

Pradhan Mantri Fasal Bima Yojana [PMFBY]

Policy Wordings

A. Preamble

Whereas the Insured named in the Schedule hereto by a proposal and declaration together with any statement, report and/or other document has applied to SBI General Insurance Company Limited ("Company") and has paid the premium as consideration for insurance which has been realized by the Company, in respect of happening of an event upon which one or more benefits become payable under this Policy during the period of Insurance stated in the Schedule.

B. Scope of Cover

The Company hereby agrees, subject to the terms, conditions and exclusions herein contained, or otherwise expressed herein, to compensate the Insured, in the manner specified in the Schedule, for the shortfall in yield as stated in the Policy, resulting from peril specified under "Risks covered" and within the Insured Area and Policy Period, subject to the maximum Sum Insured specified in Part I of the Schedule to this Policy in the manner specified.

The insurance shall operate on the principle of "Area Approach" in selected notified Reference Unit Areas. Area Approach signifies that a "Reference Unit Area" shall be considered as a Unit-Area of Insurance for the purpose of acceptance of risk and assessment of compensation as well. Therefore, all insured-cultivators of a crop notified by government in the notified Reference Unit Area shall be deemed to be on par so far as their terms of insurance coverage and assessment of compensation are concerned.

C. Definitions

1. Proposal means any signed Proposal by filling up the questionnaires and declarations, written statements and any information in addition thereto supplied to The Company by Insured or on his behalf, which has enabled the Company in considering whether and on what terms to offer this insurance.
2. Policy means the Proposal, Policy wording, the Schedule and any applicable Endorsement or memoranda attaching to or forming part thereof.
3. Schedule means the latest Schedule issued by the Company as part of Your Policy. It provides details of the level of cover the Insured has.
4. Endorsement means any alteration made to the Policy which has been agreed to by the Company in writing.
5. Insured means the persons who are incorporated as Insured/s in the Schedule of the Policy for the purpose of insurance coverage.

6. Exclusion means the damages/ perils/ properties/ contingencies which are not covered under the Policy and for which the Company has no liability in the event of loss occurrence.
7. Policy Period means the period commencing from the effective date and hour as shown in the Policy Schedule and terminating at midnight on the expiry date as shown in the Schedule of the Policy.
8. Sum Insured means the monetary amount of coverage mentioned in the Schedule of the Policy. This is the maximum amount that the Company will pay under this Policy.

In case of Loanee farmers, the Sum Insured would be at least equal to the amount of crop loan sanctioned/advanced, which may extend up to the value of the Threshold Yield of the insured crop at the option of the insured farmer. Where value of the Threshold Yield is lower than the loan amount per unit area, the higher of the two is the Sum Insured.

Multiplying the Notional Threshold Yield (district/ region/ state level) with the Minimum Support Price (MSP) of the current year arrives at the value of the Threshold Yield. Wherever Current year's MSP is not available, MSP of previous year shall be adopted. The crops for which, MSP is not declared, farm gate price established by the marketing department/board shall be adopted.

For farmers covered on voluntary basis the Sum-Insured is up to the value of the Threshold Yield of the insured crop. If the farmer so desire he may be provided with higher level of risk coverage.

9. Area under cultivation would always be expressed in terms of 'hectare'. An individual Cultivator's 'area under cultivation' (in hectare) for a Notified Crop in a notified Reference Unit Area shall be declared by him as follows:
 - i. Loanee Applicant Cultivators: 'Area under cultivation' for the Notified Crop as already declared by him in the Loan Application Form for the purpose of fixing his "Maximum Borrowing Limit [MBL]" by the Lending Financial Institution.
 - ii. Non-Loanee Cultivators The cultivator shall declare the 'area under cultivation' for each Notified Crop in the Insurance Proposal form.
10. The Threshold yield (TY) or Guaranteed yield for a crop in an Insurance Unit shall be the average yield of the preceding 7 years excluding the year(s) in which a natural calamity such as drought, floods etc. may have been declared by the concerned Government/authority, multiplied by level of indemnity. However, it may be ensured that at least 5 years' yield data is available for calculating the threshold yield.
11. The Actual yield (TY) means the actual yield on particular crop calculated through CCEs or any other accepted method.
12. Crop Cutting Experiments (CCEs) means required number of experiments planed and conducted by government in order to assess the actual crop yield.

