain details of insured farmer's name, affected survey number-wise insured crop and acreage affected, Farmer's Application No. as on NCIP, his/her Mobile Number etc. KCC A/c No. (in case of loanee farmer)or Saving bank Account (in case of non-Loanee farmer as declared at the time of applying for crop insurance) for identification and verification purpose.

D. Premium payment verification to be done from the NCIP and in case of need, may be verified from the bank. The bank shall provide the payment verification within the next 48 hours of receipt of such request.

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

5.2 Localized Calamity claim amount at individual farm level shall be calculated as per the following formula:

$$\textit{Sum Insured} \times \frac{\textit{Affected Area out of}}{\textit{total Insured Area}}(\%) \times \frac{\textit{Estimated Crop Damage}}{\textit{in Affected Area}}(\%)\ x\ \textit{Indemnity Level}$$

5.3 For estimation of crop loss in the individual farms/land parcels, the digital Crop Loss Assessment App developed by the GoI shall be compulsorily used by the Insurance Companies, States/UTs and loss surveyors appointed by the concerned Insurance Companies.

6. Channel of Reporting i.e. Whom to be Reported:

6.1 Intimation may be given within 72 hours by the farmer either directly through the **"Crop Insurance App"** or centralized toll-free number of **Krishi Rakshak Portal & Helpline (14447)**. The intimation may also be forwarded through the concerned bank branch, local agriculture department Government/district officials or through the toll-free number. The first mode of intimation should be the "Crop Insurance App" and the centralized Toll-Free Number for this purpose. This can be followed by intimation through the bank or district officials to Insurance Company for conducting individual level investigations. The concerned bank/intermediary, if asked by the Insurance Companies, would verify the insured details like crop insured, sum insured, premium debited and date of debit & remittance and share with the Insurance Company for conducting the crop loss assessment.

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

6.3 In case the intimation has been given through the concerned bank branch or State/UT Government officials, the same shall be forwarded by the Bank Branches or Govt. officials of the concerned Insurance Company within the next 48 hours through available channels or Krishi Rakshak Portal & Helpline.

7. Documentary Evidence Required for Claim Assessment:

7.1 Duly filled crop loss intimation through the Crop Insurance App or Krishi Rakshak Portal & Helpline, or other mentioned channels, along with all relevant documents is necessary for initiation of loss assessment and payment of claims. However, if information on all the columns is not readily available, partial information may be sent to the Insurance Company and later within 7 days of the loss, the complete details may be submitted.

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

8. Appointment of Loss Assessors by the Insurance Company:

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

- Diploma/degree in any subject with minimum 2 years relevant experience or bachelor's degree in agriculture and allied subjects with one year experience.
- Retired Government officials of Agriculture/ Horticulture/ Extension Department having Diploma/B.Sc(Ag.) degree.
- Retired Bank officials with experience of agriculture value chain financing or Kisan Credit Card (KCC).

8.2 For compliance under the above provisions the Insurance Companies would utilize the empaneled loss assessors for using their services as and when required.

8.3 The loss would be jointly assessed by a team comprising of loss assessors appointed by the insurer, block level agriculture officer, primary worker of the agriculture or revenue department and the concerned farmer. Loss assessment surveys shall be conducted by the Joint Committee, at each individual field level, through the Mobile App specifically developed for the same by the GoI. The loss assessment data shall be uploaded on the NCIP on a real time basis to arrive at the Claim amount of the eligible insured farmers.

9. Time Frame for Loss Assessment and Claims Payment:

A. Appointment of loss assessor within 48 hours

B. Loss assessment to be done only after lapse of minimum 7 days (for assessing the chances of revival) and must be completed within next 14 days of the receipt of information of loss.

C. Claim settlement/payment to the farmers to be completed in next 1 days (subjectto receipt of premium).

D. Maximum liability is limited to the maximum or balance Sum Insured of the damaged crop's area and the pay-out under this provision would be in proportion to the total loss incurred on the crop in the insured plot, up to the occurrence of the insured peril.

E. Claims under this cover would be paid as per the modalities defined in **Para 21.7** "Claim Settlement under Multiple Events of similar or different Perils" by considering Wild Animal Attack similar to a Localized calamity.

F. If the loss due to add-on cover happens mid-season, claim for the same should be paid to the farmer first by the Insurance Company or through the corpus as the case may be. In case the add-on cover is implemented through corpus fund, the Insurance Company implementing PMFBY shall be replenished by the corpus fund for the additional claim liability under Add-on cover after payment of eligible claims under normal PMFBY.

Format for reporting of excess area insured/ acreage discrepancy for consideration of application of area correction factor by Insurance Company

(All areas in Hectare)

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

(All areas in Hectare)

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

 # details of each insured crops are reported separately in separate column

Deduplication measures / work to be done by insurance company before reporting of aforesaid format as mentioned in revised operational guidelines:

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

I. Aadhaar Based De-duplication

II. Land Record De-duplication

III. Bank Records / Loanee Verification / De-duplication

IV. Insurance Intermediary/CSC Applications Processing / Deduplication

V. Communication with Banks Branch excess insured area

VI. Irregularities / Anomalies reported to State Governments/UT Administrations and Action taken by them

VII. View / Consent of State Governments/UT Administrations, If any

VIII. Any other activities for De-duplication

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

Method 1

Define Risk Level

i. **Calculate Loss Cost for each district as per illustration given for District 1, Notified Insurance Unit 1 (NIU1) and Crop1, on the basis of immediate past ten years of yield data:**

Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Average	TY (Kg/Ha)
Yield	2387	2558	1800	2097	2503	1500	2855	2734	1200	2987	2311	2041
LC (%)	0%	0%	12%	0%	0%	27%	0%	0%	41%	0%	8%	

Weighted Average Loss Cost (%) of District 1 = 7,85,000 / 1,00,50,000 = 7.80%

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

District Name	NIU Name	Crop	Last year Area Insured (In Ha)	Sum Insured (Rs./ha)	Weight (ESI) in Rs.	Average Loss Cost	Expected Claim Amount
A	**B**	C	D		F=D*E	G	
District 1	**NIU1**	Crop1	400		40,00,000		
District 1	**NIU1**	Crop2	300		12,00,000		
District 1	**NIU2**	Crop1	200		20,00,000		
District 1	**NIU2**	Crop2	150		6,00,000		
District 1	**NIU3**	Crop1	125		12,50,000		
District 1	**NIU3**	Crop2	250		10,00,000		
Total					**1,00,50,000**		

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

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

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

iii. Define Coverage Level:

a) Estimation of the Area Insured (in ha): The area insured for the ensuing season would be based on the previous year area insured. However, as perbest judgment and concurrent situation, States may adjust estimated area insured by +/- 10% of previous year area insured.

b) Estimated area insured as per (a) above for current season-year will be multiplied with sum insured (Rs./ha) to arrive the Expected Sum Insured (inRs.) for each and every district-crop combination. The district level ExpectedSum Insured (ESI) will be the total of each district-crop combination within the districts.

Example given for District 1:

District Name	**Crop**	**Estimated Area Insured (in Ha)**	**Sum Insured (Rs./ha)**	**Expected Sum Insured (in Rs.)**
A	B	C	D	E=C*D
District 1	Crop1	725	10,000	72,50,000
District 1	Crop2	700	4,000	28,00,000
District 1 Expected Sum Insured (in Rs.)				**1,00,50,000**

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

c) Calculate1/3 and 2/3 Percentile values of Expected Sum Insured (ESI) for entire district within State. Define Coverage Level as per following percentilevalues:

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

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

District Name	**Expected Sum Insured (in Rs)**	**Coverage Level**
District 1	1,00,50,000	High
District 2	90,00,000	High
District 3	85,00,000	Medium
District 4	10,00,000	Low
District 5	7,00,000	Low

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

d) Allocation of codes to different districts:

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

Illustration:

District Name	Expected Sum Insured (in Rs.)	Risk Level	Coverage Level	Code
District 1	1,00,50,000	High Risk	High	1
District 2	90,00,000	High Risk	High	1
District 3	85,00,000	Medium Risk	Medium	5
District 4	10,00,000	Low Risk	Low	9

Cluster 1		Cluster 2		Cluster 3	
District Name	ESI (in Rs)	District Name	ESI (in Rs)	District Name	ESI (in Rs)
District 1	1,00,50,000	District 2	90,00,000	District 3	85,00,000
		District 4	7,00,000	District 5	10,00,000
Total	1,00,50,000		97,00,000		95,00,000

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

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

Applicable conditions for Clustering/Clubbing of districts:

i. Within the cluster, Insurance Companies would be required to quote the premium rates for all district-crop combination for their bids to be evaluated.

ii. Company not quoting even for one of the total district-crop combinations within the cluster would be disqualified from the bidding period.

iii. There would be no further negotiations with the L1 bidder to accept L1 rates ofother bidder for any district crop combination i.e. the rates quoted by the L1bidder for different district-crop combination would be applicable within the cluster. Bidding and negotiation conditions will be as per Central Vigilance Commission (CVC) guidelines vide its circular nos. No.005/CRD/012 dated 03rd March 2007 & No.005/CRD/012 dated 20th Jan 2010.

iv. L1 bidder shall not be permitted to surrender partial clusters/districts. If anycompany declines after being declared L1, the company may be barred to implement crop insurance scheme for the coming 1 season in the concernedState and the L2 may be given the cluster for implementing the crop insurance scheme at L1 district-crop combination rates and soon to L3, L4 bidder as per the consent of insurance company. Such bidders will be required to furnish appropriate reasons for withdrawal/surrender in writing to Ministry of Agriculture & Farmers Welfare, Government of India within 10 days from opening of the bids to enable further corrective measures and appropriate administrative & legal action against defaulting bidders.

Selection of Implementing Agency: Illustration:

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

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

Method 2

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

Example:

State- UP, No. of districts - 75

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

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

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

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

Similarly, moderate risks districts: 20/4=5 and high risks districts:15/4=3.75 say4 as such

Sample calculation to find L1:

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

Cluster		Formation of clusters		
	No of Low Risk Districts	**No. of moderate risks districts**	**No. of high risks districts**	**Total districts in cluster**
C1	10	5	4	19
C2	10	5	4	19
C3	10	5	4	19
C4	10	5	3	18

District: D1 Company –Y

Crops Notified in a District of the Cluster	Expected Area to be	Notified SI per	Total SI (Rs. Lakh)	Premium Quoted	Premium Amount

	insured (in ha)	ha (Rs.)		by company	(Rs. Lakh) X (% of SI)
Paddy	10,000	30,000	3,000	5	150
Maize	6,000	20,000	1,200	10	120
Cotton	8,000	35,000	2,800	12	336
Arhar	9,000	50,000	4,500	15	675
Groundnut	5,000	40,000	2,000	13	260
Above all crops	**38,000**		**13,500**		**1,541**

District: D1 Company –Z

Crops Notified in a District of the Cluster	Expected Area to be insured (in ha)	Notified SI per ha (Rs.)	Total SI (Rs. Lakh)	Premium Quoted by company	Premium Amount (Rs. Lakh) X (% of SI)
Paddy	10,000	30,000	3,000	7	210
Maize	6,000	20,000	1,200	9	108
Cotton	8,000	35,000	2,800	11	308
Arhar	9,000	50,000	4,500	15	675
Groundnut	5,000	40,000	2,000	14	280
Above all crops	**38,000**		**13,500**		**1,581**

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

For Company: X

Districts of the Cluster	Expected Area to be insured (in ha)	Total SI (Rs. Lakh)	Premium Amount (Rs. Lakh)	Weighted average Premium of company X(% of SI)
District D1	38,000	13,500	1,541	
District D2	40,000	14,000	1,600	
District D3	35,000	13,000	1,400	
District D4	45,000	15,000	1,650	
District D5	30,000	12,750	1,350	
Above all Districts	**1,88,000**	**68,250**	**7,541**	**11.05**

For Company: Y

Districts of the Cluster	Expected Area to be insured (in ha)	Total SI (Rs. Lakh)	Premium Amount (Rs. Lakh)	Weighted average Premium of company X(% of SI)
District D1	38,000	13,500	1,446	
District D2	40,000	14,000	1,500	
District D3	35,000	13,000	1,425	
District D4	45,000	15,000	1,675	
District D5	30,000	12,750	1,400	
Above all Districts	**1,88,000**	**68,250**	**7,446**	**10.91**

For Company: Z

Districts of the Cluster	Expected Area to be insured (in ha)	Total SI (Rs. Lakh)	Premium Amount (Rs. Lakh)	Weighted average Premium of company X(% of SI)
District D1	38,000	13,500	1,581	
District D2	40,000	14,000	1,550	
District D3	35,000	13,000	1,475	
District D4	45,000	15,000	1,600	
District D5	30,000	12,750	1,275	
Above all Districts	**1,88,000**	**68,250**	**7,481**	**10.91**

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

Checklist for STAC while disposing-off Yield Disputes under PMFBY and for referring case to Central TAC

<table>
<tr><th>SN</th><th colspan="2">Particular</th><th>(Yes/No)</th><th>If Yes- then give date and attach as Annexure, If No- reason thereof</th><th>Time limit for notification/ appeal/ Report as per Operational Guidelines 2023</th></tr>
<tr><td>1</td><td colspan="2">Issuance of Notification of prevented Sowing/Mid-season Adversity/ Post-harvest losses</td><td></td><td></td><td></td></tr>
<tr><td>2</td><td colspan="2">Joint survey conducted for prevented Sowing/Mid-season Adversity/Post-harvest losses</td><td></td><td></td><td></td></tr>
<tr><td>3</td><td colspan="2">Sharing of CCE Yield Data with Isurance Company</td><td></td><td></td><td></td></tr>
<tr><td>4</td><td colspan="2">Objection of Insurance Company against Notification of prevented Sowing/Mid-season Adversity/Wide Spread localized/Post-Harvest losses or CCE Yield data</td><td></td><td></td><td></td></tr>
<tr><td>5</td><td colspan="2">Appeal of Insurance Company in DLMC</td><td></td><td></td><td></td></tr>
<tr><td>6</td><td colspan="2">Meeting of DLMC</td><td></td><td></td><td></td></tr>
<tr><td>7</td><td colspan="2">Objection of Insurance Company on DLMC decision</td><td></td><td></td><td></td></tr>
<tr><td>8</td><td colspan="2">Appeal of Insurance Company to Division level</td><td></td><td></td><td></td></tr>
<tr><td>9</td><td colspan="2">Meeting of Division level committee</td><td></td><td></td><td></td></tr>
<tr><td>10</td><td colspan="2">Appeal of Insurance Company for STAC</td><td></td><td></td><td></td></tr>
<tr><td rowspan="5">11</td><td colspan="2">STAC meeting</td><td></td><td></td><td></td></tr>
<tr><td>A</td><td>Whether the Triggers for MSA/Yield Dispute have been validated?</td><td></td><td></td><td></td></tr>
<tr><td>B</td><td>Whether Remote Sensing based report has been prepared?</td><td></td><td></td><td></td></tr>
<tr><td>C</td><td>Whether Weather data report has been considered?</td><td></td><td></td><td></td></tr>
<tr><td>D</td><td>Whether State implementing YES-TECH?</td><td></td><td></td><td></td></tr>
</table>

		If Yes- Inception Report/Mid-Season report/Final Report/Special Report submitted by TIP to be attached			
12	Whether these RST, Weather and YES-TECH reports have been considered by the STAC while deciding the dispute?				
13	Insurance Company appeal for TAC				

Triggers for MSA & Yield Disputes under MSA

i. Disputes under MSA:

Actions required to be validated by STAC	Definitions
After 1 month from onset of sowing and before 15 days from the onset of harvest time, fulfilment of eligibility of On-Account payment (i.e. 50% yield loss in standing crops to be compared with Normal yield in notified insurance unit area as explained in Para 21.4.2.2) is to be decided based on occurrence of any one of the proxy Indicators occurring along with other proxy indicators of: Severe Drought Condition, as defined in the Drought Manual, 2016. Dry spells and drought declared by State/ UT. Abnormally Low / High temperature in comparison to LPA>20% deviation. Abnormally Low / High rainfall in comparison to LPA > 20% deviation. Widespread incidences of Insect, Pest & Diseases impacting > 25% crop sown Area*. Any other defined natural event including flooding which may lead to widespread losses impacting > 25% crop sown area*. Supported by Satellite Image and Satellite Index based outputs to be provided by ISRO/SAC, MNCFC or MITR's under YES-TECH, Government crop condition reports, and Media reports etc. Further, with reference to procedural disputes on loss surveys, STAC also needs to verify that there is sufficient documentary evidence that the mid-season yield assessment have not been conducted in the required numbers and as per the standard protocol, in at least 20% IUs for a particular crop in a given district or 20% of total planned loss assessment surveys for the particular crop in the given district.	Definitions & interpretations regarding proxy indicators would be applied as per IMD's guidelines as below. %age w.r.t. LPA Abnormal Weather Parameter: (±) 20 or more deviation than the LPA. Definitions & interpretations regarding proxy indicators for drought would be applied as per Drought Manual 2016, i.e. 1. Rainfall Index: Dry Spell: 3-4 weeks with <50% of Normal RF Rainfall Deviation: < -20% of Normal Rainfall (RF). 2. Remote Sensing: NDVI/ NDWI deviation: < -20%-30% VCI Value--0-40%. 3. Crop Sowing: Area Under Sowing: Kharif < 33.3%, Rabi < 50% of crop-wise normal Sown Area*. 4. Soil Moisture: PASM)/ MAI -- 0%-75%. 5. Hydrology: RSI --> 20% GWDI --> 0.16% SFDI --> 0.01. The concerned State Govt./UT and/or TIP may provide the relevant data to STAC for consideration.

ii. Disputes under Final Yield (AY):

Actions required to be validated by STAC	Data Requirements
Any dispute related to Final Yield (AY Values) being referred to STAC by Insuranec Companies of DLJC, DGRC or SGRC shall be validated against the below parameters to ensure that the dispute qualifies to be considered at STAC level: There is more than 25% difference between the yield estimated by the State/UT Government and the Insurance Company. There is sufficient documentary evidence that the CCEs have not been conducted in the required numbers and as per the standard protocol, in at least 20% IUs for a particular crop in a given district or 20% of total planned CCEs for the particular crop in the given district. The matter has been considered by DGRC and/or SGRC but could not be resolved at those levels. The Insurance Company has already carried out the technical analysis of the data in consultation of the State Government/UT Administration or in collaboration with Central/State/empaneled agencies and has used satellite/model/ weather data to support its objection.	Data to be provided by State/UT Government &/or TIP: All yield assessment survey or CCE data of the contested area, in digital format, (preferably Excel), along with photographs and other collateral data, as collected during yield assessment survey or CCEs. The yield assessment survey or CCE data should ideally be geo referenced. Village level crop area estimates. Long term (at least 10 years) data of crop yield at GP level (if not available, at least at Taluka/block level) in digital format, (preferably Excel). Long term (at least 10 years) data of weather parameters (daily or weekly) at GP level (if not available, at least at Taluka /block level). The weather parameters should cover at least, rainfall, rainy days and temperature, in digital format, (preferably Excel). Any information about pest/disease attack, hailstorm, cyclones, inundations, heavy rainfall or any other natural/ manmade disasters in that area. Report of any analysis carried out by the State/UT to support its claim. Data to be provided by Insurance Company: Data of the co-observed yield assessment survey or CCEs collected by Insurance Comapnies in digital format, (preferably Excel), along with photographs and other

	collateral data, as collected during yield assessment survey or CCE. Data of weather observatories*, if maintained or sourced by Insurance Company, in the contested area. Report of the technical studies* carried out by the Insurance Company to support its claim. Detailed reasons for the yield data being perceived as contested. Any UAV data/output collected from the contested area.

