



POTATO CROP INSURANCE (INPUT) POLICY
(UIN: IRDAN126RP0002V01200607)

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 Potato crop described in the schedule herein or any part thereof shall be destroyed or damaged during the currency of the policy, which is fourteen (14) days from planting in case of Kharif crop (planted from June to September) and 20 days from planting in case of Rabi crop (planted from October to next January) till seven days before harvesting leading to reduction in plant population below a **threshold limit, which is 60% of the initial plant population of 25,000 per acre**, directly due to:

1. Fire, including forest fire and bush fire
2. Lightning
3. Act of Terrorism committed by a person or person acting on behalf of or in connection with any organization.
4. Riot and Strike
5. Storm, Hailstorm, Cyclone, Tornado whilst in direct and immediate operation over the area in which the insured plantation described herein stands.
6. Heavy rains, Flood and Inundation
7. Frost and un-seasonal rains
8. Cold waves
9. Earthquake
10. Impact damage by wild animals
11. Specified Pests and Diseases (damage due to cut worms and aphids; wilt, and early blight)

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 the cost of inputs as defined and in the manner and to the extent described herein as per the potato crop insurance 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. (Acreage under each Survey number and exact location is as per location demarcated to the proposal), subject to the conditions described below:

1. Field selected for potato cultivation should be pest/ disease free i.e. proper crop rotation must have been followed over the years for healthy crop.



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2. Certified and good quality tuber (planting material) must be used for planting purposes.
3. Proper seed treatment must be done before planting.
4. All package of practices as recommended by the Producer on whose behalf the potato is grown, should be followed from beginning till the end.
5. The initial plant population should be as per the recommended practices, and shall not be less than 25,000 plants per Acre.
6. The Potato fields must have adequate irrigation facility to meet the minimum water requirement of the plant.
7. Inter-cropping / mixed cropping is not allowed.
8. 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.
9. All the acreage cultivated by the insured under potato in a particular location has to be insured in full;

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

The Potato crop insurance policy does not cover:

1. Loss of tubers (in any stage of development) by theft during or after the occurrence of the insured peril.
2. Loss or damage to the insured due to non-bearing of tubers by the plant.
3. Loss or damage to the plant or tubers due to:
 - i) Drought conditions and inability to provide sufficient irrigations as required.
 - 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 crop.
 - vi) Delay in onset of monsoon or inadequate precipitation and erratic distribution in case of crops purely dependent on rainfall / monsoon.
4. Potato cultivation in Low lying areas / areas prone to frequent flooding.



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5. Damage to irrigation system, agricultural equipments or implements, land and any other structure supporting the plants directly or indirectly.
6. Any kind of consequential loss.
7. This potato crop insurance policy does not cover loss or damage to fertilizers, manures, pesticides and insecticides stored at the site of the crop.
8. Loss or damage to the harvested tubers.
9. Any loss or damage whilst the crop is in transit or storage.
10. Any loss or damage sustained by the insured due to poor management and cultural practices followed by him.
11. Loss or damage to plant or tubers arising out of the presence of weeds, inter crop or cover crop in the basins, is excluded under this policy.
12. Natural mortality of plants.
13. Uprooting of plants traceable to chiseling of roots.
14. Loss of plants due to soil pollution of any form.
15. Loss of plants due to excluded diseases like 'Late Blight'.
16. The excess, franchise and deductions under the policy which has to be borne by the insured in respect of each and every claim.

General Exceptions

The company shall not be liable in respect of

Loss or damage to plant or tubers 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) Nuclear reaction, nuclear radiation or radioactive contamination.
- iii) Volcanic eruptions or other convulsions of nature other than those specifying covered by this policy.



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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.
2. This policy shall be voidable 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 48 hours (directly or through the financing bank or through concerned organization on behalf of which the crop is being cultivated) 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.
 - 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.

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.

- ii) 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.
- iii) 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.



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4. During the period of this policy, the insured should possess all rights with regard to the agricultural land and the potato crop 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 permit the authorized representatives of the Company at all times to examine and confirm at the field level the maintenance of the initial plant population of 25,000 per Acre. The insured and other agencies shall extend all assistance and co-operation for the purpose of examining the plant population.
6. The representatives of the Company shall be permitted at all times to be associated with the farmer and other agencies to confirm the compliance of timely spray of chemicals and pesticides etc.
7. The Company shall have access to all the records concerning the quality of planting material used, seed treatment, package of practices followed and spraying schedule of chemicals & pesticides.
8. 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.
9. 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.
10. 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.
11. 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.
12. 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.
13. 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.
14. 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.



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15. 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.

16. If the insured has more than one acre of cultivation in any one location, he is expected to insure all of them, failing which, if claim arises, the claim will be settled in the proportion insured acreage bears to total acreage.

17. 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.

18. 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.

19. The company may cancel this policy by sending seven day's 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 prorata portion thereof for the period the policy has been in force or the policy may be canceled at any time by the insured on seven day's notice and (provided no claim has arisen during the current period of insurance), 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 premium rates shall be 50% for first month, 75% for first two months and full premium thereafter.

20. 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.



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21. 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.

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

23. 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.

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

25. 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.

26. 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.

27. Grievances: In case the Insured is aggrieved in any way, the Insured may contact the company at the specified address, during normal business hours.