In instances where required number of CCEs could not be conducted due to non-availability of adequate cropped area, the yield data for such units can be generated by Insurer by proxy indicators, such as clubbing with neighbouring I contagious units, adopting yield of next higher unit, yield data generated by correction I correlation factor with next higher unit, etc.
13. A level of Indemnity is one which is specified in the Policy Schedule.

14. You/ Your/ Yourself"- means the Insured who is named in the Policy Schedule.

D. Risks Covered

1 Standing crop (sowing to harvesting)

Comprehensive risk insurance is provided to cover yield losses due to non-preventable risks, viz.:

- I. Natural Fire and Lightning
- II. Storm, Hailstorm, Cyclone, Typhoon, Tempest, Hurricane, Tornado etc.
- III. Flood, Inundation and Landslide
- IV. Drought, Dry spells
- V. Pests/ Diseases etc.

2 Prevented sowing/planting risk

In the event the Insured farmer is prevented from sowing/planting in the Insured Area due to deficit rainfall or adverse seasonal conditions, such insured farmer who failed to sow/plant (but otherwise has every intention to sow/plant and incurred expenditure for the purpose), shall be eligible for indemnity. The indemnity payable would be a maximum of 25% of the Sum-Insured. The scale of payment for different crops will be worked out by implementing agency in consultation with experts.

3 Post harvest losses

Coverage is available only up to a maximum period of two weeks from harvesting for those crops which are allowed to dry in cut and spread condition in the field after harvesting against specific perils of cyclone and cyclonic rains and unseasonal rains.

E. General Exclusions

The Company will not pay for

1. War Risk: Loss as a consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not) civil war, rebellion, revolution, insurrection, military or usurped power, confiscation, nationalisation, civil commotion, in connection therewith.
2. Nuclear Risk: Any loss to property, consequential loss, legal liability or bodily injury, illness, disease directly or indirectly caused by or contributed to or arising from ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel or the radioactive, toxic, explosive or hazardous properties of any nuclear assembly or nuclear component.
3. Consequential Loss: Consequential loss of any kind or description.

4. Expenses Incurred: Any expenses whatsoever incurred by an Insured in connection with or in respect of any loss, howsoever caused, even if such loss results in diminished agricultural output/ yield.
5. Malicious damage and other preventable risks.
6. Terrorism: Any loss to crop or asset on account of terrorist activities.

F. Nature of Coverage and Indemnity

I. Wide spread calamities

If the 'Actual Yield' (AY) per hectare of the insured crop for the defined area [on the basis of requisite number of Crop Cutting Experiments (CCEs)] in the insured season, falls short of the specified 'Threshold Yield' (TY), all the insured farmers growing that crop in the defined area are deemed to have suffered shortfall in their yield.

'Indemnity' shall be calculated as per the following formula:

[Shortfall = 'Threshold Yield - Actual Yield' for the Defined Area]

$$\frac{\text{Shortfall in Yield}}{\text{Threshold yield}} \times \text{Sum Insured for the farmer}$$

II. On account payment of claims

In case of adverse seasonal conditions during crop season, claim amount up to 25 percent of likely claims would be released in advance subject to adjustment against the claims assessed on yield basis. The on account payment will be considered only if the expected yield during the season is less than 50 percent of normal yield. The criteria for deciding on-account payment of claims shall be based on proxy indicators such as weather, agro-meteorological data/satellite imagery/acreage damaged or such other indicators to be decided by the Government, and will be implemented in States and for crops for which such proxy indicators can be established.

III. Prevented sowing/ planting claims

The extent of claims payable will be decided in respect of the insurance unit area on the basis of rainfall position issued by the concerned Indian Meteorological Department (IMD) for the area during the sowing season and acreage-sown particulars issued by the State Government. Other authentic rain gauge stations which the government shall install for the purpose/ insurer/ insurer nominated agencies can also be considered for the purpose of measuring rainfall. The maximum claims payable will be 25 percent of the sum- insured. Having received indemnity based on prevented sowing/planting, the insurance cover is automatically terminated.

Notified Insurance Units will be eligible for "Prevented Sowing/ Planting" pay-out only if more than 75% of Crop Sown Area for notified crop remained unsown due to occurrence of any of the above perils.