ANNEXURE- V

Illustration of Modalities of Claim Settlement under Multiple Events of similar or different Perils at same land-parcel & Crop under PMFBY

Scenarios			Clarifications/Remarks
1. Claim due to Preventive Sowing/Failed Germination only			
Name of Perils	**Parameters**	**B (Preventive Sowing)**	**Remarks/Notes** ***(Special Note: Sum Inured will reduce for the next level in case of change of type of Peril/Event, Within the identical peril/event, differential claim amount will be paid without reducing the Sum Insured. Only MSA claim and wide-spread localized claims will be adjusted with final Yield Loss claims)***
	Sum Insured/Ha	50,000	Sum Insured as per Notification
	Area Insured (Ha)	1	Insured Area
	Total Sum Insured (Rs.)	**50,000**	As per notification
Preventive Sowing/ Failed Germination	Preventive Sowing/ Failed Germination Area %age in an IU	80%	Crop Loss %age as per IU level crop Loss Assessment
	Preventive Sowing/Failed Germination claims	12,500	Arrived after multiplying Sum Insured value and %age of crop loss assessed
	Payable Localized claims (A)	**12,500**	Claim amount arrived is paid and insurance cover ceases for the affected crop in the notified IU
	Residual Sum Insured for Localized Claims (Rs.)	-	Insurance Cover Cease to exist
	Residual Sum Insured for Mid Term/Post-Harvest (Rs.)	-	Insurance Cover Cease to exist
	Residual Sum Insured for Yield Loss (Rs.)	-	Insurance Cover Cease to exist
Localized Claim	Localized Claims Loss %age	0%	Crop Loss %age as per Individual farm level Loss Assessment
	Localized claims	-	Arrived after multiplying Sum Insured value and %age of payable localized loss
	Payable Localized claims (A)	-	At subsequent localized claim, max. of loss %age payable as claim after adjusting already paid localized claim
	Residual Sum Insured for Localized Claims (Rs.)	-	Sum Insured will not reduce and shall remain same as per Notified Value
	Residual Sum Insured for Mid	-	Sum Insured value will be reduced by Amount of Localized claims paid/payable

	Term/Post-Harvest (Rs.)		
	Residual Sum Insured for Yield Loss (Rs.)	**-**	Sum Insured value will be reduced by Amount of Localized claims paid/payable
Midterm Claim	Estimated AY Loss	0%	Estimated Crop Loss (MSA loss %age) to be >50% of Normal Yield,
	Mid-term Claim Loss %age	0%	25% of Estimated Claims based on Indemnity Level
	Mid-term Claim	-	Arrived after multiplying residual Sum Insured value and %age of crop loss under mid-term claim
	Net Payable Midterm Claim (B)	**-**	At this stage previously paid claims under any other peril doesn't get adjusted, but gets adjusted if the peril is same, i.e. WSL or MSA
	Residual Sum Insured for Localized Claims (Rs.)	**-**	Sum Insured will be reduced by net paid/payable MSA/WSL Loss
	Residual Sum Insured for Post-Harvest (Rs.)	**-**	Sum Insured will be reduced by net paid/payable MSA/WSL Loss
	Residual Sum Insured for Yield Loss (Rs.)	**-**	Sum Insured will remain same and no wide area-approach loss %age shall lead to reduction in Sum Insured value
Localized Claim	Localized Claims Loss %age	0%	This shall be triggered only if Crop loss assessed at Farm Level is higher than the total of estimated crop loss %age at MSA or WSL loss & previous localized Crop loss %age
	Localized claims	-	Arrived after multiplying Crop Loss %age at Individual farm level with available Sum Insured value for the peril
	Net Payable Localized claims (C)	**-**	At subsequent localized claim, max. of loss %age payable as claim after adjusting already paid localized claim
	Residual Sum Insured for Localized Claims (Rs.)	**-**	Sum Insured value remains identical after invocation of WSL/MSA loss %age and will not be reduced by localized claim amount paid
	Residual Sum Insured for Post-Harvest (Rs.)	**-**	Sum Insured value will reduced by Amount of Localized claims paid/payable
	Residual Sum Insured for Yield Loss (Rs.)	**-**	Sum Insured value will reduced by Amount of Localized claims paid/payable
	Sub-Total Claims Paid (D)	**-**	Sub total of A, B & C
Post Harvest	Post Harvest Loss %age	0%	Based on Crop loss assessed at Farm Level loss of crop in Cut & Spread condition
	Post Harvest Claim	-	Arrived after multiplying residual Sum Insured value and %age of localized post-harvest loss %age

	Payable Post Harvest Claim (E)	**-**		Arrived after multiplying Crop Loss %age at Individual farm level with available Sum Insured Value for the peril
	Residual Sum Insured for Yield Loss (Rs.)	**-**		Sum Insured value will be as per Notified Value reduced by amount of Localized and Post Harvest claim paid/payable
Yield Based Claim	Yield Shortfall	0%		As per yield loss based on AY value
	Eligible Yield Claim	-		Arrived after multiplying residual Sum Insured value and %age of yield loss
	Net Payable Yield Claim (F)	**-**		To be adjusted with Mid Term Claims & Wide-Spread localized claim already paid
	Gross Total Payable Claim	**12,500**		Gross Total of D, E & F

2. Claim due to Yield Loss only				
Name of Perils	**Parameters**	**B (Yield Loss)**		**Remarks/Notes** ***(Special Note: Sum Inured will reduce for the next level in case of change of type of Peril/Event, Within the identical peril/event, differential claim amount will be paid without reducing the Sum Insured. Only MSA claim and wide-spread localized claims will be adjusted with final Yield Loss claims)***
	Sum Insured/Ha	50,000		Sum Insured as per Notification
	Area Insured (Ha)	1		Insured Area
	Total Sum Insured (Rs.)	**50,000**		As per notification
Localized Claim	Localized Claims Loss %age	0%		Crop Loss %age as per Individual farm level Loss Assessment
	Localized claims	-		Arrived after multiplying Sum Insured value and %age of payable localized loss
	Payable Localized claims (A)	**-**		At subsequent localized claim, max. of loss %age payable as claim after adjusting already paid localized claim
	Residual Sum Insured for Localized Claims (Rs.)	**50,000**		Sum Insured will not reduce and shall remain same as per Notified Value
	Residual Sum Insured for Mid Term/Post-Harvest (Rs.)	**50,000**		Sum Insured value will be reduced by Amount of Localized claims paid/payable
	Residual Sum Insured for Yield Loss (Rs.)	**50,000**		Sum Insured value will be reduced by Amount of Localized claims paid/payable
Midterm Claim	Estimated AY Loss	0%		Estimated Crop Loss (MSA loss %age) to be >50% of Normal Yield,
	Mid-term Claim Loss %age	0%		25% of Estimated Claims based on Indemnity Level
	Mid-term Claim	-		Arrived after multiplying residual Sum Insured value and %age of crop loss under mid-term claim

	Net Payable Midterm Claim (B)	**-**	At this stage previously paid claims under any other peril doesn't get adjusted, but gets adjusted if the peril is same, i.e. WSL or MSA
	Residual Sum Insured for Localized Claims (Rs.)	**50,000**	Sum Insured will be reduced by net paid/payable MSA/WSL Loss
	Residual Sum Insured for Post-Harvest (Rs.)	**50,000**	Sum Insured will be reduced by net paid/payable MSA/WSL Loss
	Residual Sum Insured for Yield Loss (Rs.)	**50,000**	Sum Insured will remain same and no wide area-approach loss %age shall lead to reduction in Sum Insured value
Localized Claim	Localized Claims Loss %age	0%	This shall be triggered only if Crop loss assessed at Farm Level is higher than the total of estimated crop loss %age at MSA or WSL loss & previous localized Crop loss %age
	Localized claims	-	Arrived after multiplying Crop Loss %age at Individual farm level with available Sum Insured value for the peril
	Net Payable Localized claims (C)	**-**	At subsequent localized claim, max. of loss %age payable as claim after adjusting already paid localized claim
	Residual Sum Insured for Localized Claims (Rs.)	**50,000**	Sum Insured value remains identical after invocation of WSL/MSA loss %age and will not be reduced by localized claim amount paid
	Residual Sum Insured for Post-Harvest (Rs.)	**50,000**	Sum Insured value will reduced by Amount of Localized claims paid/payable
	Residual Sum Insured for Yield Loss (Rs.)	**50,000**	Sum Insured value will reduced by Amount of Localized claims paid/payable
	Sub-Total Claims Paid (D)	**-**	Sub total of A, B & C
Post Harvest	Post Harvest Loss %age	0%	Based on Crop loss assessed at Farm Level loss of crop in Cut & Spread condition
	Post Harvest Claim	-	Arrived after multiplying residual Sum Insured value and %age of localized post-harvest loss %age
	Payable Post Harvest Claim (E)	**-**	Arrived after multiplying Crop Loss %age at Individual farm level with available Sum Insured Value for the peril
	Residual Sum Insured for Yield Loss (Rs.)	**50,000**	Sum Insured value will be as per Notified Value reduced by amount of Localized and Post Harvest claim paid/payable
Yield Based Claim	Yield Shortfall	20%	As per yield loss based on AY value
	Eligible Yield Claim	10,000	Arrived after multiplying residual Sum Insured value and %age of yield loss
	Net Payable Yield Claim (F)	**10,000**	To be adjusted with Mid Term Claims & Wide-Spread localized claim already paid
	Gross Total Payable Claim	**10,000**	Gross Total of D, E & F

3. Claim due to Mid-Season Adversity & Yield Loss Only			
Name of Perils	**Parameters**	**B (Mid Term + Yield Loss)**	**Remarks/Notes** ***(Special Note: Sum Inured will reduce for the next level in case of change of type of Peril/Event, Within the identical peril/event, differential claim amount will be paid without reducing the Sum Insured. Only MSA claim and wide-spread localized claims will be adjusted with final Yield Loss claims)***
	Sum Insured/Ha	50,000	Sum Insured as per Notification
	Area Insured (Ha)	1	Insured Area
	Total Sum Insured (Rs.)	**50,000**	As per notification
Localized Claim	Localized Claims Loss %age	0%	Crop Loss %age as per Individual farm level Loss Assessment
	Localized claims	-	Arrived after multiplying Sum Insured value and %age of payable localized loss
	Payable Localized claims (A)	**-**	At subsequent localized claim, max. of loss %age payable as claim after adjusting already paid localized claim
	Residual Sum Insured for Localized Claims (Rs.)	**50,000**	Sum Insured will not reduce and shall remain same as per Notified Value
	Residual Sum Insured for Mid Term/Post-Harvest (Rs.)	**50,000**	Sum Insured value will be reduced by Amount of Localized claims paid/payable
	Residual Sum Insured for Yield Loss (Rs.)	**50,000**	Sum Insured value will be reduced by Amount of Localized claims paid/payable
Midterm Claim	Estimated AY Loss	60%	Estimated Crop Loss (MSA loss %age) to be >50% of Normal Yield,
	Mid-Term Claim Loss %age	15%	25% of Estimated Claims based on Indemnity Level
	Mid-Term Claim	7,500	Arrived after multiplying residual Sum Insured value and %age of crop loss under mid-term claim
	Net Payable Midterm Claim (B)	**7,500**	At this stage previously paid claims under any other peril doesn't get adjusted, but gets adjusted if the peril is same, i.e. WSL or MSA
	Residual Sum Insured for Localized Claims (Rs.)	**42,500**	Sum Insured will be reduced by net paid/payable MSA/WSL Loss
	Residual Sum Insured for Post-Harvest (Rs.)	**42,500**	Sum Insured will be reduced by net paid/payable MSA/WSL Loss
	Residual Sum Insured for Yield Loss (Rs.)	**50,000**	Sum Insured will remain same and no wide area-approach loss %age shall lead to reduction in Sum Insured value

Localized Claim	Localized Claims Loss %age	0%		This shall be triggered only if Crop loss assessed at Farm Level is higher than the total of estimated crop loss %age at MSA or WSL loss & previous localized Crop loss %age
	Localized claims	-		Arrived after multiplying Crop Loss %age at Individual farm level with available Sum Insured value for the peril
	Net Payable Localized claims (C)	**-**		At subsequent localized claim, max. of loss %age payable as claim after adjusting already paid localized claim
	Residual Sum Insured for Localized Claims (Rs.)	**42,500**		Sum Insured value remains identical after invocation of WSL/MSA loss %age and will not be reduced by localized claim amount paid
	Residual Sum Insured for Post-Harvest (Rs.)	**42,500**		Sum Insured value will be reduced by Amount of Localized claims paid/payable
	Residual Sum Insured for Yield Loss (Rs.)	**50,000**		Sum Insured value will be reduced by Amount of Localized claims paid/payable
	Sub-Total Claims Paid (D)	**7,500**		Sub total of A, B & C
Post Harvest	Post Harvest Loss %age	0%		Based on Crop loss assessed at Farm Level loss of crop in Cut & Spread condition
	Post Harvest Claim	-		Arrived after multiplying residual Sum Insured value and %age of localized post-harvest loss %age
	Payable Post Harvest Claim (E)	**-**		Arrived after multiplying Crop Loss %age at Individual farm level with available Sum Insured Value for the peril
	Residual Sum Insured for Yield Loss (Rs.)	**50,000**		Sum Insured value will be as per Notified Value reduced by amount of Localized and Post Harvest claim paid/payable
Yield Based Claim	Yield Shortfall	30%		As per yield loss based on AY value
	Eligible Yield Claim	15,000		Arrived after multiplying residual Sum Insured value and %age of yield loss
	Net Payable Yield Claim (F)	**7,500**		To be adjusted with Mid Term Claims & Wide-Spread localized claim already paid
	Gross Total Payable Claim	**15,000**		Gross Total of D, E & F

4. Claim due to Yield Loss & Post-Harvest Loss only				
Name of Perils	**Parameters**	**B (Post Harvest + Yield Loss)**		**Remarks/Notes** ***(Special Note: Sum Inured will reduce for the next level in case of change of type of Peril/Event, Within the identical peril/event, differential claim amount will be paid without reducing the Sum Insured. Only MSA claim and wide-spread localized***

			claims will be adjusted with final Yield Loss claims)
	Sum Insured/Ha	50,000	Sum Insured as per Notification
	Area Insured (Ha)	1	Insured Area
	Total Sum Insured (Rs.)	**50,000**	As per notification
	Localized Claims Loss %age	0%	Crop Loss %age as per Individual farm level Loss Assessment
Localized Claim	Localized claims	-	Arrived after multiplying Sum Insured value and %age of payable localized loss
	Payable Localized claims (A)	**-**	At subsequent localized claim, max. of loss %age payable as claim after adjusting already paid localized claim
	Residual Sum Insured for Localized Claims (Rs.)	**50,000**	Sum Insured will not reduce and shall remain same as per Notified Value
	Residual Sum Insured for Mid Term/Post-Harvest (Rs.)	**50,000**	Sum Insured value will be reduced by Amount of Localized claims paid/payable
	Residual Sum Insured for Yield Loss (Rs.)	**50,000**	Sum Insured value will be reduced by Amount of Localized claims paid/payable
	Estimated AY Loss	0%	Estimated Crop Loss (MSA loss %age) to be >50% of Normal Yield,
	Mid-Term Claim Loss %age	0%	25% of Estimated Claims based on Indemnity Level
Midterm Claim	Mid-Term Claim	-	Arrived after multiplying residual Sum Insured value and %age of crop loss under mid-term claim
	Net Payable Midterm Claim (B)	**-**	At this stage previously paid claims under any other peril doesn't get adjusted, but gets adjusted if the peril is same, i.e. WSL or MSA
	Residual Sum Insured for Localized Claims (Rs.)	**50,000**	Sum Insured will be reduced by net paid/payable MSA/WSL Loss
	Residual Sum Insured for Post-Harvest (Rs.)	**50,000**	Sum Insured will be reduced by net paid/payable MSA/WSL Loss
	Residual Sum Insured for Yield Loss (Rs.)	**50,000**	Sum Insured will remain same and no wide area-approach loss %age shall lead to reduction in Sum Insured value
Localized Claim	Localized Claims Loss %age	0%	This shall be triggered only if Crop loss assessed at Farm Level is higher than the total of estimated crop loss %age at MSA or WSL loss & previous localized Crop loss %age
	Localized claims	-	Arrived after multiplying Crop Loss %age at Individual farm level with available Sum Insured value for the peril

	Net Payable Localized claims (C)	**-**		At subsequent localized claim, max. of loss %age payable as claim after adjusting already paid localized claim
	Residual Sum Insured for Localized Claims (Rs.)	**50,000**		Sum Insured value remains identical after invocation of WSL/MSA loss %age and will not be reduced by localized claim amount paid
	Residual Sum Insured for Post-Harvest (Rs.)	**50,000**		Sum Insured value will be reduced by Amount of Localized claims paid/payable
	Residual Sum Insured for Yield Loss (Rs.)	**50,000**		Sum Insured value will be reduced by Amount of Localized claims paid/payable
	Sub-Total Claims Paid (D)	**-**		Sub total of A, B & C
Post Harvest	Post Harvest Loss %age	70%		Based on Crop loss assessed at Farm Level loss of crop in Cut & Spread condition
	Post Harvest Claim	35,000		Arrived after multiplying residual Sum Insured value and %age of localized post-harvest loss %age
	Payable Post Harvest Claim (E)	**35,000**		Arrived after multiplying Crop Loss %age at Individual farm level with available Sum Insured Value for the peril
	Residual Sum Insured for Yield Loss (Rs.)	**15,000**		Sum Insured value will be as per Notified Value reduced by amount of Localized and Post Harvest claim paid/payable
Yield Based Claim	Yield Shortfall	20%		As per yield loss based on AY value
	Eligible Yield Claim	3,000		Arrived after multiplying residual Sum Insured value and %age of yield loss
	Net Payable Yield Claim (F)	**3,000**		To be adjusted with Mid Term Claims & Wide-Spread localized claim already paid
	Gross Total Payable Claim	**38,000**		Gross Total of D, E & F

5. Claims due to Localized Loss & Yield Loss only

Name of Perils	**Parameters**	**B (Localized + Yield Loss)**		**Remarks/Notes** ***(Special Note: Sum Inured will reduce for the next level in case of change of type of Peril/Event, Within the identical peril/event, differential claim amount will be paid without reducing the Sum Insured. Only MSA claim and wide-spread localized claims will be adjusted with final Yield Loss claims)***
	Sum Insured/Ha	50,000		Sum Insured as per Notification
	Area Insured (Ha)	1		Insured Area
	Total Sum Insured (Rs.)	**50,000**		As per notification
Localized Claim	Localized Claims Loss %age	10%		Crop Loss %age as per Individual farm level Loss Assessment

