



## Agriculture Insurance Company of India Limited

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

### **PULPWOOD TREE INSURANCE POLICY**

(UIN: IRDAN126RP0004V01200708)

WHEREAS the insured by a proposal and declaration, which shall be the basis of this contract and is deemed to be incorporated herein has applied for insurance hereunder contained and has paid the premium as consideration for such insurance to the **Agriculture Insurance Company of India Limited** (hereinafter called 'The Company').

Now this policy witnesseth that subject to the terms, conditions, clauses and exclusions contained herein or enclosed or endorsed or otherwise expressed hereon if after the payment of the premium the pulpwood trees described in the schedule herein or any part thereof, are totally damaged /dead due to:

1. Fire (Forest fire and Bush Fire)
2. Lightning.
3. Storm, Hailstorm, Cyclone, Tempest, Hurricane, Tornado, High Winds and Gale
4. Flood and Inundation.
5. Earthquake
6. Riot and strike
7. Acts of Terrorism
8. Specified Disease and Pest like Termite.
9. Impact Damage by wild animals
10. Drought/Prolonged Dry Spell (Optional with extra premium)

Occurring either in isolation or concurrently during the period of insurance stated in the said schedule or during any subsequent period in respect of which the insured shall pay and the company shall accept the premium required for the renewal of this policy, the Company will pay to the insured an amount as defined and in the manner and to the extent described herein as per this policy and as per the indemnity procedure at the time of happening of the destruction or damage, but in no case exceeding the total sum insured stated in the said schedule subject to the special conditions described below.

#### **SPECIAL CONDITIONS**

1. Field selected for Pulpwood tree cultivation should be pest/ disease free.
2. Field selected should meet the soil requirements w.r.t. pH, salinity etc.
3. Proper soil treatment must be done before planting.
4. Certified and good quality planting material must be used for planting purposes.
5. Initial plant population should be as per the recommended package of practices.
6. The tree plantation field must have adequate irrigation facility to meet the minimum water requirement of the plant during initial period of establishment.
7. The Insured must take necessary precaution for plant protection and follow the recommended cultural or package of practices in the event of peril affecting the field.



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8. All the acreage cultivated by the insured under the Pulpwood trees in a particular location has to be insured in full;
9. The period of insurance shall commence after expiry of 120 days from transplantation to the fields.
10. There shall be 30 days waiting period i.e. no claim is admissible for first 30 days of the policy.
11. No smoking and / or cooking shall be allowed in the open within 30 meters of the property hereby insured except in the well laid premises set apart for this purpose.

Provided always that due observance and fulfillment of the terms, conditions and exceptions of this policy in so far as they relate to anything to be done or complied with by the insured and the truth of the statements and answers in the proposal shall be deemed to be a condition precedent to the right of the insured to recover hereunder. The Schedule shall be deemed to be incorporated in and shall form part of this policy and the expression “this policy” wherever used in this contract shall be read as including the Schedule. Any word or expression to which a specific meaning has been attached in any part of this policy or of the Schedule shall bear the same meaning whenever it may appear.

## MAIN EXCLUSIONS

This insurance policy does not cover:

1. Loss or theft during or after the occurrence of the insured peril.
2. Loss or damage to the insured tree / plant due to non-bearing of fruits by the plant.
3. Loss or damage to the insured tree / plant traceable to pre-plantation or cloning/biotechnical risks.
4. Partial loss to the tree/plant is not covered.
5. Loss or damage to the tree / plant due to:
  - i) Drought conditions and inability to provide sufficient irrigations as required (exclusion inoperative in case of additional optional cover for drought and prolonged dry spells).
  - ii) Willful negligence of insured and / or his employees or any one acting on their behalf.
  - iii) Human action, birds and animals.
  - iv) Fog and / or high humidity.
  - v) Improper selection of site and plant spacing and planting method for establishing the plant.
  - vi) Inter-cropping losses
6. Damage to irrigation system, agricultural equipment's or implements, land and any other structure supporting the plants directly or indirectly.
7. Any kind of consequential loss.
8. This insurance policy does not cover loss or damage to fertilizers, manures, pesticides and insecticides stored at the site of the plantation.