IV. Post harvest losses

Coverage is available only for those crops, which are allowed to dry in the field after harvesting

against specified perils of cyclone in coastal areas, resulting in damage to harvested crop lying in the field in 'cut & spread' condition. In other words, the crop, which after harvest is left in the field for drying, is only covered against the peril specified above. The state/ UT concerned will bring out the list of such crops in consultation with Implementing Agency. The harvested crop bundled and heaped at a place before threshing is beyond coverage under post harvest losses. Further, the coverage is available only up to a maximum period of two weeks (14 days) from harvesting. Assessment of damage will be on individual basis.

V. Localized risks

The losses would be assessed on individual basis in case of loss/damage resulting from occurrence of identified localized risks viz., hailstorm, landslide and Inundation affecting isolated farms in the notified area. The cost of inputs incurred until the time of occurrence of peril, and the expected loss in final yield due to the peril, would form the basis for loss assessment.

G. General Conditions

1. Insured will give every notice and communication in writing to company office through which this insurance is effected.
2. This Policy shall be void and all premium paid by Insured to the Company shall be forfeited in the event of misrepresentation, misdeclaration, mis description, concealment, fraud or non disclosure of any material information or non-cooperation of the Insured.
3. The Insured shall take all reasonable steps to safeguard the interests of the Insured property (crop) against loss or damage that may give rise to a claim.
4. The Company is entitled to enter and examine any insured area where claim event has occurred , receive all necessary information, proof of landholding, crop sowing etc and necessary assistance from Insured and/ or any other Insured Person seeking benefit under this Policy.
5. The Company may at any time, cancel this Policy on grounds like fraud, moral hazard or misrepresentation, misdeclaration, misdecription, non-discosure by giving 15 days notice in writing by Registered post Acknowledgment Due post to the Insured at his last known address in which case the Company shall be liable to repay on demand a ratable proportion of the premium for the unexpired term from the date of the cancellation.
6. If any dispute or difference shall arise as to the quantum to be paid under this Policy (liability being otherwise admitted) such dispute/difference shall independently of all other questions be referred to the decision of a sole arbitrator to be appointed in writing by the parties thereto or if they cannot agree upon a single arbitrator within 30 days of any party invoking arbitration, the same shall be referred to a panel of three arbitrators, comprising of two arbitrators, one to be appointed by each of the parties to the dispute/difference and the third arbitrator to be appointed by such two arbitrators and the Arbitration to be conducted under and in accordance with the provisions of the Arbitration and Conciliation Act, 1996.

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 such arbitrator/ arbitrators of the amount of the loss or damage shall be first obtained.

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

If these arbitration provisions are held to be invalid, then all such disputes or differences shall be referred to the exclusive jurisdiction of the Indian Courts.

H. Declaration:

- i. The Company shall have no liability towards any claim arising under this Policy if the Insured makes any false/ incorrect declaration/information in the Proposal form for insurance, which is material for accepting the risk and offering the cover under the Policy.
- ii. The Company further understands that the Insured has read the Policy and prospectus and has understood the implications of the contents prior to affixing his/her signature on the Proposal form.
- iii. The Insured further undertakes that the responsibility of the declaration signed or recited by the Insured will be binding on all other persons included in the Policy and thus agree to indemnify the Company in any loss arising consequent to their non-adherence or challenging any of the Policy terms and conditions.

I. Transfer of Interest:

The insurance Policy forms a contract between the Company and the Insured. The Insured under the Policy is not eligible to transfer, assign, alienate or in any way pass the benefits and/or liabilities to any other person as specified under this Policy, without specific prior approval in writing from an authorized officer of the Company.

J. Governing Law:

The construction, interpretation and meaning of the provisions of this Policy shall be determined in accordance with the laws of India. The section headings of this Policy are included for descriptive purposes only and do not form part of this Policy for the purpose of its construction or interpretation. The terms of this Policy shall not be waived or changed except by endorsement issued by the Company.

K. Reasonable Care

The Insured shall take all reasonable and proper steps to safeguard and protect the insured property against any fact, matter, circumstance or cause that might result in a Claim under this Policy, and shall not do or cause to be done anything that might enhance the likelihood of a Claim under this Policy (except in an attempt to save human life).