	Localized claims	5,000	Arrived after multiplying Sum Insured value and %age of payable localized loss
	Payable Localized claims (A)	**5,000**	At subsequent localized claim, max. of loss %age payable as claim after adjusting already paid localized claim
	Residual Sum Insured for Localized Claims (Rs.)	**50,000**	Sum Insured will not reduce and shall remain same as per Notified Value
	Residual Sum Insured for Mid Term/Post-Harvest (Rs.)	**45,000**	Sum Insured value will be reduced by Amount of Localized claims paid/payable
	Residual Sum Insured for Yield Loss (Rs.)	**45,000**	Sum Insured value will be reduced by Amount of Localized claims paid/payable
Midterm Claim	Estimated AY Loss	0%	Estimated Crop Loss (MSA loss %age) to be >50% of Normal Yield,
	Mid-Term Claim Loss %age	0%	25% of Estimated Claims based on Indemnity Level
	Mid-Term Claim	-	Arrived after multiplying residual Sum Insured value and %age of crop loss under mid-term claim
	Net Payable Midterm Claim (B)	**-**	At this stage previously paid claims under any other peril doesn't get adjusted, but gets adjusted if the peril is same, i.e. WSL or MSA
	Residual Sum Insured for Localized Claims (Rs.)	**50,000**	Sum Insured will be reduced by net paid/payable MSA/WSL Loss
	Residual Sum Insured for Post-Harvest (Rs.)	**45,000**	Sum Insured will be reduced by net paid/payable MSA/WSL Loss
	Residual Sum Insured for Yield Loss (Rs.)	**45,000**	Sum Insured will remain same and no wide area-approach loss %age shall lead to reduction in Sum Insured value
Localized Claim	Localized Claims Loss %age	0%	This shall be triggered only if Crop loss assessed at Farm Level is higher than the total of estimated crop loss %age at MSA or WSL loss & previous localized Crop loss %age
	Localized claims	-	Arrived after multiplying Crop Loss %age at Individual farm level with available Sum Insured value for the peril
	Net Payable Localized claims (C)	**-**	At subsequent localized claim, max. of loss %age payable as claim after adjusting already paid localized claim
	Residual Sum Insured for Localized Claims (Rs.)	**50,000**	Sum Insured value remains identical after invocation of WSL/MSA loss %age and will not be reduced by localized claim amount paid
	Residual Sum Insured for Post-Harvest (Rs.)	**45,000**	Sum Insured value will reduced by Amount of Localized claims paid/payable

	Residual Sum Insured for Yield Loss (Rs.)	**45,000**		Sum Insured value will reduced by Amount of Localized claims paid/payable
	Sub-Total Claims Paid (D)	**5,000**		Sub total of A, B & C
Post Harvest	Post Harvest Loss %age	0%		Based on Crop loss assessed at Farm Level loss of crop in Cut & Spread condition
	Post Harvest Claim	-		Arrived after multiplying residual Sum Insured value and %age of localized post-harvest loss %age
	Payable Post Harvest Claim (E)	**-**		Arrived after multiplying Crop Loss %age at Individual farm level with available Sum Insured Value for the peril
	Residual Sum Insured for Yield Loss (Rs.)	**45,000**		Sum Insured value will be as per Notified Value reduced by amount of Localized and Post Harvest claim paid/payable
Yield Based Claim	Yield Shortfall	15%		As per yield loss based on AY value
	Eligible Yield Claim	6,750		Arrived after multiplying residual Sum Insured value and %age of yield loss
	Net Payable Yield Claim (F)	**6,750**		To be adjusted with Mid Term Claims & Wide-Spread localized claim already paid
	Gross Total Payable Claim	**11,750**		Gross Total of D, E & F

6. Claims due to Localized Loss & Post Harvest Loss Only				
Name of Perils	**Parameters**	**B (Localized + Post Harvest)**		**Remarks/Notes** ***(Special Note: Sum Inured will reduce for the next level in case of change of type of Peril/Event, Within the identical peril/event, differential claim amount will be paid without reducing the Sum Insured. Only MSA claim and wide-spread localized claims will be adjusted with final Yield Loss claims)***
	Sum Insured/Ha	50,000		Sum Insured as per Notification
	Area Insured (Ha)	1		Insured Area
	Total Sum Insured (Rs.)	**50,000**		As per notification
Localized Claim	Localized Claims Loss %age	0%		Crop Loss %age as per Individual farm level Loss Assessment
	Localized claims	-		Arrived after multiplying Sum Insured value and %age of payable localized loss
	Payable Localized claims (A)	**-**		At subsequent localized claim, max. of loss %age payable as claim after adjusting already paid localized claim
	Residual Sum Insured for Localized Claims (Rs.)	**50,000**		Sum Insured will not reduce and shall remain same as per Notified Value
	Residual Sum Insured for Mid	**50,000**		Sum Insured value will be reduced by Amount of Localized claims paid/payable

	Term/Post-Harvest (Rs.)		
	Residual Sum Insured for Yield Loss (Rs.)	**50,000**	Sum Insured value will be reduced by Amount of Localized claims paid/payable
Midterm Claim	Estimated AY Loss	0%	Estimated Crop Loss (MSA loss %age) to be >50% of Normal Yield,
	Mid-Term Claim Loss %age	0%	25% of Estimated Claims based on Indemnity Level
	Mid-Term Claim	-	Arrived after multiplying residual Sum Insured value and %age of crop loss under mid-term claim
	Net Payable Midterm Claim (B)	**-**	At this stage previously paid claims under any other peril doesn't get adjusted, but gets adjusted if the peril is same, i.e. WSL or MSA
	Residual Sum Insured for Localized Claims (Rs.)	**50,000**	Sum Insured will be reduced by net paid/payable MSA/WSL Loss
	Residual Sum Insured for Post-Harvest (Rs.)	**50,000**	Sum Insured will be reduced by net paid/payable MSA/WSL Loss
	Residual Sum Insured for Yield Loss (Rs.)	**50,000**	Sum Insured will remain same and no wide area-approach loss %age shall lead to reduction in Sum Insured value
Localized Claim	Localized Claims Loss %age	15%	This shall be triggered only if Crop loss assessed at Farm Level is higher than the total of estimated crop loss %age at MSA or WSL loss & previous localized Crop loss %age
	Localized claims	7,500	Arrived after multiplying Crop Loss %age at Individual farm level with available Sum Insured value for the peril
	Net Payable Localized claims (C)	**7,500**	At subsequent localized claim, max. of loss %age payable as claim after adjusting already paid localized claim
	Residual Sum Insured for Localized Claims (Rs.)	**50,000**	Sum Insured value remains identical after invocation of WSL/MSA loss %age and will not be reduced by localized claim amount paid
	Residual Sum Insured for Post-Harvest (Rs.)	**42,500**	Sum Insured value will be reduced by Amount of Localized claims paid/payable
	Residual Sum Insured for Yield Loss (Rs.)	**42,500**	Sum Insured value will be reduced by Amount of Localized claims paid/payable
	Sub-Total Claims Paid (D)	**7,500**	Sub total of A, B & C
Post Harvest	Post Harvest Loss %age	75%	Based on Crop loss assessed at Farm Level loss of crop in Cut & Spread condition
	Post Harvest Claim	31,875	Arrived after multiplying residual Sum Insured value and %age of localized post-harvest loss %age

	Payable Post Harvest Claim (E)	**31,875**		Arrived after multiplying Crop Loss %age at Individual farm level with available Sum Insured Value for the peril
	Residual Sum Insured for Yield Loss (Rs.)	**10,625**		Sum Insured value will be as per Notified Value reduced by amount of Localized and Post Harvest claim paid/payable
Yield Based Claim	Yield Shortfall	0%		As per yield loss based on AY value
	Eligible Yield Claim	-		Arrived after multiplying residual Sum Insured value and %age of yield loss
	Net Payable Yield Claim (F)	**-**		To be adjusted with Mid Term Claims & Wide-Spread localized claim already paid
	Gross Total Payable Claim	**39,375**		Gross Total of D, E & F

7. Claims due to Two Localized Losses Only				
Name of Perils	**Parameters**	**B (Localized + Localized)**		**Remarks/Notes** ***(Special Note: Sum Inured will reduce for the next level in case of change of type of Peril/Event, Within the identical peril/event, differential claim amount will be paid without reducing the Sum Insured. Only MSA claim and wide-spread localized claims will be adjusted with final Yield Loss claims)***
	Sum Insured/Ha	50,000		Sum Insured as per Notification
	Area Insured (Ha)	1		Insured Area
	Total Sum Insured (Rs.)	**50,000**		As per notification
Localized Claim	Localized Claims Loss %age	10%		Crop Loss %age as per Individual farm level Loss Assessment
	Localized claims	5,000		Arrived after multiplying Sum Insured value and %age of payable localized loss
	Payable Localized claims (A)	**5,000**		At subsequent localized claim, max. of loss %age payable as claim after adjusting already paid localized claim
	Residual Sum Insured for Localized Claims (Rs.)	**50,000**		Sum Insured will not reduce and shall remain same as per Notified Value
	Residual Sum Insured for Mid Term/Post-Harvest (Rs.)	**45,000**		Sum Insured value will be reduced by Amount of Localized claims paid/payable
	Residual Sum Insured for Yield Loss (Rs.)	**45,000**		Sum Insured value will be reduced by Amount of Localized claims paid/payable
Midterm Claim	Estimated AY Loss	0%		Estimated Crop Loss (MSA loss %age) to be >50% of Normal Yield,
	Mid-Term Claim Loss %age	0%		25% of Estimated Claims based on Indemnity Level

	Mid-Term Claim	-	Arrived after multiplying residual Sum Insured value and %age of crop loss under mid-term claim
	Net Payable Midterm Claim (B)	**-**	At this stage previously paid claims under any other peril doesn't get adjusted, but gets adjusted if the peril is same, i.e. WSL or MSA
	Residual Sum Insured for Localized Claims (Rs.)	**50,000**	Sum Insured will be reduced by net paid/payable MSA/WSL Loss
	Residual Sum Insured for Post-Harvest (Rs.)	**45,000**	Sum Insured will be reduced by net paid/payable MSA/WSL Loss
	Residual Sum Insured for Yield Loss (Rs.)	**45,000**	Sum Insured will remain same and no wide area-approach loss %age shall lead to reduction in Sum Insured value
Localized Claim	Localized Claims Loss %age	20%	This shall be triggered only if Crop loss assessed at Farm Level is higher than the total of estimated crop loss %age at MSA or WSL loss & previous localized Crop loss %age
	Localized claims	5,000	Arrived after multiplying Crop Loss %age at Individual farm level with available Sum Insured value for the peril
	Net Payable Localized claims (C)	**5,000**	At subsequent localized claim, max. of loss %age payable as claim after adjusting already paid localized claim
	Residual Sum Insured for Localized Claims (Rs.)	**50,000**	Sum Insured value remains identical after invocation of WSL/MSA loss %age and will not be reduced by localized claim amount paid
	Residual Sum Insured for Post-Harvest (Rs.)	**40,000**	Sum Insured value will reduced by Amount of Localized claims paid/payable
	Residual Sum Insured for Yield Loss (Rs.)	**40,000**	Sum Insured value will reduced by Amount of Localized claims paid/payable
	Sub-Total Claims Paid (D)	**10,000**	Sub total of A, B & C
Post Harvest	Post Harvest Loss %age	0%	Based on Crop loss assessed at Farm Level loss of crop in Cut & Spread condition
	Post Harvest Claim	-	Arrived after multiplying residual Sum Insured value and %age of localized post-harvest loss %age
	Payable Post Harvest Claim (E)	**-**	Arrived after multiplying Crop Loss %age at Individual farm level with available Sum Insured Value for the peril
	Residual Sum Insured for Yield Loss (Rs.)	**40,000**	Sum Insured value will be as per Notified Value reduced by amount of Localized and Post Harvest claim paid/payable
Yield Based Claim	Yield Shortfall	0%	As per yield loss based on AY value
	Eligible Yield Claim	-	Arrived after multiplying residual Sum Insured value and %age of yield loss
	Net Payable Yield Claim (F)	**-**	To be adjusted with Mid Term Claims & Wide-Spread localized claim already paid

	Gross Total Payable Claim	**10,000**	Gross Total of D, E & F

8. Claims due to Mid-Term Loss, Yield Loss & Post Harvest Loss Only			
Name of Perils	**Parameters**	**B (Mid Term + Post Harvest + Yield Loss)**	**Remarks/Notes** ***(Special Note: Sum Inured will reduce for the next level in case of change of type of Peril/Event, Within the identical peril/event, differential claim amount will be paid without reducing the Sum Insured. Only MSA claim and wide-spread localized claims will be adjusted with final Yield Loss claims)***
	Sum Insured/Ha	50,000	Sum Insured as per Notification
	Area Insured (Ha)	1	Insured Area
	Total Sum Insured (Rs.)	**50,000**	As per notification
Localized Claim	Localized Claims Loss %age	0%	Crop Loss %age as per Individual farm level Loss Assessment
	Localized claims	-	Arrived after multiplying Sum Insured value and %age of payable localized loss
	Payable Localized claims (A)	**-**	At subsequent localized claim, max. of loss %age payable as claim after adjusting already paid localized claim
	Residual Sum Insured for Localized Claims (Rs.)	**50,000**	Sum Insured will not reduce and shall remain same as per Notified Value
	Residual Sum Insured for Mid Term/Post-Harvest (Rs.)	**50,000**	Sum Insured value will be reduced by Amount of Localized claims paid/payable
	Residual Sum Insured for Yield Loss (Rs.)	**50,000**	Sum Insured value will be reduced by Amount of Localized claims paid/payable
Mid-term Claim	Estimated AY Loss	60%	Estimated Crop Loss (MSA loss %age) to be >50% of Normal Yield,
	Mid-Term Claim Loss %age	15%	25% of Estimated Claims based on Indemnity Level
	Mid-Term Claim	7,500	Arrived after multiplying residual Sum Insured value and %age of crop loss under mid-term claim
	Net Payable Midterm Claim (B)	**7,500**	At this stage previously paid claims under any other peril doesn't get adjusted, but gets adjusted if the peril is same, i.e. WSL or MSA
	Residual Sum Insured for Localized Claims (Rs.)	**42,500**	Sum Insured will be reduced by net paid/payable MSA/WSL Loss
	Residual Sum Insured for Post-Harvest (Rs.)	**42,500**	Sum Insured will be reduced by net paid/payable MSA/WSL Loss

	Residual Sum Insured for Yield Loss (Rs.)	**50,000**	Sum Insured will remain same and no wide area-approach loss %age shall lead to reduction in Sum Insured value
Localized Claim	Localized Claims Loss %age	0%	This shall be triggered only if Crop loss assessed at Farm Level is higher than the total of estimated crop loss %age at MSA or WSL loss & previous localized Crop loss %age
	Localized claims	-	Arrived after multiplying Crop Loss %age at Individual farm level with available Sum Insured value for the peril
	Net Payable Localized claims (C)	**-**	At subsequent localized claim, max. of loss %age payable as claim after adjusting already paid localized claim
	Residual Sum Insured for Localized Claims (Rs.)	**42,500**	Sum Insured value remains identical after invocation of WSL/MSA loss %age and will not be reduced by localized claim amount paid
	Residual Sum Insured for Post-Harvest (Rs.)	**42,500**	Sum Insured value will be reduced by Amount of Localized claims paid/payable
	Residual Sum Insured for Yield Loss (Rs.)	**50,000**	Sum Insured value will be reduced by Amount of Localized claims paid/payable
	Sub-Total Claims Paid (D)	**7,500**	Sub total of A, B & C
Post Harvest	Post Harvest Loss %age	80%	Based on Crop loss assessed at Farm Level loss of crop in Cut & Spread condition
	Post Harvest Claim	34,000	Arrived after multiplying residual Sum Insured value and %age of localized post-harvest loss %age
	Payable Post Harvest Claim (E)	**34,000**	Arrived after multiplying Crop Loss %age at Individual farm level with available Sum Insured Value for the peril
	Residual Sum Insured for Yield Loss (Rs.)	**16,000**	Sum Insured value will be as per Notified Value reduced by amount of Localized and Post Harvest claim paid/payable
Yield Based Claim	Yield Shortfall	60%	As per yield loss based on AY value
	Eligible Yield Claim	9,600	Arrived after multiplying residual Sum Insured value and %age of yield loss
	Net Payable Yield Claim (F)	**2,100**	To be adjusted with Mid Term Claims & Wide-Spread localized claim already paid
	Gross Total Payable Claim	**43,600**	Gross Total of D, E & F

9. Claims due to Localised Loss, Mid Season Adversity, Yield Loss & Post Harvest Loss Only

Name of Perils	**Parameters**	**B (Localized + Mid Term**	**Remarks/Notes** ***(Special Note: Sum Inured will reduce for the next level in case of change of type of Peril/Event, Within the identical***

		+ Localized + Post Harvest + Yield Loss)	***peril/event, differential claim amount will be paid without reducing the Sum Insured. Only MSA claim and wide-spread localized claims will be adjusted with final Yield Loss claims)***
	Sum Insured/Ha	50,000	Sum Insured as per Notification
	Area Insured (Ha)	1	Insured Area
	Total Sum Insured (Rs.)	**50,000**	As per notification
Localized Claim	Localized Claims Loss %age	10%	Crop Loss %age as per Individual farm level Loss Assessment
	Localized claims	5,000	Arrived after multiplying Sum Insured value and %age of payable localized loss
	Payable Localized claims (A)	**5,000**	At subsequent localized claim, max. of loss %age payable as claim after adjusting already paid localized claim
	Residual Sum Insured for Localized Claims (Rs.)	**50,000**	Sum Insured will not reduce and shall remain same as per Notified Value
	Residual Sum Insured for Mid Term/Post-Harvest (Rs.)	**45,000**	Sum Insured value will be reduced by Amount of Localized claims paid/payable
	Residual Sum Insured for Yield Loss (Rs.)	**45,000**	Sum Insured value will be reduced by Amount of Localized claims paid/payable
Mid-term Claim	Estimated AY Loss	60%	Estimated Crop Loss (MSA loss %age) to be >50% of Normal Yield,
	Mid-Term Claim Loss %age	15%	25% of Estimated Claims based on Indemnity Level
	Mid-Term Claim	6,750	Arrived after multiplying residual Sum Insured value and %age of crop loss under mid-term claim
	Net Payable Midterm Claim (B)	**6,750**	At this stage previously paid claims under any other peril doesn't get adjusted, but gets adjusted if the peril is same, i.e. WSL or MSA
	Residual Sum Insured for Localized Claims (Rs.)	**43,250**	Sum Insured will be reduced by net paid/payable MSA/WSL Loss
	Residual Sum Insured for Post-Harvest (Rs.)	**38,250**	Sum Insured will be reduced by net paid/payable MSA/WSL Loss
	Residual Sum Insured for Yield Loss (Rs.)	**45,000**	Sum Insured will remain same and no wide area-approach loss %age shall lead to reduction in Sum Insured value
Localized Claim	Localized Claims Loss %age	75%	This shall be triggered only if Crop loss assessed at Farm Level is higher than the total of estimated crop loss %age at MSA or WSL loss & previous localized Crop loss %age