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9. Any loss or damage sustained by the insured due to poor management and cultural practices followed by him.
10. Loss or damage to tree / plant arising out of the presence of weeds, inter crop or cover crop in the basins, is excluded under this policy.
11. Natural mortality of plants.
12. Loss of plants due to soil pollution of any form.
13. The excess, franchise and deductions under the policy which has to be borne by the insured in respect of each and every policy.

### General Exclusions

The company shall not be liable in respect of

Loss or damage to plant or fruits or liability caused by or arising from or in consequence, directly or indirectly due to:

- i) War, Invasion, Act of foreign enemy, Hostilities or war-like operations (whether war be declared or not), civil war, rebellion, revolution, civil commotion, military or usurped power, martial law, conspiracy, confiscation, commandeering, persons acting maliciously on behalf of or in connection with any political organization, requisition or destruction or damage by order of any Government de-jure or de facto or by any public or local authority.
- ii) Ionizing radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel the radio active toxic, explosives or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
- iii) Volcanic eruptions or other convulsions of nature other than those specifying covered by this policy.

### GENERAL CONDITIONS

1. It is agreed that the excess, franchise and deductions shall apply separately to each incident giving rise to loss or damage and that for the purpose hereof an incident shall not be considered to have terminated until there have been seven consecutive days freedom from the perils concerned and that only thereafter shall the clause apply afresh. In any case all the claims paid / payable during the insured period cannot exceed the sum insured
2. This policy shall be voidable at the option of the insurer in the event of misrepresentation, misdescription, and non-disclosure of any material particular / fact by the insured.
3. i) On happening of any loss or damage, the insured shall forthwith give notice thereof to the company within 72 hours (directly or through the financing bank or through concerned organization on behalf of which the plantation is being done) and shall within 15 days after loss or damage or such further time as the company may in writing allow in that behalf, deliver to the company:



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a) A claim in writing for the loss or damage containing as particular an account as may be reasonably practicable of all the plants damaged or destroyed, and of the amount of the loss or damage thereto respectively, having regard to their value at the time of the loss or damage, not including profit of any kind.

b) Particulars of all other insurances, if any.

(ii) The insured shall forfeit all rights and benefits under the Policy if he fails to intimate the loss immediately.

(iii) The insured shall also at all times at his own expense, produce, procure and give to the company, all such further particulars, plans, specifications, books, vouchers, invoices, duplicates or copies thereof, documents, proofs and information with respect to the claim and the origin and causes of and the circumstances under which the loss or damage occurred, and any matter touching the liability of the company as may be reasonably required by or on behalf of the company together with a declaration on oath or in other legal form of the truth of the claims and of any matters connected therewith if required in verification of the claim. The insured shall permit the authorized representatives of the Company at all times to examine the loss. No claim under this policy shall be payable unless the terms of this condition have been complied with.

(iv) The company reserves the right to treat the loss as 'no claim' if the required information / documents are not submitted by the insured within a period of six months from the date of loss.

(v) In no case whatsoever shall the company be liable for any loss or damage after the expiration of 12 months from the happening of the loss or damage unless the claim is the subject of pending action or arbitration, it being expressly agreed and declared that if the company shall disclaim liability for any claim hereunder and such claim shall not within 12 calendar months from the date of the disclaimer have been made the subject matter of a suit in a court of law then the claim shall for all purposes be deemed to have been abandoned and shall not thereafter be recoverable hereunder.

4. During the period of this policy, the insured should possess all rights with regard to the agricultural land and the pulpwood trees / plants cultivated as specified by the insured in the Schedule to the policy. The insured shall provide to the company such title deeds and other documents as may be required by the company for verification of his/her interest over the insured property. The due observance and fulfillment of the above shall be a condition precedent for settlement of any claim under this policy.

5. The insured shall take all reasonable steps to safeguard his farm / plants from loss or damage and to maintain it in efficient condition and the company shall have at all times free and full access to examine the plants or any part thereof. It is the duty of the insured to take necessary precaution for plant protection and follow the recommended cultural or package of practices in the event of perils affecting the filed. It will be the duty of the insured to take reasonable steps to avert or minimize the loss of any nature arising out of the insured or uninsured peril.