L. Entire Contract

The Policy constitutes the complete contract of insurance. No change or alteration in this Policy shall be valid or effective unless approved in writing by the Company, which approval shall be evidenced by an endorsement on the Policy. No agent shall or has the authority to change in any respect whatsoever any term of this Policy or waive any of its provisions.

The Company shall not be liable to make any payment for a claim made under the Policy until such time as it has been fully satisfied by the Insured of the existence and amount of a claim and the Company's liability for it.

M. Observance of terms and conditions

The due observance and fulfillment of the terms, provisions conditions, warranties and endorsement of this Policy in so far as they relate to anything to be done or complied with by the Insured shall be a condition precedent to any liability of the Company to make any payment under this Policy.

N. Grievances:

The Grievance Redressal Cell of the Insurer looks into complaints from Insured. If the Insured has a grievance that the Insured wishes the Insurer to redress, the Insured may approach the person nominated as 'Grievance Redressal Officer' with the details of his grievance.

Name, address, e-mail ID and contact number of the Grievance Redressal Officer will appear in the Policy document as well as on Insurer's website.

Further, the Insured may approach the nearest Insurance Ombudsman for redressal of the grievance if he/ she is not satisfied with the reply of the Grievance Redressal Committee of the Company. Updated list of office of Insurance Ombudsman is attached for reference.

CONTACT DETAILS	JURISDICTION
AHMEDABAD - Office of the Insurance Ombudsman, 2nd floor, Ambica House, Near C.U. Shah College, 5, Navyug Colony, Ashram Road, Ahmedabad – 380 014. Tel.: 079 - 27546150 / 27546139 Fax: 079 - 27546142 Email: bimalokpal.ahmedabad@gbic.co.in	Gujarat, Dadra & Nagar Haveli, Daman and Diu.
BENGALURU - Office of the Insurance Ombudsman, Jeevan Soudha Building, PID No. 57-27-N-19, Ground Floor, 19/19, 24th Main Road, JP Nagar, 1st Phase, Bengaluru – 560 078. Tel.: 080 - 26652048 / 26652049 Email: bimalokpal.bengaluru@gbic.co.in	Karnataka
BHOPAL - Office of the Insurance Ombudsman, Janak Vihar Complex, 2nd Floor, 6, Malviya Nagar, Opp. Airtel Office, Near New Market, Bhopal – 462 003. Tel.: 0755 - 2769201 / 2769202 Fax: 0755 – 2769203 Email: bimalokpal.bhopal@gbic.co.in	Madhya Pradesh, Chattisgarh.
BHUBANESHWAR - Office of the Insurance Ombudsman, 62, Forest park, Bhubneshwar – 751 009. Tel.: 0674 - 2596461 / 2596455 Fax: 0674 - 2596429 Email: bimalokpal.bhubaneswar@gbic.co.in	Orissa.
CHANDIGARH - Office of the Insurance Ombudsman, S.C.O. No. 101, 102 & 103, 2nd Floor, Batra Building,	Punjab, Haryana, Himachal Pradesh,