	Localized claims	32,438	Arrived after multiplying Crop Loss %age at Individual farm level with available Sum Insured value for the peril
	Net Payable Localized claims (C)	**27,438**	At subsequent localized claim, max. of loss %age payable as claim after adjusting already paid localized claim
	Residual Sum Insured for Localized Claims (Rs.)	**43,250**	Sum Insured value remains identical after invocation of WSL/MSA loss %age and will not be reduced by localized claim amount paid
	Residual Sum Insured for Post-Harvest (Rs.)	**10,813**	Sum Insured value will be reduced by Amount of Localized claims paid/payable
	Residual Sum Insured for Yield Loss (Rs.)	**17,563**	Sum Insured value will be reduced by Amount of Localized claims paid/payable
	Sub-Total Claims Paid (D)	**39,188**	Sub total of A, B & C
Post Harvest	Post Harvest Loss %age	70%	Based on Crop loss assessed at Farm Level loss of crop in Cut & Spread condition
	Post Harvest Claim	7,569	Arrived after multiplying residual Sum Insured value and %age of localized post-harvest loss %age
	Payable Post Harvest Claim (E)	**7,569**	Arrived after multiplying Crop Loss %age at Individual farm level with available Sum Insured Value for the peril
	Residual Sum Insured for Yield Loss (Rs.)	**9,994**	Sum Insured value will be as per Notified Value reduced by amount of Localized and Post Harvest claim paid/payable
Yield Based Claim	Yield Shortfall	60%	As per yield loss based on AY value
	Eligible Yield Claim	5,996	Arrived after multiplying residual Sum Insured value and %age of yield loss
	Net Payable Yield Claim (F)	**-**	To be adjusted with Mid Term Claims & Wide-Spread localized claim already paid
	Gross Total Payable Claim	**46,756**	Gross Total of D, E & F

10. Claims due to Localized, Mid-Term Loss, Localized Loss, Yield Loss & Post Harvest Loss Only			
Name of Perils	**Parameters**	**B (Localized + Mid Term + Localized + Post Harvest + Yield Loss)**	**Remarks/Notes** ***(Special Note: Sum Inured will reduce for the next level in case of change of type of Peril/Event, Within the identical peril/event, differential claim amount will be paid without reducing the Sum Insured. Only MSA claim and wide-spread localized claims will be adjusted with final Yield Loss claims)***

			Remarks
	Sum Insured/Ha	50,000	Sum Insured as per Notification
	Area Insured (Ha)	1	Insured Area
	Total Sum Insured (Rs.)	**50,000**	As per notification
Localized Claim	Localized Claims Loss %age	10%	Crop Loss %age as per Individual farm level Loss Assessment
	Localized claims	5,000	Arrived after multiplying Sum Insured value and %age of payable localized loss
	Payable Localized claims (A)	**5,000**	At subsequent localized claim, max. of loss %age payable as claim after adjusting already paid localized claim
	Residual Sum Insured for Localized Claims (Rs.)	**50,000**	Sum Insured will not reduce and shall remain same as per Notified Value
	Residual Sum Insured for Mid Term/Post-Harvest (Rs.)	**45,000**	Sum Insured value will be reduced by Amount of Localized claims paid/payable
	Residual Sum Insured for Yield Loss (Rs.)	**45,000**	Sum Insured value will be reduced by Amount of Localized claims paid/payable
Mid-term Claim	Estimated AY Loss	50%	Estimated Crop Loss (MSA loss %age) to be >50% of Normal Yield,
	Mid-Term Claim Loss %age (25% payable)	13%	25% of Estimated Claims based on Indemnity Level
	Mid-Term Claim	5,625	Arrived after multiplying residual Sum Insured value and %age of crop loss under mid-term claim
	Net Payable Midterm Claim (B)	**5,625**	At this stage previously paid claims under any other peril doesn't get adjusted, but gets adjusted if the peril is same, i.e. WSL or MSA
	Residual Sum Insured for Localized Claims (Rs.)	**44,375**	Sum Insured will be reduced by net paid/payable MSA/WSL Loss
	Residual Sum Insured for Post-Harvest (Rs.)	**39,375**	Sum Insured will be reduced by net paid/payable MSA/WSL Loss
	Residual Sum Insured for Yield Loss (Rs.)	**45,000**	Sum Insured will remain same and no wide area-approach loss %age shall lead to reduction in Sum Insured value
Localized Claim	Localized Claims Loss %age	10%	This shall be triggered only if Crop loss assessed at Farm Level is higher than the total of estimated crop loss %age at MSA or WSL loss & previous localized Crop loss %age
	Localized claims	-	Arrived after multiplying Crop Loss %age at Individual farm level with available Sum Insured value for the peril
	Net Payable Localized claims (C)	**-**	At subsequent localized claim, max. of loss %age payable as claim after adjusting already paid localized claim

	Residual Sum Insured for Localized Claims (Rs.)	**44,375**		Sum Insured value remains identical after invocation of WSL/MSA loss %age and will not be reduced by localized claim amount paid
	Residual Sum Insured for Post-Harvest (Rs.)	**39,375**		Sum Insured value will be reduced by Amount of Localized claims paid/payable
	Residual Sum Insured for Yield Loss (Rs.)	**45,000**		Sum Insured value will be reduced by Amount of Localized claims paid/payable
	Sub-Total Claims Paid (D)	**10,625**		Sub total of A, B & C
Post Harvest	Post Harvest Loss %age	15%		Based on Crop loss assessed at Farm Level loss of crop in Cut & Spread condition
	Post Harvest Claim	5,906		Arrived after multiplying residual Sum Insured value and %age of localized post-harvest loss %age
	Payable Post Harvest Claim (E)	**5,906**		Arrived after multiplying Crop Loss %age at Individual farm level with available Sum Insured Value for the peril
	Residual Sum Insured for Yield Loss (Rs.)	**39,094**		Sum Insured value will be as per Notified Value reduced by amount of Localized and Post Harvest claim paid/payable
Yield Based Claim	Yield Shortfall	30%		As per yield loss based on AY value
	Eligible Yield Claim	11,728		Arrived after multiplying residual Sum Insured value and %age of yield loss
	Net Payable Yield Claim (F)	**6,103**		To be adjusted with Mid Term Claims & Wide-Spread localized claim already paid
	Gross Total Payable Claim	**22,634**		Gross Total of D, E & F

11. Claims due to Wide-Spread Localised Loss, Yield Loss & Post Harvest Loss Only				
Name of Perils	**Parameters**	**B (Wide-Spread Localized + Yield Loss)**		**Remarks/Notes** ***(Special Note: Sum Inured will reduce for the next level in case of change of type of Peril/Event, Within the identical peril/event, differential claim amount will be paid without reducing the Sum Insured. Only MSA claim and wide-spread localized claims will be adjusted with final Yield Loss claims)***
	Sum Insured/Ha	50,000		Sum Insured as per Notification
	Area Insured (Ha)	1		Insured Area
	Total Sum Insured (Rs.)	**50,000**		As per notification
Localized Claim	Localized Claims Loss %age	0%		Crop Loss %age as per Individual farm level Loss Assessment
	Localized claims	-		Arrived after multiplying Sum Insured value and %age of payable localized loss

	Payable Localized claims (A)	**-**	At subsequent localized claim, max. of loss %age payable as claim after adjusting already paid localized claim
	Residual Sum Insured for Localized Claims (Rs.)	**50,000**	Sum Insured will not reduce and shall remain same as per Notified Value
	Residual Sum Insured for WSL/Mid Term (Rs.)	**50,000**	Sum Insured value will be reduced by Amount of Localized claims paid/payable
	Residual Sum Insured for Post-Harvest (Rs.)	**50,000**	Sum Insured value will be reduced by Amount of Localized claims paid/payable
	Residual Sum Insured for Yield Loss (Rs.)	**50,000**	Sum Insured value will be reduced by Amount of Localized claims paid/payable
Wide-Spread Localized Claim	Estimated Wide-Spread Loss on Sample Survey	65%	Estimated Crop Loss turns to WSL Loss if affected area > 25% of Insured area
	Wide-Spread Claim Loss %age	16%	25% of Estimated Claims based on sample survey of crop loss
	Widespread Localized Claim	8,125	Arrived after multiplying residual Sum Insured value and %age of crop loss under mid-term claim
	Net Payable Mid-term Claim (B)	**8,125**	At this stage previously paid claims under any other peril doesn't get adjusted, but gets adjusted if the peril is same, i.e. WSL or MSA
	Residual Sum Insured for Localized Claims (Rs.)	**41,875**	Sum Insured will be reduced by net paid/payable MSA/WSL Loss
	Residual Sum Insured for WSL/Mid Term (Rs.)	**50,000**	Sum Insured will remain same, subsequent claims on area-approach shall be adjusted with paid/payable claims
	Residual Sum Insured for Post-Harvest (Rs.)	**41,875**	Sum Insured will be reduced by net paid/payable MSA/WSL Loss
	Residual Sum Insured for Yield Loss (Rs.)	**50,000**	Sum Insured will remain same and no wide area-approach loss %age shall lead to reduction in Sum Insured value
Localized Claim	Localized Claims Loss %age	0%	This shall be triggered only if Crop loss assessed at Farm Level is higher than the total of estimated crop loss %age at MSA or WSL loss & previous localized Crop loss %age
	Localized claims	-	Arrived after multiplying Crop Loss %age at Individual farm level with available Sum Insured value for the peril
	Net Payable Localized claims (C)	**-**	At subsequent localized claim, max. of loss %age payable as claim after adjusting already paid localized claim
	Residual Sum Insured for	**41,875**	Sum Insured value remains identical after invocation of WSL/MSA loss %age

	Localized Claims (Rs.)		and will not be reduced by localized claim amount paid
	Residual Sum Insured for Post-Harvest (Rs.)	**41,875**	Sum Insured value will be reduced by Amount of Localized claims paid/payable
	Residual Sum Insured for Yield Loss (Rs.)	**50,000**	Sum Insured value will be reduced by Amount of Localized claims paid/payable
	Sub-Total Claims Paid (D)	**8,125**	Sub total of A, B & C
Post Harvest	Post Harvest Loss %age	0%	Based on Crop loss assessed at Farm Level loss of crop in Cut & Spread condition
	Post Harvest Claim	-	Arrived after multiplying residual Sum Insured value and %age of localized post-harvest loss %age
	Payable Post Harvest Claim (E)	**-**	Arrived after multiplying Crop Loss %age at Individual farm level with available Sum Insured Value for the peril
	Residual Sum Insured for Yield Loss (Rs.)	**50,000**	Sum Insured value will be as per Notified Value reduced by amount of Localized and Post Harvest claim paid/payable
Yield Based Claim	Yield Shortfall	40%	As per yield loss based on AY value
	Eligible Yield Claim	20,000	Arrived after multiplying residual Sum Insured value and %age of yield loss
	Net Payable Yield Claim (F)	**11,875**	To be adjusted with Mid Term Claims & Wide-Spread localized claim already paid
	Gross Total Payable Claim	**20,000**	Gross Total of D, E & F

12. Claims due to Wide-Spread Localised Loss, Yield Loss & Widespread Post Harvest Loss Only

Name of Perils	**Parameters**	**B (Wide-Spread Localized + Widespread Post Harvest + Yield Loss)**	**Remarks/Notes** ***(Special Note: Sum Inured will reduce for the next level in case of change of type of Peril/Event, Within the identical peril/event, differential claim amount will be paid without reducing the Sum Insured. Only MSA claim and wide-spread localized claims will be adjusted with final Yield Loss claims)***
	Sum Insured/Ha	50,000	Sum Insured as per Notification
	Area Insured (Ha)	1	Insured Area
	Total Sum Insured (Rs.)	**50,000**	As per notification
Localized Claim	Localized Claims Loss %age	0%	Crop Loss %age as per Individual farm level Loss Assessment
	Localized claims	-	Arrived after multiplying Sum Insured value and %age of payable localized loss

	Payable Localized claims (A)	**-**	At subsequent localized claim, max. of loss %age payable as claim after adjusting already paid localized claim
	Residual Sum Insured for Localized Claims (Rs.)	**50,000**	Sum Insured will not reduce and shall remain same as per Notified Value
	Residual Sum Insured for WSL/Mid Term (Rs.)	**50,000**	Sum Insured value will be reduced by Amount of Localized claims paid/payable
	Residual Sum Insured for Post-Harvest (Rs.)	**50,000**	Sum Insured value will be reduced by Amount of Localized claims paid/payable
	Residual Sum Insured for Yield Loss (Rs.)	**50,000**	Sum Insured value will be reduced by Amount of Localized claims paid/payable
Wide-Spread Localized Claim	Estimated Wide-Spread Loss on Sample Survey	65%	Estimated Crop Loss turns to WSL Loss if affected area > 25% of Insured area
	Wide-Spread Claim Loss %age	16%	25% of Estimated Claims based on sample survey of crop loss
	Widespread Localized Claim	8,125	Arrived after multiplying residual Sum Insured value and %age of crop loss under WSL claim
	Net Payable WSL Claim (B)	**8,125**	At this stage previously paid claims under any other peril doesn't get adjusted, but gets adjusted if the peril is same, i.e. WSL or MSA
	Residual Sum Insured for Localized Claims (Rs.)	**41,875**	Sum Insured will be reduced by net paid/payable MSA/WSL Loss
	Residual Sum Insured for WSL/Mid Term (Rs.)	**50,000**	Sum Insured will remain same, subsequent claims on area-approach shall be adjusted with paid/payable claims
	Residual Sum Insured for Post-Harvest (Rs.)	**41,875**	Sum Insured will be reduced by net paid/payable MSA/WSL Loss
	Residual Sum Insured for Yield Loss (Rs.)	**50,000**	Sum Insured will remain same and no wide area-approach loss %age shall lead to reduction in Sum Insured value
Localized Claim	Localized Claims Loss %age	0%	This shall be triggered only if Crop loss assessed at Farm Level is higher than the total of estimated crop loss %age at MSA or WSL loss & previous localized Crop loss %age
	Localized claims	-	Arrived after multiplying Crop Loss %age at Individual farm level with available Sum Insured value for the peril
	Net Payable Localized claims (C)	**-**	At subsequent localized claim, max. of loss %age payable as claim after adjusting already paid localized claim

	Residual Sum Insured for Localized Claims (Rs.)	**41,875**	Sum Insured value remains identical after invocation of WSL/MSA loss %age and will not be reduced by localized claim amount paid
	Residual Sum Insured for WSL/Mid Term (Rs.)	**50,000**	Sum Insured value will be reduced by Amount of Localized claims paid/payable
	Residual Sum Insured for Post-Harvest/WSPHL (Rs.)	**41,875**	Sum Insured value will be reduced by Amount of Localized claims paid/payable
	Residual Sum Insured for Yield Loss (Rs.)	**50,000**	Sum Insured value will be reduced by Amount of Localized claims paid/payable
	Sub-Total Claims Paid (D)	**8,125**	Sub total of A, B & C
Wide Spread Post Harvest Loss	Estimated Wide-Spread Loss on Sample Survey	30%	Estimated Crop Loss turns to WSPH Loss if affected area > 25% of Insured area
	Wide-Spread Claim Loss %age	8%	
	Wide-Spread Post Harvest Claim	3,141	100% of Estimated Claims based on sample survey of crop loss
	Payable WSL Post Harvest Claim (E)	**3,141**	Arrived after multiplying residual Sum Insured value and %age of crop loss under WSPH claim
	Residual Sum Insured for Yield Loss (Rs.)	**46,859**	Sum Insured value will be reduced by Amount of WSL Post Harvest claims paid/payable
Yield Based Claim	Yield Shortfall	40%	As per yield loss based on AY value
	Eligible Yield Claim	18,744	Arrived after multiplying residual Sum Insured value and %age of yield loss
	Net Payable Yield Claim (F)	**10,619**	To be adjusted with Mid Term Claims & Wide-Spread localized claim already paid/payable
	Gross Total Payable Claim	**21,884**	Gross Total of D, E & F

13. Claims due to Wide-Spread Localised Loss, Mid-term Loss, Yield Loss & Widespread Post Harvest Loss Only

Name of Perils	**Parameters**	**B (Wide-Spread Localized + Widespread Post Harvest + Yield Loss)**	**Remarks/Notes** ***(Special Note: Sum Inured will reduce for the next level in case of change of type of Peril/Event, Within the identical peril/event, differential claim amount will be paid without reducing the Sum Insured. Only MSA claim and wide-spread localized claims will be adjusted with final Yield Loss claims)***

	Sum Insured/Ha	50,000	Sum Insured as per Notification
	Area Insured (Ha)	1	Insured Area
	Total Sum Insured (Rs.)	**50,000**	As per notification
Localized Claim	Localized Claims Loss %age	0%	Crop Loss %age as per Individual farm level Loss Assessment
	Localized claims	-	Arrived after multiplying Sum Insured value and %age of payable localized loss
	Payable Localized claims (A)	**-**	At subsequent localized claim, max. of loss %age payable as claim after adjusting already paid localized claim
	Residual Sum Insured for Localized Claims (Rs.)	**50,000**	Sum Insured will not reduce and shall remain same as per Notified Value
	Residual Sum Insured for WSL/Mid Term (Rs.)	**50,000**	Sum Insured value will be reduced by Amount of Localized claims paid/payable
	Residual Sum Insured for Post-Harvest (Rs.)	**50,000**	Sum Insured value will be reduced by Amount of Localized claims paid/payable
	Residual Sum Insured for Yield Loss (Rs.)	**50,000**	Sum Insured value will be reduced by Amount of Localized claims paid/payable
Wide-Spread Localized Claim	Estimated Wide-Spread Loss on Sample Survey	65%	Estimated Crop Loss turns to WSL Loss if affected area > 25% of Insured area
	Wide-Spread Claim Loss %age	16%	25% of Estimated Claims based on sample survey of crop loss
	Widespread Localized Claim	8,125	Arrived after multiplying residual Sum Insured value and %age of crop loss under WSL claim
	Net Payable WSL Claim (B)	**8,125**	At this stage previously paid claims under any other peril doesn't get adjusted, but gets adjusted if the peril is same, i.e. WSL or MSA
	Residual Sum Insured for Localized Claims (Rs.)	**41,875**	Sum Insured will be reduced by net paid/payable MSA/WSL Loss
	Residual Sum Insured for WSL/Mid Term (Rs.)	**50,000**	Sum Insured will remain same, subsequent claims on area-approach shall be adjusted with paid/payable claims
	Residual Sum Insured for Post-Harvest (Rs.)	**41,875**	Sum Insured will be reduced by net paid/payable MSA/WSL Loss
	Residual Sum Insured for Yield Loss (Rs.)	**50,000**	Sum Insured will remain same and no wide area-approach loss %age shall lead to reduction in Sum Insured value