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6. This policy and the schedule shall be read together and any word or expression to which a specific meaning has been attached in any part of this policy or of the schedule shall bear the same meaning wherever it may appear.
7. The due observance and fulfillment of the terms, conditions and endorsements of this policy in so far as they relate to anything to be done or complied with by the insured and the truth of the statements and answers in the said proposal from shall be conditions precedent to any liability of the company to make any payment under the policy.
8. If at the time any claim arises under this policy, there is any other existing insurance covering the same property against same loss or damage, the company shall not be liable to pay or contribute more than its ratable proportion of any loss or damage, compensation costs or expenses.
9. The insured shall keep an accurate record containing all relevant particulars and shall allow the company to inspect such record. The insured shall within one month after the expiry of each period of insurance furnish such information as the company may require.
10. Any of the circumstances in relation to these conditions coming to the knowledge of any official of the company shall not be the notice to or be held to bind or prejudicially affect the company notwithstanding subsequent acceptance of any premium.
11. The company shall not be bound to notice or be affected by any notice of any trust, charge, lien, assignment or other dealing with or relating to this Policy but the receipt of the Insured or his legal personal representative shall in all cases be an effectual discharge to the company.
12. Any special provisions subject to which this Policy has been entered into and endorsed in the Policy or in any separate instrument shall be deemed to be part of this Policy and shall have effect accordingly.
13. Condition of Average: The insured is expected to insure the entire acreage under plantation in any given contiguous area / location, failing which if claim arises; the claim will be settled in the proportion insured acreage bears to the total acreage
14. If the claim be in any respect fraudulent or if any false declaration be made or used in support thereof, or if any one acting on his behalf to obtain any benefit under this policy or if the loss or damage be occasioned by the willful act or with the connivance of the insured, all benefits under this policy shall be forfeited.
15. Any dispute concerning to interpretation of the terms, conditions, limitations and/ or exclusions contained herein is understood and agreed to by both the insured and AIC to be subject to Indian Law. Each party agrees to submit to the exclusive jurisdiction of the High Court of New Delhi and to comply with all requirements necessary to give such Court the jurisdiction. All matters arising hereunder shall be determined in accordance with the law and practice of such Court.
16. The company may cancel this policy by sending fifteen days notice by registered letter to the insured at his last known address and in such event return to the insured the premium paid less the pro-rata portion thereof for the period the policy has been in force or the policy may be canceled at any time by the insured (provided no claim has arisen during the current period of insurance),



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the insured shall be entitled to a return of premium less premium at the company's short period rates for the period the policy has been in force. The short period rates shall be as follows:

For a period not exceeding 15 days	10% of the annual rate
For a period not exceeding 1 month	15% of the annual rate
For a period not exceeding 2 months	30% of the annual rate
For a period not exceeding 3 months	40% of the annual rate
For a period not exceeding 4 months	50% of the annual rate
For a period not exceeding 5 months	60% of the annual rate
For a period not exceeding 6 months	70% of the annual rate
For a period not exceeding 7 months	75% of the annual rate
For a period not exceeding 8 months	80% of the annual rate
For a period not exceeding 9 months	85% of the annual rate
For a period exceeding 9 months	the full annual rate

17. Arbitration: If any difference shall arise as to the quantum to be paid under this policy (liability being otherwise admitted), such difference shall independently of all other questions be referred to the decision of an Arbitrator to be appointed in writing by the parties in difference or if they cannot agree upon a single arbitrator, to the decision of two disinterested persons as arbitrators of whom one shall be appointed in writing by each of the parties within two calendar months after having been required so to do in writing by the other party in accordance with the provisions of the Arbitration and Conciliation Act, 1996 as amended from time to time and for the time in force in case either party shall refuse or fail to appoint arbitrator within two calendar months after receipt of notice in writing requiring an appointment the other party shall be at liberty to appoint sole arbitrator and in case of disagreement between the arbitrators the difference shall be referred to the decision of an umpire who shall have been appointed by them in writing before entering on the reference and who shall with the arbitrators and preside at their meetings.