Sector 17 – D, Chandigarh – 160 017. Tel.: 0172 - 2706196 / 2706468 Fax: 0172 - 2708274 Email: bimalokpal.chandigarh@gbic.co.in	Jammu & Kashmir, Chandigarh.
CHENNAI - Office of the Insurance Ombudsman, Fatima Akhtar Court, 4th Floor, 453, Anna Salai, Teynampet, CHENNAI – 600 018. Tel.: 044 - 24333668 / 24335284 Fax: 044 - 24333664 Email: bimalokpal.chennai@gbic.co.in	Tamil Nadu, Pondicherry Town and Karaikal (which are part of Pondicherry).
DELHI - Office of the Insurance Ombudsman, 2/2 A, Universal Insurance Building, Asaf Ali Road, New Delhi – 110 002. Tel.: 011 - 23239633 / 23237539 Fax: 011 - 23230858 Email: bimalokpal.delhi@gbic.co.in	Delhi.
GUWAHATI - Office of the Insurance Ombudsman, Jeevan Nivesh, 5th Floor, Nr. Panbazar over bridge, S.S. Road, Guwahati – 781001(ASSAM). Tel.: 0361 - 2132204 / 2132205 Fax: 0361 - 2732937 Email: bimalokpal.guwahati@gbic.co.in	Assam, Meghalaya, Manipur, Mizoram, Arunachal Pradesh, Nagaland and Tripura.
HYDERABAD - Office of the Insurance Ombudsman, 6-2-46, 1st floor, "Moin Court", Lane Opp. Saleem Function Palace, A. C. Guards, Lakdi-Ka-Pool, Hyderabad - 500 004. Tel.: 040 - 65504123 / 23312122 Fax: 040 - 23376599 Email: bimalokpal.hyderabad@gbic.co.in	Andhra Pradesh, Telangana, Yanam and part of Territory of Pondicherry.
JAIPUR - Office of the Insurance Ombudsman, Jeevan Nidhi – II Bldg., Gr. Floor, Bhawani Singh Marg, Jaipur - 302 005. Tel.: 0141 - 2740363 Email: Bimalokpal.jaipur@gbic.co.in	Rajasthan
ERNAKULAM - Office of the Insurance Ombudsman, 2nd Floor, Pulinat Bldg., Opp. Cochin Shipyard, M. G. Road, Ernakulam - 682 015. Tel.: 0484 - 2358759 / 2359338 Fax: 0484 - 2359336 Email: bimalokpal.ernakulam@gbic.co.in	Kerala, Lakshadweep, Mahe-a part of Pondicherry.
KOLKATA - Office of the Insurance Ombudsman, Hindustan Bldg. Annexe, 4th Floor, 4, C.R. Avenue, KOLKATA - 700 072. Tel.: 033 - 22124339 / 22124340 Fax : 033 - 22124341 Email: bimalokpal.kolkata@gbic.co.in	West Bengal, Bihar, Sikkim, Jharkhand, Andaman & Nicobar Islands.
LUCKNOW - Office of the Insurance Ombudsman, 6th Floor, Jeevan Bhawan, Phase-II, Nawal Kishore Road, Hazratganj, Lucknow - 226 001. Tel.: 0522 - 2231330 / 2231331 Fax: 0522 - 2231310 Email: bimalokpal.lucknow@gbic.co.in	Districts of Uttar Pradesh : Laitpur, Jhansi, Mahoba, Hamirpur, Banda, Chitrakoot, Allahabad, Mirzapur, Sonbhadra, Fatehpur, Pratapgarh, Jaunpur, Varanasi, Gazipur, Jalaun, Kanpur, Lucknow, Unnao, Sitapur, Lakhimpur, Bahraich, Barabanki, Raebareli, Sravasti, Gonda, Faizabad, Amethi, Kaushambi, Balrampur, Basti, Ambedkarnagar, Sultanpur, Maharajgang, Santkabirnagar, Azamgarh, Kushinagar, Gorkhpur, Deoria, Mau, Ghazipur, Chandauli, Ballia, Sidharathnagar..
MUMBAI - Office of the Insurance Ombudsman, 3rd Floor, Jeevan Seva Annexe, S. V. Road, Santacruz (W), Mumbai - 400 054. Tel.: 022 - 26106552 / 26106960 Fax: 022 - 26106052 Email: bimalokpal.mumbai@gbic.co.in	Goa, Mumbai Metropolitan Region, excluding Navi Mumbai and Thane
NOIDA - Office of the Insurance Ombudsman, Email: bimalokpal.noida@gbic.co.in	State of Uttaranchal and the following Districts of Uttar Pradesh: Agra, Aligarh, Bagpat, Bareilly, Bijnor, Budaun, Bulandshehar, Etah, Kanooj, Mainpuri, Mathura, Meerut, Moradabad, Muzaffarnagar, Oraiyya, Pilibhit, Etawah, Farrukhabad, Firozbad, Gautambodhanagar, Ghaziabad, Hardoi, Shahjahanpur, Hapur, Shamli, Rampur, Kashganj, Sambhal, Amroha, Hathras,

	Kanshiramnagar, Saharanpur.
Pune - Office of the Insurance Ombudsman, Jeevan Darshan Bldg., 2nd Floor, C.T.S. No.s. 195 to 198, N.C. Kelkar Road, Narayan Peth, Pune – 411 030. Tel.: 020 - 32341320 Email: bimalokpal.pune@gbic.co.in	Maharashtra, Area of Navi Mumbai and Thane excluding Mumbai Metropolitan Region.

Statutory notice: Insurance is the subject matter of the solicitation