

SPICES BOARD
Ministry of Commerce & Industry
Govt. of India
Sugandha Bhavan
N H BY Pass
Palarivattom P.O.
Cochin- 682 025
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No. DEV/RISPC/2016-17

Dated 06.06.2017

Tender notice

Competitive tenders are invited from eligible Insurance Companies [both public and private- owned] for implementation of the Revenue Insurance Scheme for Plantation Crops [RISPC] on pilot basis for Small & Large Cardamom respectively in Idukki district of Kerala and East Sikkim district of Sikkim state for a period of three years [2017-18 to 2019-2020]. The sealed cover superscribed as "Tender for implementing RISPC in Small & Large Cardamom" shall be sent to the Director (Development), Spices Board, Sugandha Bhavan, P.B.No. 2277, Palarivattom P.O., Cochin- 682 025 on or before **27.06.2017**.

The terms and conditions of the work involved and the prescribed application form can be availed from the website of the Board www.indianspices.com. Only those companies registered with Insurance Regulation & Development Authority of India [IRDA] and mainly engaged in agriculture/ rural insurance business with adequate experience, infrastructure, financial strength and operational capabilities will be considered.

The Spices Board reserves the right to reject any proposal without assigning any reasons. Quotation will be opened on **28th June, 2017 at 10:30 am**.

Terms and Conditions :

1. The Insurance premium subvention under RISPC is for small growers of Cardamom (Small & Large) having 10 ha or less landholding. The scheme will be applicable to mature standing crops only. The duration of the pilot scheme shall be one crop cycle commencing from the year 2017-18 which may spread over 2 years.
2. The Scheme is compulsory for growers registered with Spices Board in the pilot districts viz., Idukki district of Kerala and East Sikkim district of Sikkim / member growers availing themselves of benefits under other schemes of Government through Spices Board and/ or growers availing themselves of loans from Public Financial Institutions/ Spices Board. The Scheme is optional for other small growers. Large growers can also participate in the scheme by paying the actuarial premium as they are not eligible for premium subsidy.
3. The scheme will operate on the principle of 'Area Approach' in the selected districts. The smallest unit i.e. a village/ village panchayat or any other equivalent unit is considered as 'Insurance Unit', based on availability of average yield data for the past 5 years.
4. The Scheme will cover income loss arising out of yield loss/ price fluctuations or both. Yield loss can be due to non- preventable risks viz., drought, dry spells, flood, inundation, pest and diseases, landslides, natural fire, lightening, storm, hailstorm, cyclone etc. Insurance cover for yield loss arising due to the localized perils/ calamities viz., landslide, hailstorm and inundation affecting part of a 'Insurance Unit' shall also be considered.

Price fluctuation can be due to fall in international/ domestic prices below the average price of last 5 years excluding the current year. Losses arising out of war and nuclear risks, malicious damage and other preventable risks are excluded.

5. Spices Board will provide 5 years authentic average yield and price data to the selected Insurance Company [Implementing Agency] for calculation of indemnity limits, premium rates etc. in respect of Insurance Units. Indemnity level, threshold yields, sum insured etc., will remain the same for all Insurance Companies for the season.
6. Till standardized yield estimation method is finalized in consultation with NSSO, IASRI etc., during the pilot period, the existing method of yield estimation by Spices Board acceptable to Insurance Companies shall be applicable.

7. The average price shall be based on the weighted average auction price for Small Cardamom compiled from Board's E- auction centres at Puttady and Bodinayakanur. The average auction price prevalent during the crop season will be considered for calculating the average current price.

For Large Cardamom, weighted average price compiled by Spices Board from Singtam market in Sikkim shall be considered for calculation of average price. The average market price prevalent during the crop season will be considered for calculating the average current price.