It is clearly agreed and understood that no difference shall be referable to arbitration as hereinbefore provided if the company has disputed or not accepted liability in respect of this policy.

It is hereby expressly stipulated and declared that it shall be a condition precedent to any right of action or suit upon this policy that the award by the arbitrator or arbitrators or umpire of the amount of the loss or damage shall be first obtained.

18. It is also hereby further expressly agreed and declared that if the company shall disclaim liability to the insured for any claim hereunder and such claim shall not within 12 calendar months from the date of such disclaimer have been made the subject matter of a suit in a court of law, then the claim shall for all purposes be deemed to have been abandoned and shall not thereafter be recoverable hereunder. In no case whatsoever shall the company be liable for any loss or damage after the expiration of 12 months from the happening of the loss or damage, unless the claim is the subject of pending action and / or arbitration.

19. This insurance shall cease to attach if the interest in the subject matter of insurance passes from the insured to anyone otherwise than by "WILL" or operation of law.





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20. **ONUS OF PROOF:** In the event of the insured making any claim for loss or damage under this policy he must (if so required by the company) prove that the loss or damage was occasioned by or through or in consequence of the peril covered.

21. The insured shall maintain all farm records, plant population and pest / disease occurrence records and furnish the same at the time of loss.

22. Notices

Any notice, direction or instruction given under this Policy shall be in writing and delivered by hand, post, or facsimile to:

(i) In case of the Insured, at the address specified in the Schedule.

(ii) In case of **Agriculture Insurance Company of India Limited:**

**HEAD OFFICE:**

Plate B & C, 5th Floor, Block 1,  
East Kidwai Nagar,  
New Delhi - 110023  
Ph: 011-24604444  
E-mail: aicho@aicofindia.com

or the Regional Offices of the company located at the state head quarters.

Notice and instructions will be deemed served 7 days after posting or immediately upon receipt in the case of hand delivery, facsimile or e-mail.

23. **Customer Service:** If at any time the Insured requires any clarification or assistance, the Insured may contact the offices of AIC at the address specified, during normal business hours.

24. **Grievances:** In case the Insured is aggrieved in any way, he may contact the Regional Offices of the Company located at the State Head Quarters or at AIC Head Office at above given address, detailing the reasons for the grievance. Customers who are not convinced by the internal grievance handling of the Company have recourse to Insurance Ombudsman working under the Insurance Regulatory and Development Authority of India.

### LOSS ASSESSMENT PROCEDURE

The insurance herein is by way of indemnity against pecuniary loss suffered by the insured in respect of the cost of inputs (agreed value) on account of the total loss or damage to the trees / plants by the insured perils specified in the policy. It shall not apply to the loss of yield / production of the tree / plant resulting from insured perils. Total loss shall mean loss or damage to individual pulpwood tree or entire plantation or part thereof leading to death of the plant.

Inter crops and / or cover crops are allowed provided such crops do not pose any threat to the survival and growth of the plants and do not in any way aggravate the risk to the plants due to the insured perils.



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The expression “Cost of Inputs” shall mean the recurring expenses incurred to raise the plantation under the following items:

- 1.Preparation of land – ploughing, tilling.
- 2.Cost of planting material and planting cost.
- 3.Cost of fertilizers and manures and their application.
- 4.Cost of insecticides and pesticides and their application.
- 5.Cost of micronutrients, plant hormones and their application.
- 6.Intercultural operations – weeding, thinning, mulching, hoeing, maintenance of soil structure.
- 7.Labour charges for the above.
- 8.Cost of irrigation (excluding costs of irrigation systems, construction of canals, bunds).

The total cost of inputs per unit area of insurance covered (sum insured) under this Policy shall be deemed to be equivalent to the ‘cost of inputs’, corresponding to age of the plantation. Sum Insured, at the discretion of the insurer can go up to 125% / 150% of the ‘input cost’.

### **Loss Assessment**

On occurrence of any insured perils leading to the total loss of damage to the plant /plants the insured has to submit the claim form to Agriculture Insurance Company of India Limited (AIC). AIC shall send a Loss Assessor / an Agriculture Expert to the field for assessing the loss to facilitate claim processing. For the purpose of claims, death / totally damaged plants making the plant economically unproductive shall be considered as loss under the policy. Decline and / or retardation of growth shall not be deemed as loss.

