

## Quadrant II – Transcript and Related Materials

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<b>Course Code</b>	: COG113
<b>Course Title</b>	: Practice of Insurance
<b>Title of the Unit</b>	: Emerging Concepts in Insurance Industry
<b>Module Name</b>	: Insurance Schemes - Aqua Culture, Cattle and Farmers Package
<b>Unit</b>	: IV
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<b>Name of the Presenter</b>	: Nikita Rivonker

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### Notes:

#### Introduction

Rural insurance is basically insurance that has been created for the rural public to insure their businesses such as poultry, cattle, farming, etc. Individuals can claim benefits in case of death of animals or loss of crop.

An area with a low population density and in which at least 75% of the male population is involved in agriculture comes under the rural sector. Owing to the financial instability of people residing in rural areas and the possibility of failure of crops, death of cattle, etc. the government launched many schemes for the benefit of the rural sector. Such schemes are integrated with the Rural Development Programme and are funded by the State and Central governments.

## Rural Insurance Schemes

### (I) Aqua Culture Insurance.

The term “aquaculture insurance” describes all the various types of insurance that would normally be used to protect an aquaculture business operation.

Major risks that affect the successful conduct of fish culture operations and fish farmer enterprise profitability are accidents, natural calamities and fish diseases that might negatively affect the health and physical well-being of the fish farmers themselves, working conditions, farm production assets and the production of fish and other aquatic organisms.

Insurance arrangements that assist aqua culturists in sharing the risks involved in aquaculture production will certainly enhance the economic and financial viability of the sector and facilitate the adoption of newly introduced measures and regulations that aim at promoting the environmental and social sustainability of aquaculture and the better use of aquatic resources.

**Types of policies used in Aquaculture Insurance.** The insurance market offers two types of aquaculture livestock policies:

**1. All Risks Policies** -cover every risk and then exclude certain perils that underwriters do not wish to cover.

**2. Named Perils Policies** - cover specific risks, adding and defining where necessary any extra risks for which cover is offered.

Every insurance policy broadly addresses key issues. In brief these are:

- What is insured?
- Where is it insured?
- What risks it is insured against?

- How is it valued?
- What the policyholder should do if a claim occurs?
- What general conditions apply?

## **(II) Cattle Insurance.**

- A contract of cattle insurance is a contract whereby the insurer undertakes to pay an agreed sum of money to the assured in the event of death of animals like bulls, buffaloes, cows, and heifers in consideration of a predetermined premium amount.
- Cattle insurance protects Indian rural people from financial loss incurred due to the death of their cattle. The cost of cattle is high, and their loss can force farmers to get into a debt cycle. With cattle insurance, farmers will get comprehensive protection against the cattle loss.

### **Cattle Insurance Covers**

- Death or disability caused by fire, road accidents, drowning, electrocution, snake bites or poisoning.
- Death due to natural calamities like storms and earthquakes
- Death due to disease, infection or calving during surgical operations.
- Permanent disability, for milch cows this refers to incapacity to conceive and yield milk. For bulls, this refers to incapacity to breed.

**Types of Cattle Insurance:** There are two types of risks which are insured under this policy:

- **Death of Cattle:** It covers loss of life due to accident or injury and disease occurred due to surgical infection.

- **Permanent Disability Cover:** It covers the risk of permanent and complete disability.

## **Claim Process in Cattle Insurance**

1. Intimate the insurer about the death/injury of Insured Cattle.
2. Get the death certificate or the certificate of disability from a veterinary practitioner.
3. The beneficiary should also submit the duly filled in claim form along with the death/disability certificate.
4. An authorised member from the insurance company will visit the site and verify the submitted details.
5. If the claim is found to be genuine, the amount is paid to the beneficiary, else it is rejected.

## **Documents Required for Claim Process**

Following are the documents which should be submitted to get the claim amount:

- Proposal form
- Medical certificate from veterinary doctor
- Minimum 4 photographs of the insured animal
- Duly filled in claim form
- Receipt of payment while purchasing the animal
- Identification tag of the insured cattle

## **(III) Farmers Package**

This package policy offers the flexibility to choose from six different sections and work out the coverage on the basis of the farmer's requirement.

### **Section I – Cover for dwelling and contents**

Provides cover for dwelling and farm produce against fire & allied perils (fire, lightning, explosion/implosion, riot, strike, malicious damage, terrorism, storm, cyclone, typhoon, tempest, tornado, flood & inundation and earthquake).

### **Section II – Cover for household contents and valuables**

Covers loss of or damage to the insured's property (household contents and valuables kept in the premises) caused by burglary or housebreaking.

### **Section III – Personal accident cover**

Covers the insured and his/her family members against death due to injury arising out of an accident. It also provides for reimbursement of hospitalisation expenses arising out of an accident, up to a limit of 10% of the sum insured set against each person

### **Section IV - Cover for the pump set**

Provides cover against loss of or damage to the pumpset belonging to the farmer due to fire & allied perils including riot, strike, malicious damage, terrorism, storm, cyclone, and flood & inundation. It also covers loss of pump set by burglary.

### **Section V - Cover for TV sets**

Covers loss of or damage to television sets due to fire, natural calamities, burglary/theft, and accidental damage including electrical breakdown.

### **Section VI – Cover for Tractor**

Covers loss of or damage to the insured's tractor or trailer caused by accidental reasons and protects the farmers against the liability arising out of use of the tractor and/or trailer in respect of death or bodily injury to third parties and damage to property of the third parties in compliance with the requirements of the Motor Vehicles Act.

