



# Agriculture Insurance Company of India Limited

Head Office: Plate B & C, 5th Floor, Block 1, East Kidwai Nagar, New Delhi - 110023

## COFFEE RAINFALL INSURANCE

(UIN: IRDAN126RP0002V02200506)

### BROCHURE

1. Coffee Rainfall insurance is a unique rainfall insurance product designed in consultation with Coffee Board, Central Coffee Research Institute and coffee growers of the states of Karnataka, Kerala and Tamilnadu.
2. The rainfall insurance provides effective risk management aid to those coffee growers likely to be impacted by adverse rainfall incidence.
3. The most important benefits of Rainfall Insurance are:
  - i) Trigger events like adverse rainfall can be independently verified and measured.
  - ii) It allows for speedy settlement of indemnities, as early as a fortnight after the indemnity period.

### Coverage

AIC hereby agrees, subject to the terms, conditions and exclusions herein contained, or otherwise expressed herein, to compensate the insured, in the manner specified herein, against the likelihood of diminished coffee output/yield resulting from shortfall / excess in the actual rainfall (as the case may be) for different coverage options within a specific geographical location and specified time period, subject to a maximum of the Sum Insured specified in the Schedule to the policy under each of the coverage options.

**Period of Insurance:** The insurance operates during 1<sup>st</sup> March to 31<sup>st</sup> December. The periods under different coverage are as follows:

- a) Blossom Shower: 1<sup>st</sup> March to 15<sup>th</sup> April/ 30<sup>th</sup> April/ 15<sup>th</sup> May.
- b) Backing Shower: 20/25 days after the completion of the Blossom Shower
- c) Monsoon Shower: 1<sup>st</sup> July to 31<sup>st</sup> August
- d) Post Monsoon Shower: 1<sup>st</sup> November to 31<sup>st</sup> December

Period of insurance under each coverage option is to be specified separately for each zone/ rain gauge station area.

### How claims become payable:

In the event that, in the geographical location and during the time period specified in the Schedule to this policy for different options, the Actual Rainfall is deficit / excess compared to the specified trigger level, the benefit payable to the insured shall be a sum specified corresponding to the trigger level, subject to maximum of the Sum Insured specified under various options of the Schedule.



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## Claim Documentation:

Claims are automated; and will be settled on the basis of actual rainfall data received from the concerned agencies/ institutions. Claims when become payable, will be paid at a uniform rate to all the insured growers in the coffee zone.

The insured shall tender to AIC all reasonable information, assistance and proofs in connection with any claim hereunder.

- 1) **“Blossom Showers”** shall mean the rainfall received between 1st March to 15th / 30th April for the bud to flower (bud enlargement and anthesis). The normal requirement of rainfall is 25 mm in seven consecutive days.
- 2) **“Backing Showers”** shall mean the rainfall received around 20 / 25 days from the completion of Blossom Showers to achieve fruit development & retention. The normal requirement of rainfall is 12 mm in two consecutive days.
- 3) **“Monsoon Showers”** shall mean the rainfall received during 1st July to 31st August for the fruit to grow in size. The rainfall within normal range is beneficial for early ripening and maturity. The rainfall beyond 25 to 40 mm in any seven consecutive days during the period is likely to adversely affect the coffee yield.
- 4) **“Post Monsoon Showers”** shall mean the rainfall received during 1st November to 31st December for normal ripening of the crop and improvement in the next year's wood. The rainfall of 25 / 30 mm during the period is likely to be beneficial for the coffee yield.
- 5) **“Blossom Showers Trigger”** shall mean a point below which the payout triggers. The payout shall commence if the rainfall is below 25 mm during the period of ..... (to be specified for each policy) and full payout is given if the rainfall is below 5 mm.
- 6) **“Backing Showers Trigger”** shall mean a point below which the payout triggers. The payout shall commence if the rainfall is below 12 mm, and full payout is given if the rainfall is below 5 mm. The period for Backing Shower shall commence after the completion of the Blossom Shower with 25mm. Should the requirement of 25mm fail during the period, a minimum of 16mm would be considered for fulfillment of Blossom Showers and subsequent commencement of period of Backing Showers. In case the Blossom Showers occur over a period less than 7 days, still, the period for Backing Showers will be counted only after full 7 days, counting from the 1st day of the occurrence of Blossom Showers. However, if the total rainfall is less than 12mm for Blossom Shower, full payout is made for Backing Shower. If full payout is made for Blossom Shower (i.e. the rainfall is less than 5mm), the payout made under Backing Shower is restricted to 50% of maximum payout.
- 7) **“Monsoon Showers Trigger”** shall mean a point above which the payout triggers. The payout shall commence if the daily rainfall is more than .....mm (to be specified for each policy) consecutively for .... days (to be specified for each policy)
- 8) **“Post Monsoon Showers Trigger”** shall mean a point below which the payout triggers. The payout shall commence if the rainfall is below 25 mm (received in consecutive 3 days during the period, to be specified for each policy) or any 3 days with daily rainfall of 10 mm during the period.



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- 9) **“Reference Rain gauge Station”** shall mean the India Meteorological Department (IMD) / State Government / Coffee Board’s rain gauge station (or other independent weather stations set up by private data providers) for recording the rainfall data (to be specified for each individual policy)
- 10) **“Sum Insured”** means and denotes the amount of cover available under each option as stated in the Schedule. This is the maximum indemnity that AIC will pay in all under each option under this policy.

## Premium

Premium chargeable would be statistically/actuarially calculated based on the type of coffee crop, geographical area, the coverage sought, the past rainfall pattern in the specified geographical area.

## COMPANY PROFILE

Agriculture Insurance Company of India Limited (AIC) was promoted by General Insurance Corporation of India (GIC) and National Bank for Agriculture and Rural Development (NABARD) and four Public Sector General Insurance Companies, and incorporated under Companies Act on 20<sup>th</sup> December 2002.

AIC has taken over the implementation of National Agricultural Insurance Scheme (NAIS), which until FY03 was implemented by General Insurance Corporation of India. In future, AIC would also be transacting other insurance businesses directly or indirectly concerning agriculture and its allied activities.

AIC’s mission is to provide financial security to persons engaged in Agriculture and allied activities through Insurance Products and other Support Services.

*Insurance is the subject matter of solicitation.*

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