8. The rate of insurance premium payable by the Government of India, State Government and growers is in the ratio of 75:15:10. In case the State Government in the area/ region covered by the scheme does not contribute its share of premium, the share of premium by growers shall increase to that extent.
9. The Insurance Company, whether public or private own, shall be registered with Insurance Regulatory and Development Authority of India [IRDA] for implementation of the scheme.
10. The Insurance Company mainly engaged in agriculture/ rural insurance business and having adequate experience, infrastructure, financial strength and operational capabilities will only be considered.
11. Insurance Companies shall have to liaise with Department of Commerce, Government of India, State Government and agencies/ institutions involved in the implementation of the scheme.
12. Insurance Companies are required to submit district-wise and crop-wise [Small Cardamom and Large Cardamom] actuarial premium rates. The participating companies have to bid the premium rate for Small Cardamom and Large Cardamom separately and non-compliance if any will lead to rejection of the bid.
13. Only 1 Insurance Company will be allowed to operate in one notified area for the growers.
14. Insurance Companies shall have to create awareness and publicity-extensive efforts to create awareness and generate publicity for the scheme at grass root level including bank branches. Also the Insurance companies will have to coordinate with the State Government, Spices Board and other agencies for awareness and adequate publicity of the scheme in all the villages of the pilot districts using all possible means of electronic and print media, grower's fair, exhibitions, SMS, short films, and documentaries etc.

15. Regional offices/ Designated Agencies of the Insurance Company shall **receive proposals** from growers having Aadhar Number to avoid duplication of proposals from growers having plantations in different villages and also to check the eligibility of the total area under Cardamom [Small & Large]. Insurance Company may also avail the service of IRDA approved Insurance Agents/ Insurance Intermediaries for the coverage of non- loanee growers.
16. **For loanee growers**, whenever banks/ PACS sanction loans of insured crop in an insured area, the **crop loan** amount to the extent of scale of finance for insured crop and acreage of individual insured crops of loanee growers only shall be taken into consideration for compulsory coverage.
17. **Non-loanee growers** desirous of availing insurance shall fill up proposal form and submit the same along with premium to the nearest bank branch/ authorized insurance intermediaries/ directly by post to selected Insurance Companies [Implementing Agency]. On-line portal of concerned Insurance Company can also be used for availing the crop insurance.
18. Insurance Company retains the right to accept or reject insurance proposal(s) in case the proposal is incomplete or not accompanied by necessary documentary proof, or insurance premium ordinarily within 1 month of receipt of proposal by Insurance Companies. If the proposal is rejected, the Insurance Company will refund the collected premium in full without any deduction of charges.
19. In case of **adverse seasonal event**, Joint Committee of concerned State Government, Spices Board and Insurance Company(s) shall be formed before a crop season for each pilot district viz. Idukki district of Kerala & East Sikkim district of Sikkim which shall issue a report on yield loss due to adverse seasonal events within 15 days from the occurrence of the event based on weather data, Satellite imagery etc. Based on the above report, Joint inspection of affected area shall be done by Insurance Company along with State Government and Spices Board officials to arrive at the extent of losses. If the entire crop in an insurance unit is damaged due to the occurrence of adverse seasonal events, average yield of the previous 5 years shall be taken as the yield of the affected insurance units in the crop season.
20. Once yield/ price data is received from Spices Board as per the cut off dates, claims will be worked out as per proposals received from banks/ channel partners/ insurance intermediaries for each insured area and crops and claims will be approved by Competent Authority of Insurance Company.