Midterm Claim	Estimated AY Loss	80%	Estimated Crop Loss (MSA loss %age) to be >50% of Normal Yield, 25% of Estimated Claims based on Indemnity Level
	Mid-Term Claim Loss %age	20%	
	Mid-Term Claim	10,000	Arrived after multiplying residual Sum Insured value and %age of crop loss under mid-term claim
	Net Payable Midterm Claim (B)	**1,875**	At this stage previously paid claims under any other peril doesn't get adjusted, but gets adjusted if the peril is same, i.e. WSL or MSA
	Residual Sum Insured for Localized Claims (Rs.)	**40,000**	Sum Insured will be reduced by net paid/payable MSA/WSL Loss
	Residual Sum Insured for WSL/Mid Term (Rs.)	**50,000**	Sum Insured will remain same, subsequent claims on area-approach shall be adjusted with paid/payable claims
	Residual Sum Insured for Post-Harvest/WSPHL (Rs.)	**40,000**	Sum Insured will be reduced by net paid/payable MSA/WSL Loss
	Residual Sum Insured for Yield Loss (Rs.)	**50,000**	Sum Insured will remain same and no wide area-approach loss %age shall lead to reduction in Sum Insured value
	Sub-Total Claims Paid (D)	**10,000**	Sub total of A, B & C
Widespread Post Harvest Loss	Estimated Wide-Spread Loss on Sample Survey	30%	Estimated Crop Loss turns to WSPH Loss if affected area > 25% of Insured area
	Wide-Spread Claim Loss %age	8%	
	Wide-Spread Post Harvest Claim	3,000	100% of Estimated Claims based on sample survey of crop loss
	Payable WSL Post Harvest Claim (E)	**3,000**	Arrived after multiplying residual Sum Insured value and %age of crop loss under WSPH claim
	Residual Sum Insured for Yield Loss (Rs.)	**47,000**	Sum Insured value will be reduced by Amount of WSL Post Harvest claims paid/payable
Yield Based Claim	Yield Shortfall	40%	As per yield loss based on AY value
	Eligible Yield Claim	18,800	Arrived after multiplying residual Sum Insured value and %age of yield loss
	Net Payable Yield Claim (F)	**8,800**	To be adjusted with Mid Term Claims & Wide-Spread localized claim already paid
	Gross Total Payable Claim	**21,800**	Gross Total of D, E & F

Opt-out form for PMFBY/RWBCIS Scheme

Name of Bank

Date: _____/_____/20___

Bank Branch Name: ______________________________Branch code no.__________________

Applicant Details

1. Name of the KCC Holder:
2. KCC Loan Account No:

3. Mobile/Telephone No:

I am aware of the scheme provisions and benefits of PMFBY/RWBCIS. I hereby, declare that I would like to continue with KCC loan scheme, however, I am opting out of PMFBY/RWBCIS from Kharif/Rabi (Year)____________ season by choice. Therefore, requesting for non- enrolment under the scheme.

Signature of account holder

Disclaimer: In case, if the farmer wishes to insure for some of the crops under the scheme he/she needs to get himself/herself enrol under the scheme through other channels of enrolment like Common Service Centre, Insurance Intermediaries of Insurance Companies, Online facility on PMFBY Portal or Crop Insurance App.

For office use: The above declaration is recorded in the bank documents for appropriate action as on date.

Branch Manager (signature) with date

Farmer Acknowledgement

Opt-out form for PMFBY/RWBCIS Scheme

Date: _____/_____/20___

Bank Branch Name:____________________Branch code no._________________

Applicant Details

1. Name of the KCC Holder:
2. KCC Loan Account No.

3. Mobile/Telephone No.

4. Opting Out for season: Kharif/Rabi (Year)____________________

Disclaimer: In case, if the farmer to Partial Opt In for some of the crops under the scheme he/she needs to get himself/herself enrol under the scheme through other channels of enrolment like Common Service Centre, Agents of Insurance Companies, Online facility on PMFBY Portal or android based Crop Insurance App.

For office use: The above declaration is recorded in the bank documents for appropriate action as on date.

lanager (signature) with date	

सत्यमेव जयते

Department of Agriculture and Farmers Welfare

Ministry of Agriculture & Farmers Welfare Government of India

www.pmfby.gov.in

भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
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RBI/2017-18/4
FIDD.CO.FSD.BC.No.7/05.05.010/2017-18 July 3, 2017

The Chairman / Managing Director /Chief Executive Officer
All Scheduled Commercial Banks (including Small Finance Banks and excluding RRBs)

Madam/Sir,

Master Circular - Kisan Credit Card (KCC) Scheme

The Reserve Bank of India has issued guidelines on Kisan Credit Card (KCC) scheme from time to time. This Master Circular consolidates the relevant guidelines issued by the Bank on Kisan Credit Card scheme upto June 30, 2017 as listed in the Appendix.

2. The Master Circular has been placed on the RBI website http://www.rbi.org.in.

Yours faithfully

(Ajay Kumar Misra)
Chief General Manager

Encl: As above

Master circular on the Kisan Credit Card (KCC) Scheme

1 Introduction

The Kisan Credit Card (KCC) scheme was introduced in 1998 for issue of Kisan Credit Cards to farmers on the basis of their holdings for uniform adoption by the banks so that farmers may use them to readily purchase agriculture inputs such as seeds, fertilizers, pesticides etc. and draw cash for their production needs. The scheme was further extended for the investment credit requirement of farmers viz. allied and non-farm activities in the year 2004. The scheme was further revisited in 2012 by a working Group under the Chairmanship of Shri T. M. Bhasin, CMD, Indian Bank with a view to simplify the scheme and facilitate issue of Electronic Kisan Credit Cards. The scheme provides broad guidelines to banks for operationalizing the KCC scheme. Implementing banks will have the discretion to adopt the same to suit institution/location specific requirements.

2 Applicability of the Scheme

The Kisan Credit Card Scheme detailed in the ensuing paragraphs is to be implemented by Commercial Banks, RRBs, Small Finance Banks and Cooperatives.

3 Objective / Purpose

The Kisan Credit Card scheme aims at providing adequate and timely credit support from the banking system under a single window with flexible and simplified procedure to the farmers for their cultivation and other needs as indicated below:

a. To meet the short term credit requirements for cultivation of crops;

b. Post-harvest expenses;

c. Produce marketing loan;

d. Consumption requirements of farmer household;

e. Working capital for maintenance of farm assets and activities allied to agriculture;

f. Investment credit requirement for agriculture and allied activities.

Note: The aggregate of components '**a' to 'e'** above will form the short term credit limit portion and the aggregate of components under '**f'** will form the long term credit limit portion.

4 Eligibility

i. Farmers - individual/joint borrowers who are owner cultivators;

ii. Tenant farmers, oral lessees & share croppers;

iii. Self Help Groups (SHGs) or Joint Liability Groups (JLGs) of farmers including tenant farmers, share croppers etc.

5 Fixation of credit limit / Loan amount

The credit limit under the Kisan Credit Card may be fixed as under :

5.1 All farmers other than marginal farmers[1] :

5.1.1 *The short term limit to be arrived for the first year (For cultivating single crop in a year):*

Scale of finance for the crop (as decided by District Level Technical Committee) x Extent of area cultivated + 10% of limit towards post-harvest/household/ consumption requirements + 20% of limit towards repairs and maintenance expenses of farm assets + crop insurance and/or accident insurance including PAIS, health insurance & asset insurance.

5.1.2 *Limit for second & subsequent year*

First year limit for crop cultivation purpose arrived at as above plus 10% of the limit towards cost escalation / increase in scale of finance for every successive year (2nd, 3rd, 4th and 5th year) and estimated term loan component for the tenure of Kisan Credit Card, i.e., five years. **(Illustration I)**

5.1.3 *For cultivating more than one crop in a year*

The limit is to be fixed as above depending upon the crops cultivated as per proposed cropping pattern for the first year plus an additional 10% of the limit towards cost escalation / increase in scale of finance for every successive year (2nd, 3rd, 4th and 5th year). It is assumed that the farmer adopts the same cropping pattern for the succeeding four years. In case the cropping pattern adopted by the farmer is changed in the subsequent year, the limit may be reworked. **(Illustration I)**

5.1.4 *Term loan for investment*

The term loan for investment is to be made towards land development, minor irrigation, purchase of farm equipment and allied agricultural activities. The banks may fix the quantum of credit for term and working capital limit for agricultural and allied activities, etc., based on the unit cost of the asset/s proposed to be acquired by the farmer, the allied activities already being undertaken on the farm, the bank's judgment on repayment capacity vis-a-vis total loan burden devolving on the farmer, including existing loan obligations.

The long term loan limit should be based on the proposed investment(s) during the five year period and the bank's perception on the repaying capacity of the farmer.

[1] Farmers with landholding of up to 1 hectare (Marginal Farmers). Farmers with a landholding of more than 1 hectare and up to 2 hectares (Small Farmers).

5.1.5 *Maximum Permissible Limit*

The short term loan limit arrived for the 5th year plus the estimated long term loan requirement will be the Maximum Permissible Limit (MPL) and is to be treated as the Kisan Credit Card limit.

5.1.6 *Fixation of Sub-limits*

i. Short term loans and term loans are governed by different interest rates. At present, short term crop loans upto ₹ 3 lakh are covered under Interest Subvention Scheme/Prompt Repayment Incentive scheme of the Government of India[2]. Further, repayment schedule and norms are different for short term and term loans. Hence, in order to have operational and accounting convenience, the card limit is to be bifurcated into separate sub-limits for *short term cash credit limit cum savings account* and *term loans*.

ii. ***Drawing limit*** for short term cash credit should be fixed based on the cropping pattern. The amount(s) for crop production, repair and maintenance of farm assets and consumption may be allowed to be drawn as per the convenience of the farmer. In case the revision of scale of finance for any year by the district level technical committee exceeds the notional hike of 10% contemplated while fixing the five year limit, a revised drawable limit may be fixed in consultation with the farmer. In case such revisions require the card limit itself to be enhanced (4th or 5th year), the same may be done and the farmer be so advised.

iii. For term loans, installments may be allowed to be withdrawn based on the nature of investment and repayment schedule drawn as per the economic life of the proposed investments. It is to be ensured that at any point of time the total liability should be **within the drawing limit of the concerned year**.

iv. Wherever the card limit / liability so arrived warrants additional security, the banks may take suitable collateral as per their policy.

5.2 **For Marginal Farmers**

A flexible limit of ₹ 10, 000 to ₹ 50, 000 may be provided (as Flexi KCC) based on the land holding and crops grown including post-harvest warehouse storage related credit needs and other farm expenses, consumption needs, etc., plus small term loan investment(s) like purchase of farm equipment(s), establishing mini dairy/backyard poultry as per assessment of the Branch Manager without relating it to the value of land. The composite KCC limit is to be fixed for a period of five years on this basis.

Wherever higher limit is required due to change in cropping pattern and / or scale of finance, the limit may be arrived at as per the estimation indicated at para 4.1 (**Illustration II**)

[2] Please refer to guidelines on Interest Subvention Scheme on crop loans as announced by GoI and issued by RBI from time to time.

6 Disbursement

6.1 The short term component of the KCC limit is in the nature of revolving cash credit facility. There should be no restriction in number of debits and credits. The drawing limit for the current season/year could be allowed to be drawn using any of the following delivery channels.

i. operation through branch;

ii. operation using cheque facility;

iii. withdrawal through ATM /debit cards

iv. operation through Business Correspondents and 'banking outlet/part-time banking outlet'[3]

v. operation through PoS available in Sugar Mills/Contract farming companies, etc., especially for tie-up advances;

vi. operations through PoS available with input dealers;

vii. Mobile based transfer transactions at agricultural input dealers and mandies.

Note : (v), (vi) & (vii) to be introduced as early as possible so as to reduce transaction costs of both the bank as well as the farmer.

6.2 The long term loan for investment purposes may be drawn as per installment fixed.

7 Issue of Electronic Kisan Credit Cards

All new KCC must be issued as smart card cum debit card as laid down in Part II of the Annex. Further, at the time of renewal of existing KCC; farmers must be issued smart card cum debit card.

The short term credit limit and the term loan limit are two distinct components of the aggregate KCC limit bearing different rates of interest and repayment periods. Until a composite card could be issued with appropriate software to separately account transactions in the sub limits, two separate electronic cards may be issued for all new/renewed cards.

8 Validity/Renewal

i. Banks may determine the validity period of KCC and its periodic review.

ii. The review may result in continuation of the facility, enhancement of limit or cancellation of the limit/withdrawal of the facility depending upon increase in cropping area/pattern and performance of the borrower.

iii. When the bank has granted extension and/or re-schedule the period of repayment on account of natural calamities affecting the farmer, the period for reckoning the status of operations as satisfactory or otherwise would get extended together with the extended amount of limit. When the proposed extension is beyond one crop season, the aggregate of debits for which extension is granted is to be transferred to a separate term loan account with stipulation for repayment in installments.

[3] DBR's Circular on Rationalisation of Branch Authorisation Policy- Revision of Guidelines

9 Rate of Interest (ROI) :

The rate of interest will be as stipulated in DBR Master Directions on Interest Rate on Advances.

10 Repayment Period :

10.1 The repayment period may be fixed by banks as per the anticipated harvesting and marketing period for the crops for which the loan has been granted.

10.2 The term loan component will be normally repayable within a period of 5 years depending on the type of activity/investment as per the existing guidelines applicable for investment credit.

10.3 Financing banks may, at their discretion, provide longer repayment period for term loan depending on the type of investment.

11 Margin

To be decided by banks.

12 Security

12.1 Security will be applicable as per RBI guidelines prescribed from time to time.

12.2 Security requirement may be as under :

i. *Hypothecation of crops:* For KCC limit upto ₹ 1.00 lakh banks are to waive margin/security requirements.

ii. *With tie-up for recovery*: Banks may consider sanctioning loans on hypothecation of crops up to card limit of ₹ 3.00 lakh without insisting on collateral security.

iii. *Collateral security:* Collateral security may be obtained at the discretion of Bank for loan limits above ₹ 1.00 lakh in case of non-tie-up and above ₹ 3.00 lakh in case of tie-up advances.

iv. In states where banks have the facility of on-line creation of charge on the land records, the same shall be ensured.

13. Other features

Uniformity to be adopted in respect of following:

13.1 The applicable interest subvention /incentive for prompt repayment[4] as advised by Government of India and/or State Governments. The bankers will give adequate publicity of the facility so that maximum farmers may benefit from the scheme.

13.2 Besides the mandatory crop insurance, the KCC holder should have the option to avail the benefit of any type of asset insurance, accident insurance (including PAIS), health insurance (wherever product is available) and have premium paid through his/her KCC account. Premium has to be borne by the farmer/bank according to the terms of the scheme. Farmer beneficiaries should be made aware of the insurance cover available

[4] Currently not applicable to Small Finance Banks/urban & metro branches of Private Sector Banks.

and their consent (except in case of crop insurance, it being mandatory) is to be obtained, at the application stage itself.

13.3 A one-time documentation[5] at the first time of availment of KCC loan and thereafter simple declaration (about crops grown/proposed) by farmer from the second year onwards.

14 Classification of account as NPA :

14.1 The extant prudential norms on income recognition, asset-classification and provisioning[6] will apply for loans granted under the KCC Scheme.

14.2 Charging of interest is to be done uniformly as is applicable to agricultural advances.

15 Processing fee, inspection charges and other charges may be decided by banks.

16 Other conditions while implementing the revised guidelines of KCC Scheme :

16.1 In case the farmer applies for loan against the warehouse receipt of his produce, the banks would consider such requests as per the established procedure and guidelines. However, when such loans are sanctioned, these should be linked with the crop loan account, if any, and the crop loan outstanding in the account could be settled at the stage of disbursal of the pledge loan, if the farmer so desires.

16.2 The National Payments Corporation of India (NPCI) will design the KCC card to be adopted by all the banks with their branding.

…………………………………………………………………………………………………….

[5] Documentation as per banks internal guidelines

[6] DBR's Master Directions on Income Recognition, Asset Classification and Provisioning Norms

Illustration I

A. Small farmer cultivating multiple crops in a year

1. **Assumptions**

   A. Land holding : 2 acres

   B. Cropping Pattern

   Paddy - 1 acre (Scale of finance plus crop insurance per acre : ₹.11000)

   Sugarcane - 1 acre (Scale of finance plus crop insurance per acre : ₹.22,000)

   C. Investment / Allied Activities

   i Establishment of 1+1 Dairy Unit in 1st Year () (Unit Cost : ₹ 20,000 per animal)

   ii Replacement of Pump set in 3rd year (Unit Cost : ₹.30,000)

2. (i) Crop loan Component

Cost of cultivation of 1 acre of Paddy and 1acre of Sugarcane (11,000+22,000)	:	₹.33,000
Add : 10% towards post-harvest / household expense / consumption	:	₹. 3,300
Add : 20% towards farm maintenance	:	₹. 6,600
Total Crop Loan limit for 1st year	:	**₹. 42,900**
Loan Limit for 2nd year		
Add : 10% of the limit towards cost escalation / increase in scale of finance (10% of 42900 i.e 4300)	:	₹. 4,300
		₹. 47,200
Loan Limit for 3rd year	:	
Add : 10% of the limit towards cost escalation / increase in scale of finance (10% of 47,200 i.e., 4,700)		₹. 4,700 **₹. 51,900**
	:	
Loan Limit for 4th year	:	
Add : 10% of the limit towards cost escalation / increase in scale of finance (10% of 51,900 i.e 5,200)		₹. 5,200 **₹. 57,100**
	:	
Loan Limit for 5th year	:	
Add : 10% of the limit towards cost escalation / increase in scale of finance (10% of 57100 i.e 5700)		₹. 5,700 **₹. 62,800**
Say ….(A)	:	**₹. 63,000**
	:	

(ii) **Term loan component :**

1st Year : Cost of 1+1 Dairy Unit	:	₹. 40,000
3rd Year : Replacement of Pumpset :	:	₹. 30,000
Total term loan amount ….(B)	:	**₹. 70,000**
Maximum Permissible Limit /	:	**₹. 1,33,000**
Kisan Credit Card Limit (A) +(B)	:	**Rs. 1.33 lakh**

Note: Drawing Limit will be reduced every year based on repayment schedule of the term loan(s) availed and withdrawals will be allowed up to the drawing limit.