Thus, the amount of loss assessable under this policy shall be such sum as is arrived at after applying the percentage of death/ damaged plants in the insured area to the amount of sum insured, subject to the terms, conditions, salvage, excess and any other deductions stated below.

### **Claim Settlement**

At the time of settling claims the insured shall be required to furnish one or more of the following documents to AIC:

- i) Loss intimation / Copy of Claim Form
- ii) Copy of Cover Note / Policy
- iii) Proof of insurable interest: Land record proof/ proof of financing or lending
- iv) Documents in proof of loss (operation of insured peril)

At all times during the period of insurance of this policy the insurance cover will be maintained to the full extent of the respective sum insured. However the sum insured shall stand reduced by the loss amount during the balance period of policy in case of payment of claim. In no case the liability (sum of all claims during the policy period) of the company will exceed the sum insured.

### **Franchise**

No claim shall be payable under the Policy if the amount of the claim assessed does not exceed first 10% of the Sum Insured per unit of insurance. The unit of insurance is one acre.





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### **Excess**

The Insured shall bear first 20% of the assessed claim amount of each and every loss.

### **Deductions**

Losses due to any or all of the excluded perils will be quantified and the said sum will be deducted from the loss assessed to arrive at the net loss payable.

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### SCHEDULE OF PULPWOOD TREE INSURANCE POLICY

Name of the state :  
Policy number & date :  
Policy issuing office & address :  
  
Proposal date :  
Name & address of the insured :  
  
Name & address of the financing  
bank / entity :  
  
Plantation to be insured (Specific  
species of Tree / Plant) :  
Age of Plantation (Trees / Plants)  
Description of insured farm(s) :  
  
Risk period :  
Total area covered (Acres) :  
Total sum insured (Rs.) :  
Total premium (Rs.) :  
Service tax @ 12.36 % (Rs.) :  
Total Amount (Rs.) :

The insurance under this policy is subject to the conditions & warranties as per the policy enclosed herewith. Any dispute concerning to interpretation of the terms, conditions, limitations and / or exclusions is understood and agreed to by both the insured and AIC, and is subject to the Indian Law. Each party agrees to submit to the exclusive jurisdiction of the High Court of New Delhi and to comply with all requirements necessary to give such Court the jurisdiction.

IN WITNESS WHEREOF the undersigned being duly authorized by and on behalf of the Company has hereto set his hand.

For Agriculture Insurance Company of India Ltd.  
DULY CONSTITUTED BY ATTORNEY



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### **AGREED BANK CLAUSE**

It is hereby declared and agreed:-

- (a) That upon any monies becoming payable under this policy the same shall be paid by AIC to the Bank<sup>1</sup> and such part of any monies so paid as may relate to the interests of other parties Insured hereunder shall be received by the Bank as Agents for such other parties.
- (b) That the receipts of the Bank shall be complete discharge of AIC therefore and shall be binding on all the parties insured hereunder.
- (c) That if and whenever any notice shall be required to be given or other communication shall be required to be made by AIC to the Insured or any of them in any matter arising under or in connection with this policy such notice or other communication shall be deemed to have been sufficiently given or made if given or made to the Bank.
- (d) That any adjustment, settlement, compromise or reference to arbitration in connection with any dispute between AIC and the Insured or any of them arising under or in connection with this policy if made by the Bank shall be valid and binding on all parties Insured hereunder but not so as to impair rights of the Bank to recover the full amount of any claim it may have on other parties Insured hereunder.
- (e) It is further agreed that whenever AIC shall pay the Bank any sum in respect of loss or damage under this policy and shall claim that as to the Mortgagor or owner no liability therefore existed, AIC shall become legally subrogated to all the rights of the Bank to the extent of such payments but not so as to impair the right of the Bank to recover the full amount of any claim it may have on such Mortgagor or Owner or any other party or parties Insured.

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<sup>1</sup> The Bank shall mean the first named Financial Institution/ Bank named in the policy.