21. In case of growers covered through Financial Institutions, claims shall be released only through electronic transfer, followed by hard copy containing claim particulars to nodal banks. Bank branches/ PACS at grass root level will credit the claim amount into account of individual growers within a week of receipt of funds from the Insurance Companies and shall provide a certificate to the Insurance Companies along with list of growers benefited. Bank branch/ PACS shall display particulars of beneficiaries on notice boards. The same shall be uploaded on the websites of Insurance Companies and provided to Spices Board for hosting on its website.
22. In case of growers covered on voluntary basis through intermediaries, payable claims shall directly be credited to the concerned bank accounts of insured farmers and details of the claims may also be intimated to them by post. The list of beneficiaries shall also be uploaded on the website of the websites of Insurance Companies/ Nodal Banks immediately and the same has to be provided to Spices Board for hosting on its website.
23. Insurance Companies shall resolve all the grievances of the insured growers and other stakeholders in the shortest possible time.
24. Disputed claims/ substandard claims, if any, may be referred to Spices Board within three months of claim disbursement for consideration and decision in the matter. Interpretation of provisions of the scheme or disputes by the District Level Committee constituted by Spices Board with the District Collector as Chairperson of the committee and nominees from Insurance Company, Lead Bank, Spices Board and State Agricultural Department as its members for monitoring of the Scheme and redressal of grievances will be binding on Insurance Companies/ Banks/ PACS and the farmers.
25. National Level Monitoring Committee under the chairmanship of Additional Secretary (Plantation) of Department of Commerce, Government of India will monitor the scheme at the national level.
26. The performance of the selected Insurance Company shall be closely monitored by the Department of Commerce in order to ascertain the company's skills and efficiencies for providing cost effective better insurance services to plantation growers.
27. Insurance Companies/ banks/ PACS/ designated insurance agents should ensure that insured growers are not deprived of any benefit under the scheme due to errors/ omissions/ commissions of them, and if any, the concerned Insurance Company/ Agents shall only make good all such losses. Necessary administrative and legal action may also be taken for lapses in service/ malpractices, if any, reported.

28. Claims should be settled within 3 weeks from the date of receipt of yield/ price data from Spices Board. No relaxation in the cut-off date shall be normally considered/ granted, once it is fixed by the Board for a crop season. The liability of all claims shall be of Insurance Companies.
29. Insurance Companies should have received the premium for coverage either from bank, channel partner, insurance intermediaries or directly. In case of any **loss in transit** due to negligence by these agencies or non- remittance of premium by these agencies, the concerned bank/ intermediaries shall be liable for payment of claims.
30. In case of any **substantial misreporting** by nodal bank/ branch in case of compulsory growers coverage, the concerned bank only shall be liable for such mis-reporting.
31. Mere sanctioning/ disbursement of crop loans and submission of proposals/ declarations and remittance of premium by grower/ bank without explicit intent to raise the crop does not constitute acceptance of risk by Insurance Company.
32. Bank branches/ PACS involved in the implementation of the scheme shall be paid **service charges @ 4%** of the premium collected from growers by the Insurance Companies. Rural agents engaged in providing insurance related services to growers may be paid appropriate commission as decided by the Insurance Company, subject to cap prescribed under IRDA guidelines.
33. On the basis of feedback received from Spices Board and stakeholders, the performance of the scheme will be got evaluated by the Department of Commerce, Government of India at the end of year 2017-18 for up- scaling the scheme.

TECHNICAL BID

1	Name of Company / Organisation	
2	Year of Establishment	
3	IRDA Registration no. & Status	
4	Address of Registered Office	
5	Address of Office in Kerala	
6	Address of Office in Sikkim	
7	Company Profile: (include breif profile of team members / full time employees) : (Attach detailed profile)	
8	Legal Status of Bidder: (Properitor / Partnership / Public Ltd / Private Ltd)	
9	Service Tax Registration no (enclose copy):	
10	PAN no (enclose copy):	
11	Contact Details of CEO / Head of the Company / Organisation	
12	Experience, if any in participating / implementing insurance scheme for agriculture crop	
13	Turnover for last three years (2014-15, 2015-16 & 2016-17)	

SIGNATURE & NAME (along with seal)

FINANCIAL BID

1. Name of Company / Organisation :
2. Full Address & Contact :

CROP	YEARLY PREMIUM AMOUNT (in Rupees per hectare including all taxes)
Cardamom (Small)	
Cardamom (Large)	

Signature of the Authorised Representative
Full Name:
Designation:
Name and Address of the Agency:
Seal:

Place :
Date :