

Bid Document

Invitation of bids for selection of Insurance Companies as Implementing Agencies (IA) for "Restructured Weather Based Crop Insurance Scheme (WBCIS)" for Kerala State for Rabi 2017-18 season

1. Offers are invited from all general Insurance Companies designated / empanelled by DAC&FW, Government of India for submission of their financial bid (as per Annexure I) for carrying out implementation of "Restructured Weather Based Crop Insurance Scheme (WBCIS)" in the State for Rabi 2017-18 Season.
2. The Operational Guidelines (OGs) issued by Government of India would be the final guidelines for implementation of this scheme and shall prevail in case of any conflict between the clauses in bid document and the OG"s.
3. During Rabi 2017-18 season, the Restructured Weather Based Crop Insurance Scheme (WBCIS) will be implemented in all districts of the State of Kerala for the selected notified crops except for Alappuzha & Pathanamthitta where only PMFBY is implemented.
4. For the bidding purpose all the 12 districts wherein the selected crops are to be notified under Restructured WBCIS are grouped into a single cluster. District-wise Crops notified, Sum Insured Limits /Scale of Finance, Expected Area & Expected Sum to be insured are as per Annexure-II (1). The Premium & Claims for the corresponding season for the past years are as per Annexure- II (2).
5. Premium rates are to be quoted by the Insurance Companies for all the insurable crops as per Table I in Annexure-I. It is mandatory for the Insurance Companies to quote Premium rates for all the crops proposed to be covered in the all Districts, otherwise their Tender will be rejected.
5. The Bid/Tender document can be downloaded from the Departmental Website www.keralaagriculture.gov.in The Tender should reach in his office on or before 07.12.2017 up to 11.00 a.m.

The major Scheme clauses are as follows :

Coverage of farmers

- I. Compulsory component:- All farmers availing Seasonal Agricultural Operation (SAO) loans from financial institutions (i.e. loanee farmers) for the notified crop/s are to be covered compulsorily.
- II. Voluntary component:- The scheme is optional for non-loanee farmers. All farmers who have not availed any crop loan and are willing to get covered under WBCIS can purchase insurance through Banks/ Insurance Companies / their designated agents.

Exclusions

General exclusions:- Losses arising out of war and nuclear risks, malicious damage and other preventable risks (refer para IV.2 of OGs of PMFBY).

Selection of Insurance Company as Implementing Agency (IA) :

The final selection of IA from the bidders shall be done based on the lowest weighted premium quoted by the company for all notified crops within the cluster of districts (refer para XXIII.9 of OGs of PMFBY). In Kerala there is only One cluster and in case any company does not quote for one or more notified crops in various districts within the cluster the bid will be rejected.

The insurance company quoting Lowest weighted premium rate in the cluster would be declared as L-1 (refer para XXIII.9 of OGs of PMFBY for evaluation process) and will implement PMFBY for both loanee and non-loanee farmers. If any company declines after being declared L1, the company may be barred for the coming season and the L2 may be given the cluster for implementing the crop insurance scheme at L1 district-crop combination rates and so on to L3, L4 bidder as per the consent of insurance company.

Premium rate and subsidy:

All farmers (loanee or non-loanee) enrolled under WBCIS would be entitled for subsidy on the premium. The difference between the actuarial premium rate and farmer share would be equally borne by the State Government and Central Government in the ratio of 50:50. Farmers will have to pay maximum 1.5% of the sum insured or actuarial premium rate, whichever is lower, for food crops (all Cereals & Pulses) and oil seeds (ie Paddy 2nd crop & Paddy 3rd crop) and maximum 5% of sum insured or actuarial premium rate, whichever is lower, for Commercial/ Horticulture Crops (ie Banana, Sugarcane, Cashew, Mango, Cabbage, Carrot, Garlic, Beans & Potato) during Rabi 2017-18 season in Kerala.

Based on the fair estimates of coverage, State Government will make an advance payment of 50% of subsidy liability to implementing insurance company (IA) and will settle the balance subsidy payment on submission of final figures by IA. For further details refer para VIII of OGs of PMFBY.

Perils Covered & Trigger Levels: The Peril-wise /Period-wise Sum Insured distribution and Crop-wise weather covers, their Triggers and pay-out rate are as per Annexure III (1-15) for each of the notified crop and district.