B Other farmer cultivating multiple crops in a year

1. Assumptions :
2. Land Holding : 10 acres
3. Cropping Pattern :

   Paddy - 5 acres (Scale of finance plus crop insurance per acre ₹.11,000) Followed by

   Groundnut - 5 acres (Scale of finance plus crop insurance per acre ₹.10,000)

   Sugarcane - 5 acres (Scale of finance plus crop insurance per acre ₹.22,000)
4. Investment / Allied Activities :
   - i. Establishment 1+1 Dairy Unit in 1st Year (Unit cost : ₹.50,000)
   - ii. Purchase of Tractor in 1st Year (Unit Cost : ₹.6,00,000)

2. **Assessment of Card Limit**

(i) ***Crop loan Component***

Cost of cultivation of 5 acres of Paddy, 5 Acres of Groundnut and 5 acres of Sugarcane	:	₹ 2,15,000
Add : 10% towards post-harvest / household expense / consumption	:	₹ 21,500
Add : 20% towards farm maintenance	:	₹ 43,000
Total Crop Loan limit for 1st year	:	**₹ 2,79,500**
Loan Limit for 2nd year		
Add : 10% of the limit towards cost escalation / increase in scale of finance (10% of 2,79,500 i.e., 27,950)	:	₹ 27,950
	:	**₹ 3,07,450**

Loan Limit for 3rd year

Add : 10% of the limit towards cost escalation / increase in scale of finance (10% of 3,07,450 i.e., 30,750)	:	₹ 30,750
	:	**₹ 3,38,200**

Loan Limit for 4th year

Add : 10% of the limit towards cost escalation / increase in scale of finance (10% of 338200 i.e., 33,800)	:	₹ 33,800
	:	**₹ 3,72,000**

Loan Limit for 5th year

Add : 10% of the limit towards cost escalation / increase in scale of finance (10% of 3,72,000 i.e., 37,200)	:	₹ 37,200
	:	**₹ 4,09,200**
Say….	:	**₹ 4,09,000**

(A)

(ii) **Term loan component :**

1st Year : Cost of 1 +1 Dairy Unit	:	₹ 1,00,000
: Purchase of Tractor	:	₹ 6,00,000
Total term loan amount	**….(B)**	**₹ 7,00,000**

Maximum Permissible Limit /

Kisan Credit Card Limit (A) +(B) : **₹ 11,09,000**

Drawing Limit will be reduced every year based on repayment schedule of the term loan(s) availed and withdrawals will be allowed up to the drawing limit.

Illustration II

Assessment of KCC LIMIT

1. Marginal farmer cultivating single crop in a year

1. ***Assumptions :***

    1. Land holding : 1 acre
    2. Crops grown : Paddy (Scale of finance plus crop insurance per acre : ₹ 11,000)
    3. There is no change in Cropping Pattern for 5 years
    4. Allied Activities to be financed - One Non-Descript Milch Animal (Unit Cost Rs : 15,000)

2. ***Assessment of Card Limit :***

(i) **Crop loan Component**

(Cost of cultivation for 1 acre of Paddy)	:	₹ 11,000
Add : 10% towards post-harvest / household expense / consumption	:	₹ 1,100
Add : 20% towards farm maintenance	:	₹ 2,200
Total Crop Loan limit for 1st year ….(A1)	:	**₹ 14,300**

(ii) **Term Loan Component**

Cost of One Milch Animal **….(B)**	:	₹ 15,000
1st Year Composite KCC Limit : (A1) + (B)	:	**₹ 29,300**
2nd Year :		
Crop loan component :		
A1 plus 10% of crop loan limit (A1) towards cost escalation / increase in scale of finance [14,300+(10% of 14300 = 1430)] **….(A2)**	:	₹ 15,730
2nd Year Composite KCC Limit : A2+B (15730 + 15000)	:	**₹ 30,730**
3rd Year :		
Crop loan component :		
A2 plus 10% of crop loan limit (A2) towards cost escalation / increase in scale of finance [15,730+(10% of 15730 = 1570)] **….(A3)**	:	₹ 17,300
3rd Year Composite KCC Limit : A3+B (17,300 + 15,000)	:	**₹ 32,300**
4th Year :		
Crop loan component :		
A3 plus 10% of crop loan limit (A3) towards cost escalation / increase in scale of finance [17,300+(10%	:	₹ 19,030

of 17300 = 1730)] **….(A4)**		
4th Year Composite KCC Limit : A4+B (19,030 **+ 15,000)**		₹ **34,030**
5th Year :		
Crop loan component :		
A4 plus 10% of crop loan limit (A4) towards cost escalation / increase in scale of finance [19,030+(10% of 19,03 0 = 1,900)] **….(A5)**	:	₹ 20,930
5th Year Composite KCC Limit : A5+B (20,930 **+ 15,000)**		**₹35,930**

Maximum Permissible Limit /

Composite KCC Limi Say	**:**	**Rs.36,000**

Note: All the above costs estimated are illustrative in nature. The recommended scale of finance / unit costs may be taken into account while finalising the credit limit.

Delivery Channels - Technical features

1 Issue of cards

The beneficiaries under the scheme will be issued with a Smart card / Debit card (Biometric smart card compatible for use in the ATMs / Hand held Swipe Machines and capable of storing adequate information on farmers identity, assets, land holdings and credit profile etc). All KCC holders should be provided with any one or a combination of the following types of cards :

2 Type of Card :

A magnetic stripe card with PIN (Personal Identification Number) with an ISO IIN (International Standards Organization International Identification Number) to enable access to all banks ATMs and micro ATMs

In cases where the Banks would want to utilize the centralized biometric authentication infrastructure of the UIDAI (Aadhaar authentication), debit cards with magnetic stripe and PIN with ISO IIN with biometric authentication of UIDAI can be provided.

Debit Cards with magnetic stripe and only biometric authentication can also be provided depending on customer base of the bank. Till such time, UIDAI becomes widespread, if the banks want to get started without inter-operability using their existing centralized bio metric infrastructure, banks may do so.

Banks may choose to issue EMV (Europay, MasterCard and VISA, a global standard for interoperation of integrated circuit cards) and RUPAY compliant chip cards with magnetic stripe and pin with ISO IIN.

Further, the biometric authentication and smart cards may follow the common open standards prescribed by IDRBT and IBA. This will enable them to transact seamlessly with input dealers as also enable them to have the sales proceeds credited to their accounts when they sell their output at mandies, procurement centers, etc.

3 Delivery Channels :

The following delivery channels shall be put in place to start with so that the Kisan Credit Card is used by the farmers to effectively transact their operations in their KCC account.

1. Withdrawal through ATMs / Micro ATM
2. Withdrawal through BCs using smart cards.
3. PoS machine through input dealers
4. Mobile Banking with IMPS capabilities / IVR
5. Aadhaar enabled Cards.

4. Mobile Banking / Other Channels :

Provide Mobile banking functionality for KCC Cards / Accounts as well along with Interbank Mobile Payment Service (IMPS of NPCI) capability to allow customers to use this inter-operable IMPS for funds transfer between banks and also to do merchant payment transactions as additional capability for purchases of agricultural inputs.

This mobile banking should ideally be on Unstructured Supplementary Data (USSD) platform for wider and safer acceptance. However, the banks can also offer this on other fully encrypted modes (application based or SMS based) to make use of the recent relaxation on transaction limits. Banks can also offer unencrypted mobile banking subject to RBI regulations on transaction limits.

It is necessary that Mobile based transaction platforms enabling transactions in the KCC use easy to use SMS based solution with authentication thru' MPIN. Such solutions also need to be enabled on IVR in local language to ensure transparency and security. Such mobile based payment systems should be encouraged by all the banks by creating awareness and by doing proper customer education.

With the existing infrastructure available with banks, all KCC holders should be provided with any one or a combination of the following types of cards :

* Debit cards (magnetic stripe card with PIN) enabling farmers to operate the limit through all banks ATMs / Micro ATMs
* Debit Cards with magnetic stripe and biometric authentication.
* Smart cards for doing transactions through PoS machines held by Business Correspondents, input dealers, traders and Mandies.
* EMV compliant chip cards with magnetic stripe and pin with ISO IIN.

In addition, the banks having a call centre / Inter active Voice Response (IVR), may provide SMS based mobile banking with a call back facility from bank for mobile PIN (MPIN) verification through IVR, thus making a secured SMS based mobile banking facility available to card holders.

APPENDIX

List of Circulars consolidated in the Master Circular on 'Kisan Credit Card'

SL	Circular No.	Date	Subject
1	RPCD.No.PLFS.BC.20/05.05.09/98-99	05.08.1998	Kisan Credit Card
2	RPCD.PLNFS.No.BC.99/05.05.09/99-2000	06.06.2000	Kisan Credit Card Scheme - Modification
3	RPCD.No.PLFS.BC./63/05.05.09/2000-01	03.03.2001	Kisan Credit Cards
4	RPCD.PLFS.BC.No./64/05.05.09/2001-12	28.02.2002	Kisan Credit Card
5	RPCD.Plan.BC.No 87/04.09.01/2003-04	18.05.2004	Credit Flow to Agriculture – Agricultural Loans - Waiver of Margin / Security Requirements
6	RPCD.PLFS.BC.No.38/05.05.09/2004-05	04.10.2004	Scheme to cover term loans for agriculture & llied activities under KCC
7	RPCD.PLFS.BC.No. 85/05.04.02/2009-10	18.06.2010	Credit Flow to Agriculture – Agricultural Loans - Waiver of Margin / Security Requirements
8	RPCD.FSD.BC.No. 77/05.05.09/2011-12	11.05.2012	Revised Kisan Credit Card Scheme
9	RPCD. FSD.BC.No.23/05.05.09/2012-13	07.08.2012	Revised Kisan Credit Card Scheme
10	FIDD.FSD.BC.No.18/05.05.010/2016-17	13.10.2016	Revised Kisan Credit Card Scheme

ANNEX

REVISED SCHEME FOR ISSUE OF KISAN CREDIT CARD (KCC)

1. Introduction

The Kisan Credit Card has emerged as an innovative credit delivery mechanism to meet the production credit requirements of the farmers in a timely and hassle-free manner. The scheme is under implementation in the entire country by the vast institutional credit framework involving Commercial Banks, RRBs and Cooperatives and has received wide acceptability amongst bankers and farmers. However, during the last 13 years of implementation, many impediments were encountered by policy makers, implementing banks and the farmers in the implementation of the scheme. Recommendations of various Committees appointed by GOI and studies conducted by NABARD also corroborate this fact. It was, therefore, felt necessary to revisit the existing KCC Scheme to make it truly simple and hassle free for both the farmers and bankers. Accordingly, the GOI, Ministry of Finance constituted a Working Group to review the KCC Scheme. Based on the recommendations of the Working Group which were accepted by the GoI, the following guidelines are issued:

2. Applicability of the Scheme

The Revised KCC Scheme detailed in the ensuing paragraphs is to be implemented by Commercial Banks, RRBs, and Cooperatives. The scheme provides broad guidelines to the banks for operationalising the KCC scheme. Implementing banks will have the discretion to adopt the same to suit institution/location specific requirements.

3. Objectives/Purpose

Kisan Credit Card Scheme aims at providing adequate and timely credit support from the banking system under a single window to the farmers for their cultivation & other needs as indicated below:

a. To meet the short term credit requirements for cultivation of crops

b. Post harvest expenses

c. Produce Marketing loan

d. Consumption requirements of farmer household

e. Working capital for maintenance of farm assets and activities allied to agriculture, like dairy animals, inland fishery etc.

f. Investment credit requirement for agriculture and allied activities like pump sets, sprayers, dairy animals etc.

Note*: The aggregate of components* ***a. to e****. above will form the short term credit limit portion and the aggregate of components under* ***f will*** *form the long term credit limit portion.*.

4. Eligibility

i. All Farmers – Individuals / Joint borrowers who are owner cultivators

ii. Tenant Farmers, Oral Lessees & Share Croppers

iii. SHGs or Joint Liability Groups of Farmers including tenant farmers, share croppers etc.

5.. Fixation of credit limit/Loan amount

The credit limit under the **Kisan Credit Card** may be fixed **as under:**

5.1. All farmers other than marginal farmers:

5.1.1. The short term limit to be arrived for the first year: For farmers raising single crop in a year: Scale of finance for the crop (as decided by District Level Technical Committee) x Extent of area cultivated + 10% of limit towards post-harvest / household / consumption requirements + 20% of limit towards repairs and maintenance expenses of farm assets + crop insurance, PAIS & asset insurance.

5.1.2. Limit for second & subsequent year : First year limit for crop cultivation purpose arrived at as above plus 10% of the limit towards cost escalation / increase in scale of finance for every successive year (2nd , 3rd, 4th and 5th year) and estimated Term loan component for the tenure of Kisan Credit Card, i.e., five years. (**Illustration I)**

5.1.3. For farmers raising more than one crop in a year, the limit is to be fixed as above depending upon the crops cultivated as per proposed **cropping pattern** for the first year and an additional 10% of the limit towards cost escalation / increase in scale of finance for every successive year (2nd, 3rd, 4th and 5th year). It is assumed that the farmer adopts the same cropping pattern for the remaining four years also. In case the cropping pattern adopted by the farmer is changed in the subsequent year, the limit may be reworked. (**Illustration I)**

5.1.4. Term loans for investments towards land development, minor irrigation, purchase of farm equipments and allied agricultural activities. The banks may fix the quantum of credit for term and working capital limit for agricultural and allied activities, etc., based on the unit cost of the asset/s proposed to be acquired by the farmer, the allied activities already being undertaken on the farm, the bank's judgment on repayment capacity vis-a-vis total loan burden devolving on the farmer, including existing loan obligations.

5.1.5. The long term loan limit is based on the proposed investments during the five year period and the bank's perception on the repaying capacity of the farmer

5.1.6. Maximum Permissible Limit: The short term loan limit arrived for the 5th year plus the estimated long term loan requirement will be the **Maximum Permissible Limit (MPL)** and treated as the **Kisan Credit Card Limit.**

5.1.7. Fixation of Sub-limits for other than Marginal Farmers:

i. Short term loans and term loans are governed by different interest rates. Besides, at present, short term crop loans are covered under Interest Subvention Scheme/ Prompt Repayment Incentive scheme. Further, repayment schedule and norms are different for short term and term loans. Hence, in order to have operational and accounting convenience, the card limit is to be bifurcated into separate sub limits for short term cash credit limit cum savings account and term loans.

ii. **Drawing limit** for short term cash credit should be fixed based on the cropping pattern and the amounts for crop production, repairs and maintenance of farm assets and consumption may be allowed to be drawn as per the convenience of the farmer. In case the revision of scale of finance for any year by the district level committee exceeds the notional hike of 10% contemplated while fixing the five year limit, a revised drawable limit may be fixed and the farmer be advised about the same. In case such revisions require the card limit itself to be enhanced (4th or 5th year), the same may be done and the farmer be so advised. For term loans, installments may be allowed to be withdrawn based on the nature of investment and repayment schedule drawn as per the economic life of the proposed investments. It is to be ensured that at any point of time the total liability should be within the drawing limit of the concerned year.

iii. Wherever the card limit/liability so arrived warrants additional security, the banks may take suitable collateral as per their policy.

5.2. For Marginal Farmers:

A flexible limit of Rs.10,000 to Rs.50,000 be provided (as **Flexi KCC**) based on the land holding and crops grown including post harvest warehouse storage related credit needs and other farm expenses, consumption needs, etc., plus small term loan investments like purchase of farm equipments, establishing mini dairy/backyard poultry as per assessment of Branch Manager without relating it to the value of land. The **composite KCC** limit is to be fixed for a period of five years on this basis.

Wherever higher limit is required due to change in cropping pattern and/or scale of finance, the limit may be arrived at as per the estimation indicated at para 5.1 . (**Illustration II)**

6. Disbursement :

6.1. The short term component of the KCC limit is in the nature of revolving cash credit facility. There should be no restriction in number of debits and credits. However, each installment of the drawable limit drawn in a particular year will have to be repaid within 12 months. The drawing limit for the current season/year could be allowed to be drawn using any of the following delivery channels.

a. Operations through branch

b. Operations using Cheque facility

c. Withdrawal through ATM / Debit cards

d. Operations through Business Correspondents and ultra thin branches

e. Operation through PoS available in Sugar Mills/ Contract farming companies, etc., especially for tie-up advances

f. Operations through PoS available with input dealers

g. Mobile based transfer transactions at agricultural input dealers and mandies.

Note: (e), (f) & (g) to be introduced as early as possible so as to reduce transaction costs of both the bank as well as the farmer.

6.2. The long term loan for investment purposes may be drawn as per installment fixed.

7.As the CC limit and the term loan limit are two distinct components of the aggregate card limit bearing different rates of interest and repayment periods, until a composite card could be issued with appropriate software to separately account transactions in either sub limits, two separate electronic cards may be issued.

8. Validity / Renewal

i. Banks may determine the validity period of KCC and its periodic review.

ii. The review may result in continuation of the facility, enhancement of the limit or cancellation of the limit / withdrawal of the facility, depending upon increase in cropping area / pattern and performance of the borrower.

iii. When the bank has granted extension and/or re-schedulement of the period of repayment on account of natural calamities affecting the farmer, the period for reckoning the status of operations as satisfactory or otherwise would get extended together with the extended amount of limit. When the proposed extension is beyond one crop season, the aggregate of debits for which extension is granted is to be transferred to a separate term loan account with stipulation for repayment in installments.

9. Rate of Interest (ROI):

Rate of Interest will be linked to Base Rate and is left to the discretion of the banks.

10. Repayment Period:

10.1. Each withdrawal under the short term sub-limit as estimated under (a) to (e) of Para 3 above ,be allowed to be liquidated in 12 months without the need to bring the debit balance in the account to zero at any point of time. No withdrawal in the account should remain outstanding for more than 12 months.

10.2. The term loan component will be normally repayable within a period of 5 years depending on the type of activity / investment as per the existing guidelines applicable for investment credit.

10.3. Financing banks at their discretion may provide longer repayment period for term loan depending on the type of investment.

11. Margin: To be decided by banks.

12. Security:

12.1. Security will be applicable as per RBI guidelines prescribed from time to time.

12.2. Security requirement may be as under:

i. Hypothecation of crops up to card limit of Rs. 1.00 lakh as per the extant RBI guidelines.

ii. With tie-up for recovery: Banks may consider sanctioning loans on hypothecation of crops upto card limit of Rs.3.00 lakh without insisting on collateral security.

iii. Collateral security may be obtained at the discretion of Bank for loan limits above Rs.1.00 lakh in case of non tie-up and above Rs.3.00 lakh in case of tie-up advances.

iv. In States where banks have the facility of on-line creation of charge on the land records, the same shall be ensured.

13. Other features:

Uniformity to be adopted in respect of following:

i. Interest Subvention/Incentive for prompt repayment as advised by Government of India and / or State Governments. The bankers will make the farmers aware of this facility.

ii. The KCC holder should have the option to take benefit of Crop Insurance, Assets Insurance, Personal Accident Insurance Scheme (PAIS), and Health Insurance (wherever product is available and have premium paid through his KCC account). Necessary premium will have to be paid on the basis of agreed ratio between bank and farmer to the insurance companies from KCC accounts. Farmer beneficiaries should be made aware of the insurance cover available and their consent is to be obtained, at the application stage itself.

iii. One time documentation at the time of first availment and thereafter simple declaration (about crops raised / proposed) by farmer from the second year onwards.