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LOSS ASSESSMENT PROCEDURE

This is basically an input cost cover starting from 14 days from planting during Kharif season and 20 days from planting during Rabi season till 7 days before harvesting. The insurance herein is by way of indemnity against pecuniary loss suffered by the insured in respect of the cost of inputs on account of the loss or damage (death/ total damage of the plants leading to reduction of the plant population below the threshold number) due to the happening of the insured perils. It shall not apply to the loss of yield/production of potato crop resulting from the insured perils.

The expression “Cost of Inputs” shall mean the recurring expenses incurred to raise the crop 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.
Costs of irrigation (excluding costs of irrigation systems, construction of canals, bunds).
7. Harvesting costs.
8. Labour charges for the above.

The threshold plant population shall be deemed to be 60% of initial plant population of 25,000 per Acre under this policy. The total cost of inputs per unit area of insurance covered (sum insured) under this Policy shall be deemed to be Rs. _____ per Acre, which shall be deemed to have been incurred at a percentage as shown in the Indemnity Table below corresponding to the stage of cultivation as shown in the same:

Indemnity Table (Short Duration crop of 70 – 80 days):

S.No.	Stage of cultivation of potato crop	Incurred input costs not exceeding the following % of Maximum Sum Insured
1	During first 30 days after planting	60 %
2	During 31st – 50th day after planting	70 %
3	During 51st – 60th day after planting	80 %
4	61 days after planting	100%

Indemnity Table (Medium / Long Duration crop of 90 - 110 days):

S.No.	Stage of cultivation of potato crop	Incurred input costs not exceeding the following % of Maximum Sum Insured
1	During first 30 days after planting	60 %
2	During 31st – 60th day after planting	70 %
3	During 61st – 80th day after planting	80 %
4	81 days after planting	100%



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On occurrence of any insured perils leading to the reduction of plant population below the '**Threshold Limit**' and giving rise to a claim, the insured farmer has to submit the claim form to AIC. AIC will send a licensed surveyor along with an Agriculture Expert to the field for assessing the loss to facilitate claim processing. For the purpose of claims, death / totally damaged plants below the threshold limit only, shall be considered as loss under the policy. No decline and / or retardation of growth shall 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 per acre to the amount of the cost of inputs per acre, at the stage at which the insured peril causing the loss operates, 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
- ii) Copy of Cover Note / Policy
- iii) Proof of insurable interest: Land record proof/ proof of financing or lending
- iv) In case of wide spread flood, fire or any calamity a farmer has to produce documentary evidence of occurrence of the peril from Metrological Department/ State Agricultural Department / Village Head/ Village Administrative Officer / Govt. Office / Police Station (in case of FIR lodged) or any other appropriate authority.

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 area of insurance.

Excess:

The insured shall bear first 10% of the amount of each and every loss as determined above, i.e., only 90% of the loss assessed shall be paid under the Policy, subject to other terms and conditions of the Policy.

Should more than one claim arise during the policy period, the total of all such claims paid or payable at any point of time shall not exceed the total sum insured under the Policy.

Salvage:

For losses after the tubers have been formed, a standard salvage is deducted based on actual vale subject to a maximum of 20%.

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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Illustration:

For a sum insured of Rs. 30,000 (agreed input cost per acre) and a threshold plant population of 15,000 per acre (normal plant population being 25,000 per acre), in the event of occurrence of one or more insured perils during the 2nd month (45th day) of the insurance period, if the plant population is reduced to 10,000 (a loss of 5000 plants), the maximum compensation payable shall be calculated as follows:

Sum insured = Rs. 30,000

Loss percentage = $(5000/15000) \% = 33.33\%$

Incurred input cost till 2nd month after planting = 70 %

Claim amount = $\text{Rs. } 30,000 * 33.33\% * 70 \% = \text{Rs. } 7000/-$

Excess = $7000 * 10\% = \text{Rs. } 700$

Salvage: Nil

Actual Compensation = $\text{Rs. } 7000 - \text{Rs. } 700 = \text{Rs. } 6300$



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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 Bank¹ 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 hereunder or from any securities or funds available.

ANNEXURE-I

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



SCHEDULE OF POTATO CROP INSURANCE (INPUT) POLICY

Name of the state :
Policy number & date :
Policy issuing office & address :
Proposal date :
Name & address of the insured :
(for details of farmers refer annexure-i)
Description of insured farm(s) :
(for details refer annexure-i)
Risk period : From _____ To _____
(subject to the period being within 14 / 20 days after planting and seven days before harvesting)
Total area covered (Acres) :
Total sum insured (Rs.) :
Total premium (Rs.) :
GST @ ___ % (Rs.) :
Gross premium (Rs.) :

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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Annexure-I

DETAILS OF GROWERS/FARMS TO BE COVERED UNDER POTATO CROP INSURANCE POLICY

(To be filled up in case of group policies & variety-wise)

Attached to and forming part of Policy No.: (To be filled up by AIC)

Period of insurance.....

Sl No	Name & Address of the Farmer	Description of the Insured Field				Area in Acres	Date of Planting	plant Spacing	Plant population / acre	Expected date of harvesting	Sum Insured (Rs.)	Premium (Rs.)	GST (Rs.)	Gross Premium (Rs.)	Bank Branch and Account Number
		Dist.	Block/ Tehsil	Village	Survey No & Plot no.										