Claim liability:

1. Insurance company shall be responsible for all claims arising out of adverse weather incidence and shall settle claims strictly as per the terms and conditions of the scheme mentioned in the notification. In case of adverse weather incidence all the insured cultivators growing the notified crop in a RUA shall be deemed to have suffered the same level of adverse weather condition & same proportion of crop loss and become eligible for the same rate of claims.
2. Claims shall be assessed only on the basis of weather data recorded by the notified RWSs or BWS, as the case may be, and the claims process shall commence once the weather data is received (other conditions as per Clause No XV. Claims Assessment & Settlement of OG"s)

Bank Services Charges:

Bank and other financial institutions etc. shall be paid service charges @ 4% of the premium collected from farmers. Rural agents engaged in providing insurance related services to farmers may be paid appropriate commission as decided by the insurance company, subject to cap prescribed under IRDA regulations. Banks may submit their invoice in the format prescribed as Annexure -IV

Information Intimation regarding Insurance Agents:

Insurance company should intimate in writing before every agriculture season, the name, address, mobile number and authentication (by IRDA) of Insurance agents appointed by them or collection of premium from non loanee farmers. The intimation should also include respective area of operations of each such agent.

Notification of Crops ,Areas & Sum Insured :

The Scheme shall operate on the principle of "Area Approach" in selected notified RUAs. For the District-wise list of Crops & their Sum Insured Limits please refer Annexure –II (1) .

Seasonality discipline:

The below given Seasonality / cut off dates is applicable for restructured WBCIS under Kerala context.

Sl. No.	Activities	Time lines
		Rabi I & II season
1.	Loaning Period (for Loanee farmers covered on compulsory basis	Upto 15.01.2018
2.	Cut-off date for Receipt of Proposals of farmers (Non-loanee)/Debit of premium from farmers account(loanee & non-loanee)	15.01.2018
3.	Cut-off date for receipt of consolidated declarations for Loanee (Compulsory) & Non Loanee Farmers (Voluntary) from Banks Branches(CBs & RRBs) to IA and DCCB's for PACS	31.01.2018 (Loanee) & 23.01.2018 (Non-loanee)
4.	Cut-off date for receipt of proposals of Non-loanee farmers covered on Voluntary basis from designated insurance agents to Insurance Companies	Within 7 days of receipt of proposals /premium
5	Cut-off date for receipt of consolidated declarations for Loanee (Compulsory) & Non-loanee Farmers (Voluntary) from respective DCCBs to respective IA	07.02.2018 (Loanee) & 31.01.2018 (Non-loanee)
6	Cut –off date for Uploading of Soft copy of the details of individual insured farmers by Bank Branches/PACS & Intermediaries	31.01.2018

7.	Payment of claims based on yield data by designated insurance company	45 days from receipt of weather data for risk period
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For further details refer Refer para VI(9) & IX of OGs of PMFBY

Responsibilities of Various Agencies

1. Central Government

- a) Constitute a Technical Support Unit (TSU) to monitor implementation of WBCIS, product structuring, standardization & Benchmarking of products, rationalization of premium rate / subsidy, issuing guideline for installation & accreditation of Weather Stations, creation of national grid for statistical data for the purpose and other matter / directives to insurance companies.
- b) Other role & responsibilities are same as detailed in para XXIV.1."a" to „g" of OGs of PMFBY.

2. State / UT Governments

- a) To provide the details of crop calendar and package of practices for the crops and the areas under the scheme for the first year. Weather data is required to be furnished in the daily format at least for 25 years at the RUA level proposed to be notified for the scheme, wherever necessary.
- b) To constitute a Technical Committee with experts in the relevant areas for finalization of triggers, term-sheets, pay-out etc before SLCCCI meeting and further evaluation of products and benefits to the farmers.
- c) To facilitate strengthening and expanding the existing automatic weather station network so as to facilitate providing the weather data on near real-time basis.
- d) To undertake sufficient number of CCEs in the notified area and provide the yield data to concerned insurance companies for comparison with WBCIS particularly to establish correlation between yield and weather parameters to help in designing of better weather insurance products, standardization & benchmarking of products etc.
- e) Other role & responsibilities are same as detailed in para XXIV.2."a" to „o" of OGs of PMFBY.

3. Insurance Companies (IA)

- a) Open a separate account for maintaining all transactions under the scheme in the account for audit by the Government Agency.
- b) Claims processing, finalization and payment of the claims within 45 days of receipt of weather data subject to receipt of Government subsidy.
- c) Other role & responsibilities are same as detailed in para XXIV.3."a" to "o" of OGs of PMFBY.