14. Classification of account as NPA:

14.1. With a view to simplifying asset-classification, the Committee has recommended that an account could be treated as “standard”, when the balance outstanding is less than or equal to drawing limit [short term (crop) loan] at any point of time during the preceding one year. In other words, it is suggested that the short term loan (with major component of crop loan) sanctioned on the KCC can be given the same treatment as a “cash credit” account for the purpose of applying prudential norms and should not be treated as “out of order” if the balance outstanding is less than or equal to the drawing limit and each drawl is repaid within a period of 12 months. Term loan under KCC has fixed repayment schedule and is to be governed by extant prudential norms.

14.2. Charging of interest is to be done uniformly as is applicable to agricultural advance.

15. Processing fee may be decided by banks.

16. Other Conditions Suggested by Government of India while implementing the revised guidelines of KCC Scheme:

- In case the farmer applies for loan against the warehouse receipt of his produce; the banks would consider such requests as per the established procedure and guidelines. However, when such loans are sanctioned, these should be linked with the crop loan account, if any and the crop loan outstanding in the account could be settled at the stage of disbursal of the pledge loan, if the farmer desires.

- The National Payments Corporation of India (NPCI) will design the card of the KCC to be adopted by all the banks with their branding.
- All new KCC must be issued as per the revised guidelines of the KCC Scheme .Further, at the time of renewal of existing KCC; farmers must be issued smart card cum debit card.

Illustration I

A. Small Farmer raising Multiple Crops in a year

1. Assumptions:
A. Land holding: 2 acres
B. Cropping Pattern: Paddy - 1 acre (Scale of finance plus crop insurance per acre: Rs.11000)
Sugarcane - 1 acre (Scale of finance plus crop insurance per acre: Rs.22,000)
C. Investment/Allied Activities:
(i)Establishment of 1+1 Dairy Unit in 1st Year (Unit Cost: Rs.20,000 per animal)
(ii)Replacement of Pump set in 3rd year (Unit Cost: Rs.30,000)

2. (i) Crop loan Component

Cost of cultivation of 1 acre of Paddy and 1acre of Sugarcane (11,000+22,000)	**:** Rs.33,000
Add: 10% towards post harvest/household expense/consumption	: Rs. 3,300
Add: 20% towards farm maintenance	: Rs. 6,600
Total Crop Loan limit for 1st year	**: Rs. 42,900**
Loan Limit for 2nd year	
Add: 10% of the limit towards cost escalation/increase in scale of finance (10% of 42900 i.e 4300)	: Rs. 4,300
	: **Rs. 47,200**
Loan Limit for 3rd year	
Add: 10% of the limit towards cost escalation/increase in scale of finance (10% of 47,200 i.e., 4,700)	: Rs. 4,700
	: Rs. 51,900
Loan Limit for 4th year	
Add: 10% of the limit towards cost escalation/increase in scale of finance (10% of 51,900 i.e 5,200)	: Rs. 5,200
	:**Rs.57,100**
Loan Limit for 5th year	
Add: 10% of the limit towards cost escalation/increase in scale of finance (10% of 57100 i.e 5700)	**: Rs. 5,700**
	:Rs. 62,800
	Say:Rs.63,000….(A)

(ii) Term loan component:

1st Year: Cost of 1+1 Dairy Unit	: Rs.40,000
3rd Year: Replacement of Pumpset :	Rs. 30,000
Total term loan amount	**:Rs.70,000…….(B)**

Maximum Permissible Limit /Kisan Credit Card Limit (A) +(B) **:Rs.1,33,000**
Rs.1.33 lakh

Note:

Drawing Limit will be reduced every year based on repayment schedule of the term loan(s) availed and withdrawals will be allowed up to the drawing limit.

B: Other Farmer raising Multiple Crops in a year

1. **Assumptions:**
2. Land Holding: 10 acres
3. Cropping Pattern:
   Paddy- 5 acres (Scale of finance plus crop insurance per acre Rs.11,000)
   Followed by Groundnut - 5 acres (Scale of finance plus crop insurance per acre Rs.10,000)
   Sugarcane - 5 acres (Scale of finance plus crop insurance per acre Rs.22,000)

4. Investment/Allied Activities :

   (i) Establishment 2+2 Dairy Unit in 1st Year (Unit cost : Rs.1,00,000)
   (ii) Purchase of Tractor in 1st Year(Unit Cost : Rs.6,00,000)

2. **Assessment of Card Limit**

(i) Crop loan Component

Cost of cultivation of 5 acres of Paddy, 5 Acres of Groundnut and 5 acres of Sugarcane **:** Rs.2,15,000

Add: 10% towards post harvest/household expense/consumption : Rs. 21,500

Add: 20% towards farm maintenance : Rs. 43,000

Total Crop Loan limit for 1st year **:Rs.2,79,500**

Loan Limit for 2nd year

Add: 10% of the limit towards cost escalation/increase in scale of finance
(10% of 2,79,500 i.e., 27,950) : Rs.27,950
:Rs.3,07,450

Loan Limit for 3rd year

Add: 10% of the limit towards cost escalation/increase in scale of finance
(10% of 3,07,450 i.e., 30,750) : Rs.30,750
:**Rs.3,38,200**

Loan Limit for 4th year

Add: 10% of the limit towards cost escalation/increase in scale of finance

(10% of 338200 i.e., 33,800) : Rs.33,800

:Rs.3,72,000

Loan Limit for 5th year

Add: 10% of the limit towards cost escalation/increase in scale of finance
(10% of 3,72,000 i.e., 37,200) **:** Rs.37,200

:Rs.4,09,200

Say Rs.4,09,000 … (A)

(ii) Term loan component:

1st Year: Cost of 2+2 Dairy Unit : Rs. 1,00000
: Purchase of Tractor : Rs .6,00,000

Total term loan amount : Rs.7,00,000…….(B)

Maximum Permissible Limit /Kisan Credit Card Limit (A) +(B) : Rs.11,09,000

Drawing Limit will be reduced every year based on repayment schedule of the term loan(s) availed and withdrawals will be allowed up to the drawing limit.

Illustration II

Assessment of KCC LIMIT
1: Marginal Farmer raising Single Crop in a year

1. Assumptions:
1. Land holding: 1 acre
2. Crops grown: Paddy (Scale of finance plus crop insurance per acre: Rs.11,000)
3. There is no change in Cropping Pattern for 5 years
4. Allied Activities to be financed – One Non Descript Milch Animal (Unit Cost Rs: 15,000)

2. Assessment of Card Limit:

(i) Crop loan Component (Cost of cultivation for 1 acre of Paddy) **:** Rs.11,000
Add: 10% towards post harvest/household expense/consumption : Rs. 1,100
Add: 20% towards farm maintenance : Rs. 2,200

Total Crop Loan limit for 1st year : Rs.14,300……A1

(ii) Term Loan Component

Cost of One Milch Animal **: Rs.15,000…… B**

1st Year Composite KCC Limit : (A1) + (B) : Rs.29,300

2nd Year :

Crop loan component:
A1 plus 10% of crop loan limit (A1) towards cost escalation/
increase in scale of finance [14,300+(10% of 14300= 1430)] **: Rs.15,730**……**A2**

2nd Year Composite KCC Limit : A2+B (15730+15000) : Rs.30,730

3rd Year :
Crop loan component:

A2 plus 10% of crop loan limit (A2) towards cost escalation/ increase in scale of finance [15,730+(10% of 15730= 1570)] **: Rs.17,300**…..**A3**

3rd Year Composite KCC Limit : A3+B (17,300+15,000) : Rs.32,300

4th Year :
Crop loan component:

A3 plus 10% of crop loan limit (A3) towards cost escalation/ increase in scale of finance [17,300+(10% of 17300= 1730)] **: Rs.19,030**…..**A4**

4th Year Composite KCC Limit : A4+B (19,030+15,000) : Rs.34,030

5th Year :

Crop loan component:

A4 plus 10% of crop loan limit (A4) towards cost escalation/ increase in scale of finance [19,030+(10% of 19,030= 1,900)] : **Rs.20,930**…..**A5**

5th Year Composite KCC Limit : A5+B (20,930+15,000) : Rs.35,930
Say Rs.36,000

Maximum Permissible Limit / Composite KCC Limit : Rs.36000

NOTE: All the above costs estimated are illustrative in nature. The recommended scale of finance / unit costs may be taken into account while finalising the credit limit.

Part II – Delivery Channels - Technical features

1. Issue of cards

The beneficiaries under the scheme will be issued with a Smart card/ Debit card (Biometric smart card compatible for use in the ATMs/Hand held Swipe Machines and capable of storing adequate information on farmers identity, assets, land holdings and credit profile etc).All KCC holders should be provided with any one or a combination of the following types of cards:

2. **Type of Card:**

A magnetic stripe card with PIN (Personal Identification Number) with an ISO IIN (International Standards Organization International Identification Number) to enable access to all banks ATMs and micro ATMs

In cases where the Banks would want to utilize the centralized biometric authentication infrastructure of the UIDAI (Aadhaar authentication), Debit cards with magnetic stripe and PIN with ISO IIN with biometric authentication of UIDAI can be provided.

Debit Cards with magnetic stripe and only biometric authentication can also be provided depending on customer base of the bank. Till such time, UIDAI becomes widespread, if the banks want to get started without inter-operability using their existing centralized bio metric infrastructure, banks may do so.

Banks may choose to issue EMV (Europay, MasterCard and VISA, a global standard for inter-operation of integrated circuit cards) compliant chip cards with magnetic stripe and pin with ISO IIN.

Further, the biometric authentication and smart cards may follow the common open standards prescribed by IDRBT and IBA. This will enable them to transact seamlessly with input dealers as also enable them to have the sales proceeds credited to their accounts when they sell their output at mandies, procurement centers, etc.

All the cooperative banks shall migrate to CBS platform at the earliest so as to implement the technological innovations in KCC as indicated above. Wherever CBS in the bank has not been in place , a pass book or a credit card cum pass book incorporating the name, address, particulars of land holding, borrowing limit, validity period etc. may be issued fir the time being which will serve both as an identity card as well as facilitate recording of the transactions on an ongoing basis. The card, among others, would provide for a photograph of the holder.

3. Delivery Channels:

The following delivery channels shall be put in place to start with so that the Kisan Credit Card is used by the farmers to effectively transact their operations in their KCC account.

1. Withdrawal through ATMs / Micro ATM
2. Withdrawal through BCs using smart cards.
3. PoS machine through input dealers
4. Mobile Banking with IMPS capabilities/ IVR
5. Aadhaar enabled Cards.

4. Mobile Banking/Other Channels:

Provide Mobile banking functionality for KCC Cards/Accounts as well along with Interbank Mobile Payment Service (IMPS of NPCI) capability to allow customers to use this inter-operable IMPS for funds transfer between banks and also to do merchant payment transactions as additional capability for purchases of agricultural inputs.

This mobile banking should ideally be on Unstructured Supplementary Data (USSD) platform for wider and safer acceptance. However, the banks can also offer this on other fully encrypted modes (application based or SMS based) to make use of the recent relaxation on transaction limits. Banks can also offer unencrypted mobile banking subject to RBI regulations on transaction limits.

It is necessary that Mobile based transaction platforms enabling transactions in the KCC use easy to use SMS based solution with authentication thru' MPIN. Such solutions also need to be enabled on IVR in local language to ensure transparency and security. Such mobile based payment systems should be encouraged by all the banks by creating awareness and by doing proper customer education.

A flow chart for such mobile based transaction system for KCC limits is enclosed for ready reference.

With the existing infrastructure available with banks, all KCC holders should be provided with any one or a combination of the following types of cards:

- ✓ Debit cards (magnetic stripe card with PIN) enabling farmers to operate the limit through all banks ATMs/Micro ATMs
- ✓ Debit Cards with magnetic stripe and biometric authentication.
- ✓ Smart cards for doing transactions through PoS machines held by Business Correspondents, input dealers, traders and Mandies.
- ✓ EMV compliant chip cards with magnetic stripe and pin with ISO IIN.

In addition, the banks having a call centre/Inter active Voice Response (IVR), may provide SMS based mobile banking with a call back facility from bank for mobile PIN (MPIN) verification through IVR, thus making a secured SMS based mobile banking facility available to card holders.

PRADHAN MANTRI KISAN SAMMAN NIDHI SCHEME

(PM-KISAN SCHEME)

OPERATIONAL GUIDELINES

(REVISED AS ON 29.03.2020)

MINISTRY OF AGRICULTURE & FARMERS' WELFARE

DEPARTMENT OF AGRICULTURE, COOPERATION & FARMERS' WELFARE

(DAC&FW)

PRADHAN MANTRI KISAN SAMMAN NIDHI (PM-KISAN) SCHEME

OPERATIONAL GUIDELINES

1. Scheme

With a view to provide income support to all landholding farmers' families in the country, having cultivable land, the Central Government has implemented a Central Sector Scheme, namely, **"Pradhan Mantri Kisan Samman Nidhi (PM-KISAN)"**.

2. Objective and Benefits

The scheme aims to supplement the financial needs of all landholding farmers' families in procuring various inputs to ensure proper crop health and appropriate yields, commensurate with the anticipated farm income as well as for domestic needs. Under the Scheme an amount of Rs.6000/- per year is released by the Central Government online directly into the bank accounts of the eligible farmers under Direct Benefit Transfer mode, subject to certain exclusions.

3. Definition of farmer's family

A landholder farmer's family is defined as "a family comprising of husband, wife and minor children who owns cultivable land as per land records of the concerned State/UT". The existing land-ownership system will be used for identification of beneficiaries for calculation of benefit.

4 Exclusions

4.1 The following categories of beneficiaries of higher economic status shall not be eligible for benefit under the scheme:

(a) All Institutional Land holders; and

(b) Farmer families in which one or more of its members belong to following categories :

i) Former and present holders of constitutional posts

ii) Former and present Ministers / State Ministers and former / present Members of Lok Sabha / Rajya Sabha / State Legislative Assemblies / State Legislative Councils, former and present Mayors of Municipal Corporations, former and present Chairpersons of District Panchayats.

iii) All serving or retired officers and employees of Central / State Government Ministries / Offices / Departments and their field units, Central or State PSEs and Attached offices / Autonomous Institutions under Government as well as regular employees of the Local Bodies *(Excluding Multi Tasking Staff / Class IV / Group D employees)*

iv) All superannuated / retired pensioners whose monthly pension is Rs.10,000/- or more *(Excluding Multi Tasking Staff / Class IV / Group D employees)*

v) All Persons who paid Income Tax in last assessment year.

vi) Professionals like Doctors, Engineers, Lawyers, Chartered Accountants, and Architects registered with Professional bodies and carrying out profession by undertaking practices.

(c) In case of new beneficiaries being uploaded on the PM-KISAN Portal, all land holding farmers' families who are Non-resident Indians (NRIs) in terms of the provisions of the Income Tax Act, 1961 shall be excluded from any benefit under the Scheme.

4.2 For the purpose of exclusion State / UT Governments can certify the eligibility of the beneficiaries based on self declaration by the beneficiaries. In case beneficiary is not available / does not reside in the village, State / UT Governments may consider certification based on the declaration by other adult member of his / her family. In case of incorrect self declaration, beneficiary shall be liable for recovery of transferred financial benefit and other penal actions as per law.

5. <u>Methodology for calculation of benefit</u>

5.1 The benefit shall be paid to only those farmers' families whose names are entered into the land records. Exception has, however, been made for North-East States and Jharkhand in this regard.

5.2 The cut-off date for determination of eligibility of beneficiaries under the scheme shall be 01.02.2019 and no changes thereafter shall be considered for eligibility of benefit under the scheme for next 5 years. However, this date is not applicable when transfer of ownership of cultivable land takes place on account of succession due to death.

5.3 Benefit will be allowed in those cases where transfer of ownership of cultivable land takes place on account of succession due to death of the landowner. However, those eligible farmers whose names have been entered in the land record after 01.12.2018 till 01.02.2019 shall be eligible for the benefits from the date of entry of land rights in the land records. In such cases where, transfer of ownership of cultivable land has happened due to any reason which could be purchase, succession, will, gift, etc., between 01.12.2018 and 31.01.2019, the installment pertaining to the 4-monthly period / trimester December, 2018 - March, 2019 during the financial year (2018-19) shall be proportionate amount from date of transfer till 31.03.2019 with respect to the 4 months period.

5.3.1 In cases where the land records have not been updated for rights accruing due to succession on account of the death of land owners before 01.12.2018, such updation of land records may be done by the States in a time bound manner. The successors whose names are entered in land records for rights accrued as aforementioned shall be eligible subject to fulfilment of other conditions of the Scheme and the exclusion clauses.

5.3.2 Clause 5.3 of the Operational Guidelines, which provides for proportionate amount of financial benefit under the scheme to be transferred in the bank accounts of the beneficiaries in cases involving transfer of ownership between 01.12.2018 to 31.01.2019, shall remain applicable to the cases of succession as well which is clear from the wording of the said clause.

5.3.3 Subsequent to 01.02.2019, there could be change in ownership due to the following reasons:-

i) Transfer of ownership due to inheritance resulting out of death of the land owner. In such cases the family of the successors would be entitled to the benefits, if otherwise eligible as per scheme guidelines.

ii) In cases of cultivable land transferred to other persons through Sale Deed, Partition Deed, Gift Deed, etc., the transferee will not be eligible under the Scheme as he / she was not the land owner as on 01.02.2019. However, in such cases even the transferor of the land will become ineligible if the family of the transferor does not have any cultivable land subsequent to such a transfer.

5.3.4 The State Governments have to put in place the administrative mechanism based on their existing land revenue administrative regime to take care of formulations. There should be clear cut responsibility entrusted to the officials responsible for undertaking mutation of land records.

i) In case of correction of land record for recording land ownership accrued due to inheritance before 01.12.2018 then the eligibility of the family under the scheme shall be properly determined as per the conditions of the scheme. The procedure for determining the eligibility as per the exclusion clauses shall remain as prescribed.

ii) In case of transfer of land ownership due to inheritance, reassessing the eligibility of the family under PM-KISAN - If the family is no longer eligible, then the same have to be updated in the PM-KISAN portal so that the benefits can be discontinued subsequently. In case of family of the deceased land owner is still eligible (where spouse or the minor children are having cultivable land and eligible as per guidelines), the details of the new beneficiary alongwith other details with the fresh self-declarations have to be provided to the concerned authorities for inclusion / modifications so that the benefit to the survivors of the family can continue.

iii) Subsequent to inheritance if the families of the inheritors also become freshly eligible under PM-Kisan then all the details of the freshly eligible families have to be incorporated in the database so that benefits start accruing to such families from the date when inheritance became operational.

iv) In case of transfer of cultivable land for reasons other than death after 01.02.2019, the officials have to reassess the eligibility of the transferor and decide whether the benefits have to be stopped or not and intimate the authorities so that the PM-KISAN portal can be updated. Transferees are not entitled for any benefits under PM-KISAN in such cases.

5.4 The beneficiaries, whose names are uploaded on PM-Kisan Portal by the State / UT Government in a particular 4-month period / trimester, shall be entitled to receive benefit for that trimester and for further installments pertaining to the subsequent trimesters for that financial year.

5.5 In some of the North Eastern States, the land ownership rights are community based and it might not be possible to assess the quantum of land holder farmers. In such States an alternate implementation mechanism for eligibility of the farmers will be developed and approved by the Committee of Union Ministers of Ministry of Development of North East Region (DoNER), the Ministry of Rural Development (Department of Land Resources), the Union Agriculture Minister and the concerned State Chief Ministers or their Ministerial representatives, based on the proposal by the concerned North Eastern States.

5.5.1 For identification of *bona fide* beneficiary under PM-Kisan Scheme in Manipur, the following proposal of Government of Manipur was considered and approved by the Committee:

“The certificate issued by the Village authority, namely, the Chairman/Chief, authorizing any tribal family to cultivate a piece of land, may be accepted. Such certification of village Chairman/Chief shall be authenticated by the concerned sub-divisional officers. All the exclusions under the Operational Guidelines will be applicable.”

5.5.2 For identification of *bona fide* beneficiary under PM-Kisan Scheme in Nagaland, the following procedure was approved by the Committee:

1) In case of community owned cultivable land in the state of Nagaland which is under permanent cultivation, for identification of beneficiaries under PM-KISAN, the certificate issued by the village council/authority/village chieftan regarding land holding, duly verified by the administrative head of the circle/sub-division and countersigned by the Deputy Commissioner of the District shall suffice subject to the exclusions under the operational guidelines.
2) In case of cultivable land in the State of Nagaland which is categorised as Jhum land as per definition under Section–2(7) of the Nagaland Jhum Land Act, 1970 and which is owned by the community/clan/village council/village chieftan, the identification of beneficiaries under PM-Kisan scheme, shall be on the basis of certification of land holding by the village council/chief/head of the village, duly verified by the administrative head of the circle/sub division and countersigned by the Deputy Commissioner of the District. Provided that the name of the beneficiary is included in the state of Nagaland’s Agriculture Census of 2015-16. This proviso shall not be applicable in cases of succession and family partition.

The list of such beneficiaries shall be subject to the exclusions under the operational guidelines.

5.6 For identification of *bona fide* beneficiary under PM-Kisan Scheme in Jharkhand, the following proposal of Government of Jharkhand was considered and approved by the Committee:

"The farmer will be asked to submit 'Vanshavali (Lineage)' linked to the entry of land record comprising his \ her ancestor's name giving a chart of successor. This lineage chart shall be submitted before the Gram Sabha for calling objections. After approval of the Gram Sabha, the village level \ circle level revenue officials will verify and authenticate the Vanshawali and possession of holding. This authenticated list of farmers after due verification of succession chart shall be countersigned by the District level revenue authority. Farmers' names, subject to the exclusion criterion after following the aforementioned process, shall be uploaded on the PM-Kisan portal along with other required details for this disbursement of benefit under the scheme."

6. <u>Strategy for Implementation</u>

6.1 The States shall prepare database of eligible beneficiary land holder farmer families in the villages capturing the Name, Age, Gender, Category (SC/ST), Aadhaar Number, Bank Account Number and the Mobile Number of the beneficiaries. Responsibility of identifying the land holder farmer family eligible for benefit under the scheme shall be of the State / UT Government. In case of beneficiaries in States of Assam, Meghalaya, J&K where Aadhaar number has not been issued to most of the citizens, Aadhaar number shall be collected for those beneficiaries where it is available and for others alternate prescribed documents such as Driving Licence, Voters' ID Card, NREGA Job Card, or any other identification documents issued by Central / State / UT Governments or their authorities, etc. can be collected for identity verification purposes. These three States have been exempted from the requirement of Aadhaar number till 31.3.2021. In the meantime these States will complete Aadhaar enrolment. States / UTs shall ensure that there is no duplication of the payment transferred to eligible families. Speedy reconciliation in case of wrong / incomplete bank details of the beneficiary should be ensured.

6.2 For the purpose of exclusion States have to take a self-declaration from the beneficiaries as detailed in par 4.2 above. In the said self-declaration taken by the States / UT Governments an undertaking should also be included wherein the consent of the beneficiaries should be taken for using the Aadhaar number for verification of his eligibility for the scheme with the concerned agencies. This consent of the beneficiary should be "to agree that the department responsible for implementation of the Pradhan Mantri Kisan Samman Nidhi Yojana in Union Government or the State Government / Union Territory Administration can use the beneficiary Aadhaar number and other information provided in the declaration to verify the eligibility of the beneficiary for scheme as per extant scheme guidelines with the concerned agencies".

6.3 The existing land-ownership system in the concerned State / UT will be used for identification of beneficiaries. Accordingly, it is of utmost importance that the land records are clear and updated. Further, State / UT Governments would also expedite the progress of digitization of the land records and linking the same with Aadhaar as well as bank details of the beneficiaries.

6.4 The lists of eligible beneficiaries would be published at the village level. Farmers' families who are eligible but have been excluded should be provided an opportunity to represent their case.

7. Review, Monitoring and Grievance Redressal Mechanism

7.1 There will be stratified review / monitoring mechanism at National, State and District Level. At the National level, the Review Committee will be headed by Cabinet Secretary. The States shall notify the State and District Level Review / Monitoring Committee.

7.2 The States shall also notify State and District Level Grievance Redressal Monitoring Committees for looking into all the grievances related to implementation of the scheme. Any grievances or complaints which are received should be disposed off on merit preferably within two weeks time.

8. Setting up of Project Monitoring Unit (PMU)

8.1 A Project Monitoring Unit (PMU) at Central level will be set up in the Department of Agriculture, Cooperation & Farmers Welfare (DAC&FW) in the form of a Society registered under the Societies Registration Act, 1860. This PMU shall be tasked with the responsibility of overall monitoring of the scheme and shall be headed by Chief Executive Officer (CEO). PMU shall also undertake publicity campaign (Information, Education and Communication-IEC).

8.2 Each State / UT Government will designate a Nodal Department for implementation of the scheme and coordinating with Central Government with regard to implementation of Income Support Scheme.

8.3 On the lines of PMU at central level, States / UTs may consider setting up dedicated Project Monitoring Units at State / UT Level. 0.125% for the amount of installments transferred to beneficiaries can be transferred by Central Government to State / UT Government to cover the expenditure on their PMUs, if established and for meeting other related administrative expenses including cost to be incurred for procurement of stationary, field verification, filling of prescribed formats, their certification and its uploading as well as incentive for field functionaries, publicity, etc. States / UTs will furnish the details of the account to which Administrative Charges are credited by the Central Government. The administrative charges payable to the States / UTs will be provided by Government of India based on the volume of work and the number of beneficiaries.

9. PM-Kisan Portal for implementation of the scheme (Beneficiary Details uploading by State)

9.1 Beneficiaries under the scheme are to be identified by the respective State and Union Territory. The details of farmers are being maintained by the States / UTs either in electronic form or in manual register. To make integrated platform available in the country to assist in benefit transfer, a platform named **PM-Kisan Portal** available at URL **(http://pmkisan.gov.in)** has been be launched for uploading the farmers' details at a single web-portal in a uniform structure.

9.2 The PM-Kisan Portal has been created with the following objectives -

i) To provide verified and single source of truth on farmers' details at the portal.
ii) Timely assistance to the farmers in farm operation
iii) A unified e-platform for transferring of cash benefits into farmer's bank account through Public Financial Management System (PFMS) integration.
iv) Location wise availability of benefited farmers' list.
v) Ease of monitoring across the country on fund transaction details.

9.3 **PM-Kisan Portal :**

The following farmer attributes need to be entered in the Portal:

Farmer Attributes: (Essential):

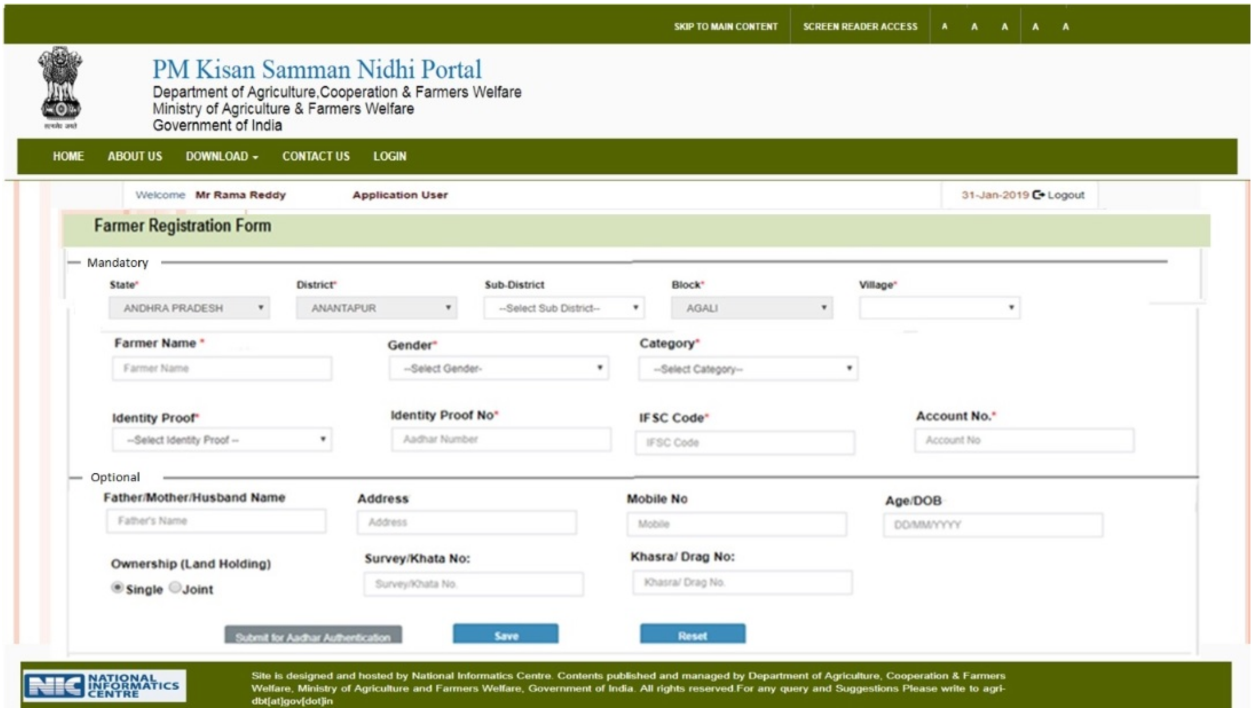
State, District, Sub-District/Block, Village, Farmer Name, Type of Identity – Aadhaar Number and in case Aadhaar not available, Aadhaar enrollment number with any other ID proof like Voter ID etc, Gender, Category, IFSC Code, Bank Account Number.

Farmer Attributes (Optional):

Father name, Address, Mobile Number, Date of Birth/Age, Farm-Size in Hectare, Survey Number, Khasra Number

Optional attributes such as Mobile number can be utilized for SMS alerts. Other optional attributes may be used for purpose of future requirement. However, these attributes are not essential for purpose of transfer of money.

These attributes are illustrated on PM-KISAN Portal http://pmkisan.gov.in as follows



9.4 There are 3 ways through which a State / UT can onboard on the PM Kisan Portal:

(a) If a State / UT has village / district wise list of farmers, they may upload the same in a pre-defined format and with the help of local NIC State Unit.

(b) Some existing data of farmers is already available on the PM-Kisan Portal which will be visible on selection of States / Districts / Village. States / UTs which do not have their own list may use this village-wise list of farmers as provided on the portal and edit the same to finalize the farmers' list. For this the correction window shall be available at PM-Kisan portal for authorized users of District and Block officials.

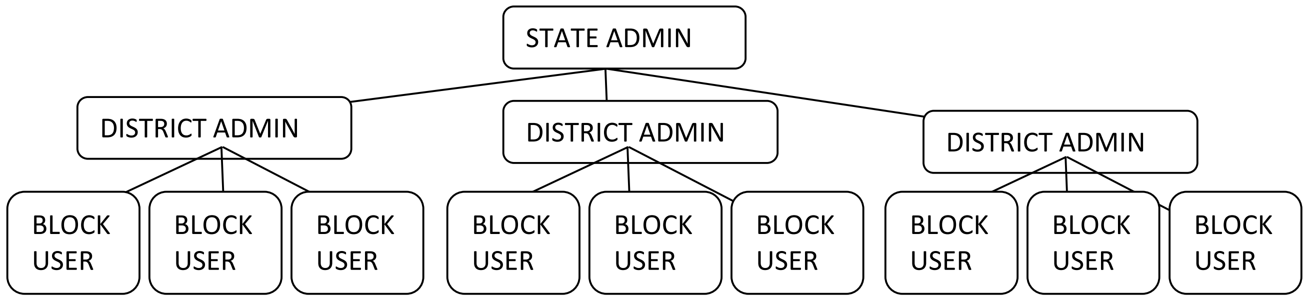
(c) If States / UTs want to make fresh entry of a farmer, provision is there for registration of these farmers in a defined and standardized format.

9.5 Databases of Pradhan Mantri Fasal Bima Yojana (PMFBY), Soil Health Cards, Socio Economic and Caste Census (SECC) can also be utilized for this purpose.

State/UT wise status of number of farmer records shall be available at **http://pmkisan.gov.in**.

9.6 **Records preparation process through PM-KISAN Portal:**

1. State-admin and District-admin need to be identified for creation of login credentials or approval of login credentials in case of self-registration by District and Block / Tehsil / Taluka officials.



2. Farmers list as available on the portal shall be available at Block / Tehsil / Taluka level official's login.

3. Search facility will also be available to get details on Farmers by Name, Aadhaar Number or Mobile Number in case PM-KISAN Portal data is being used. Facility to add new farmers' details shall be available, if details are not found in the list.

4. The verified list shall be e-signed by the District level or block / tehsil / taluka level officials as the case may be. The exclusion categories specified in scheme guidelines also need to be taken care before e-signing the verified farmers list.

5. The States Nodal Officer shall submit a district wise e-Signed list of farmers to the Program Division of DAC&FW through PM-Kisan Portal.

10 Modalities for transfer of benefit

10.1 The financial benefit of Rs.6000/- per year is to be released to the eligible farmers in three installments of Rs.2000/- each every 4-month / trimester, i.e. April-July, August-November and December-March.

10.2 The Scheme is being implemented through an Aadhaar linked electronic data base containing details of all members of the families of the farmers whose names appear in the land records. For transfer of the financial benefits to the eligible farmers, Aadhaar number shall be collected for all beneficiaries, since payment of all installments pertaining to the trimester December, 2019 – March, 2020 onwards shall be done only on the basis of Aadhaar seeded data base. However, exemption has been to the States of Assam, Meghalaya and Jammu & Kashmir from the requirement of Aadhaar number and Aadhaar seeded database under the scheme till 31.3.2021. In the meantime these States will complete Aadhaar enrolment so that subsequent installments are released on the basis of Aadhaar seeded data only. States / UTs shall ensure that there is no duplication of the payment transferred to eligible families.

10.3 The funds pertaining to income support benefit as well as administrative charges shall be released from Government of India to the States' designated account / mechanism. The benefit shall be transferred by Government of India to the beneficiaries through a mechanism wherein district wise beneficiaries' lists shall be certified and uploaded by the States / UTs and the funds will be electronically transferred via State Notional Account [similar to Mahatma Gandhi National Rural Employment Guarantee Scheme (MNREGS)] to the beneficiaries' bank accounts on the basis of their account numbers and IFSC codes. However, where the states verify that Aadhaar linked accounts are not the loan accounts of beneficiaries, the Aadhaar linked payment system can be adopted. However, from the December, 2019 – March, 2020 trimester onwards the States shall have to ensure Aadhaar linked bank accounts of the beneficiaries, except in case of Assam, Meghalaya and Jammu & Kashmir, which have been given exemption till the 31st March, 2021. For ease of implementation the States may consider assigning the job of sponsoring bank for the scheme to the same bank being used by concerned State for MGNREGS.

10.4 The funds pertaining to income support benefit as well as administrative charges shall be released from Government of India to the State designated account / mechanism. Detailed modalities for transfer of funds are as under:

(a) The amount due to the beneficiaries under the scheme is to be paid directly into their bank accounts through the mechanism of Direct Benefit Transfer (DBT)**.** The amount will flow to the accounts of the beneficiaries held in destination banks, through the accredited bank of DAC&FW and sponsoring banks of the States /UTs, using PFMS portal. The destination bank can be a Schedule Bank, Post office, Rural Bank, Cooperative Bank or any other Financial Institution.

(b) The important steps to be taken by State / UT Governments and the Union Government for timely payment into the beneficiary account are listed below:

A. State / UT Government:

i. State / UT Governments are to identify the beneficiaries and upload the beneficiary details on the web portal of the scheme.

ii. Correctness of beneficiary details is to be ensured by State / UT Governments. Further, speedy reconciliation in case of wrong / incomplete bank details of the beneficiary should be ensured.

iii. For facilitating payment, Fund Transfer Order (FTO) for the total amount in a batch of beneficiaries is to be signed by State / UT on the web portal of the scheme.

iv. State / UT Governments are also required to identify a bank in each State / UT and designate it as sponsoring bank for this scheme. States may consider designating the same bank for use for MNRGES for sponsoring bank for this schemes.

v. The bank to be designated as sponsoring bank is to have well developed IT system with the capabilities of integration with web portal of the scheme and PFMS.

vi. Details of sponsoring bank along with IFSC code and bank account number in which funds are to be transferred are to be provided to the Department.

vii. States / UT Governments are to authorise the sponsoring bank to directly transmit the amount received under the scheme to destination banks having beneficiary account.

viii. The sponsoring bank is to transmit the funds to destination bank soon after the same are received by it.

B. Union Government:

I. The Programme Division in the DAC&FW is to issue Sanction Order on the basis of FTOs received from States / UTs.
II. The beneficiary account is to be credited periodically after the issuance of the Sanction Order.
III. Beneficiary would be intimated about credit of amount to his account by Short Messaging Service (SMS).
IV. The confirmation of credit to the beneficiary account would be received back by the DAC&FW on the day next to the day of credit to the beneficiary account.
V. Failed / unsuccessful transactions would be reported back by the banking system to the DAC&FW, on the day next to the day of reporting of the successful transactions, along with amount involved.
VI. Details of failed transactions would be made available to States / UTs for further verification of beneficiary details and reprocessing.

10.5 The beneficiary lists would be displayed at Panchayats to ensure greater transparency and information. Further, States / UTs would notify the sanction of benefit to the beneficiary through system generated SMS. In cases of complaints / grievances emanating subsequent to publication of beneficiary list, the same should be addressed and remedial action taken expeditiously. Efforts should be undertaken by State / UT Governments to ensure checking for around 5% of the beneficiary for the eligibility during the year.

11. **Validity of the list of beneficiaries**

The list of beneficiaries identified by States / UTs shall be valid for one year. However, States / UTs can upload names of eligible beneficiaries who have been identified subsequently. States / UTs should also implement a mechanism to ensure revision of the name of the beneficiary in case of mutation /changes in the land record after uploading list on the portal for updation of the eligible beneficiary details for such lands as per above para 5.3.

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