4. Financial Institutions/Banks

Nodal bank branches/cooperative nodal banks:

- a) In case, claims have arisen during crop season then respective nodal bank & its branches would be responsible to make payment of the admissible claims to loanee farmers who were deprived from insurance cover to their crops due to non-deduction of premium by lending banks/branches.
- b) If Nodal banks keep the amount of premium collected beyond the defined timelines(Refer Para IX of OGs of PMFBY) then they will be liable to pay interest (at prevailing rate of interest for saving account) for the delay period to the insurance company.
- c) If Nodal banks keep the claims amount beyond the defined timelines (Refer Para XVI.3 of OGs of PMFBY) then they will be liable to pay interest (at prevailing rate of interest for saving account) for the delay period to the eligible farmers.
- d) Other role & responsibilities are same as detailed in para XXIV.4."a" to "m" of OGs of PMFBY.
5. Lending Banks / RFIs :Refer para XXIV.4."a" to "f" (second) of OGs of PMFBY.
6. Designated Insurance agents :Refer para XXIV.5."a" to "f" of OGs of PMFBY.
7. Loanee farmers : Refer para XXIV.6."a" to "d" of OGs of PMFBY.
8. Non-Loanee farmers : Refer para XXIV.7."a" to "g" of OGs of PMFBY.

Annexure-I

Date:
Format of financial bid

From

[insert name & address of the Bidder]

To

Dear Sir,

Sub: Financial Bid for Implementation of Restructured WBCIS Rabi 2017-18
Season

With reference to your Tender Document dated (Insert Date) we, [insert name of Bidder], wish to submit our Financial Bid for the award of the Contract(s) for the implementation of Restructured WBCIS in the Kerala State for Rabi 2017-18 season.

1. We hereby submit our Financial Bid, which is unconditional and unqualified. We have examined the Tender Documents.
2. We acknowledge that the State Government will be relying on the information provided in the Financial Bid for evaluation and comparison of Financial Bids received from the designated / empanelled Insurance companies by DAC&FW for the award of the implementation of the Restructured WBCIS in the State. We certify that all information provided in the Financial Bid is true and best to the knowledge of the company.
2. We shall make available to the State Government any clarification it may find necessary or require to supplement or authenticate the facts & figures in Financial Bid.
4. We acknowledge and declare that the State Government is not obliged to return the Financial Bid or any part thereof or any information provided along with the Financial Bid, other than in accordance with the provisions set out in the Tender Documents.
5. We are quoting the following Premium rates district-wise crop-wise for the following clusters :

Table-1

Cluster	District	Crop	Premium Rates (in % of Sum Insured)
Cluster 1	District-1	Crop-1	
		Crop-2	
		Crop-3	
	District-2	Crop-1	
		Crop-2	
		Crop-3	

Table is indicative .Please add districts and crops as per the cluster approach adopted by the State Government

[Note to Bidders: The Bidders are required to quote the Premium up to two decimal points.]

6. We acknowledge, confirm and undertake that we have an adequate reinsurance support to safeguard the interest of the farmers, State Government and Central Government
7. We agree and undertake to abide by all the terms and conditions of the Tender Document and OGS of PMFBY/Restructured WBCIS.
8. This Bid shall be governed by and construed in all respects according to the laws for the time being in force in India. The competent courts at State capital will have exclusive jurisdiction in the matter.
In witness thereof, we submit this Financial Bid under and in accordance with the terms of the Tender Documents.

Dated this [insert] day of [insert month], 2017

[signature]

In the capacity of Chief Underwriting Officer

Duly authorized to sign this Bid for and on behalf of [name of Bidder]

Annexure-IV

Bank Name _____ Invoice No. _____

Address of Bank _____ Date _____

PAN No.

Tin No.

To

Name of Insurance Company

Address of Insurance Company

Description	Rate Total	
Bank Service charges, for servicing the crop insurance scheme as per state Govt. notification no. _____ Dated _____ issued by the State Govt of _____	4% of the farmer share remitted to insurance company	
	Sub Total	
	Service Tax @ _____ %	
	Total due	

Service Tax Registration No. _____

Your invoice total in Rs. _____ only.

All payments may be transferred through NEFT in bank account No. _____

Name of the Bank _____ IFSC Code _____

If you have any questions concerning this invoice, contact phone _____

For _____ Bank

Authorized Signatory