

001 SCP P01 (JAN/2005)

SUGARCANE CROP INSURANCE

The Proposer described in the Schedule has made to Royal Sundaram General Insurance Co. Limited. (hereinafter called the "Company") a written proposal by completing a Questionnaire, which together with any other statements made in writing by the Proposer shall be considered the basis of issuing this Policy.

Now this Policy witnesses that in consideration of the premium mentioned in the Schedule having been paid by the proposer on behalf of the Insured to the Company, if the sugarcane crop described in the schedule or any part there of shall be destroyed or damaged (affecting the yield for current season) directly due to insured perils during the cover period stated in the certificate, the Company will pay to the insured, subject to terms, conditions and exceptions of this Policy, the cost of inputs as defined and in the manner and to the extent described herein at the time of happening of destruction or damage, but in no case exceeding the total sum insured expressed in the said schedule.

The insured perils are:

1. Fire, including bush fire.
2. Lightning.
3. Riots and Strikes.
4. Storms, Hailstorms, Cyclone, Typhoon, Tempest, Hurricane, Tornado whilst in direct and immediate operation over the area in which the Insured floriculture crop described herein stands.
5. Impact by road/rail vehicles, aircraft and other aerial devices or articles dropped there from.
6. Flood & Inundation.
7. Wild animals.
8. Earthquake.
9. Specified pest and diseases named in the schedule.

DEFINITIONS:

PERIOD OF INSURANCE: Period of insurance shall mean the period during which the sugarcane crop is under this insurance and will be from the date of declaration (subject to payment of premium and acceptance of proposals by the company), to the date of harvest of the crop in the current season or the crop period selected for this insurance which ever is earlier. i.e the cover ceases immediately on harvest or at the date of expiry of the policy period which ever is earlier.

INSURED ITEM: Sugarcane crop – Plantation/ratoons belonging to the insured as specified in the certificate and declared for the current season.

INSURED: Sugarcane farmer/grower whose crop is declared for insurance.

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EXCLUSIONS:

This Insurance does not cover:

1. Loss by theft, including theft during or after the occurrence of any Insured peril.
2. Loss, damage and/or liability caused by or arising from or in consequence, directly or indirectly, of:
 - i) War, Invasion, Act of foreign enemy, Hostilities or war like operations (whether war be declared or not), Civil War, Rebellion, Revolution, Insurrection, Mutiny, Lockout, Malicious Damage, 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 or any Government de jure or de facto or by any public or municipal or local authority.
 - ii) Nuclear reaction, Nuclear radiation or radioactive contamination.
 - iii) Volcanic Eruption or other Convulsions of nature other than those specifically covered by this Insurance.
3. Loss or damage due to:
 - i) Insect, pests and diseases other than those specifically covered.
 - ii) Excessive/Deficient use of any nutrient either in soil or by application.
 - iii) Drought conditions.
 - iv) Wilful negligence of Insured and/or his employees and/or anyone acting on their behalf.
 - v) Fog and/or high humidity.
 - vi) Human action, birds, animals (other than wild animals) and locust.
 - vii) Rainwater, where the rains occur independently of the immediate and direct operation of the Insured peril in the area in which the crop Insured herein stands.
 - viii) Frost or cold waves.
 - ix) Delay in the onset of monsoon.
 - x) Excessive heat or heat waves.
 - xi) Pollution of any form.
 - xii) Improper maintenance.
 - xiii) Burning of property by the order of a public authority or arising out of any subterranean fire.
 - xiv) Water logging.
 - xv) Weeds and improper/insufficient/irregular weeding.
4. Damage to inputs like capital investment on cost of land, irrigation system and any Agriculture equipments and implements.
5. The excess, franchise and deductions under the Policy, to be first borne by the Insured of each and every claim.
6. Any kind of consequential loss.
7. Natural mortality of plants.

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8. Loss or damage to the fertilizer, manures, pesticides and insecticides stored in the Insured's agriculture field.
9. Loss or damage to crop after harvesting is done or while the crop is in storage or in transit.

CONDITIONS:

1. This Policy and the schedule shall be read together and any words 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.
2. **Misrepresentation:** This Policy shall be void and all premium paid hereon shall be forfeited to the company in the event of misrepresentation misdescription, and non-disclosure of any material particulars.
3. **Notice:** On the happening of loss or damage the Insured shall forthwith give notice thereof to the Company and shall within 15 days after the loss or damage or such further time as the Company may in writing allow in that behalf, deliver to the Company a claim in writing for the loss or damage containing as particular in an account as may be reasonably practicable of all the property damaged or destroyed and of the amount of the loss or damage thereto respectively, having regard to their value at the time of loss or damage on input cost basis, not including profit of any kind.

The Insured shall also at all times at his own expenses produce, procure, vouchers, invoices, duplicates or copies thereof, documents, proofs and information with respect to the claim and the origin and cause of and the circumstances under which the loss or damage occurred and any matters connected therewith and give to the Company all such further particulars, documents. No claim under this Policy shall be payable unless the terms of this conditions have been fully complied with.

The Company reserves the right to treat the claim as no claim if no information/ documents are submitted by the Insured within a period of 3 months from the date of loss.

4. **Reasonable care and maintenance:** The Insured shall take all reasonable steps to safeguard his crop 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 crop or any part thereof. It is the duty of the Insured to take necessary precautions for plant protection and follow the recommended cultural and/or package or practices. In the event giving rise to a loss or damage to the crop the insured shall take all possible steps to mitigate the loss or damage or adopt all measures to minimise the loss or damage and shall not abandon the crop.
5. **Contribution:** If at the time any claim arise 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.

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6. **Condition of average:** The Insured is expected to insure the entire crop owned by him in any one location failing which, if claim arises, claim will be settled in proportion insured acreage bears to the total number of acreage.
7. **Cessation of cover:** The cover ceases to operate once claim is reported and admitted for settlement and no further claim is allowed for that affected crop during that crop period.
8. **Fraud:** If the claim be in any respect fraudulent or if any false declaration be made or used in support thereof, or if any fraudulent means or devices, are used by the Insured or any one acting on his behalf to obtain any benefit under this Policy or of the loss or damage be occasioned by the wilful act or with connivance of the Insured, all the benefits under this Policy shall be forfeited.
9. **Cancellation:** The Company may cancel this policy on the grounds of Misrepresentation, fraud, non-disclosure of material facts or non-cooperation of the insured, by giving 14 days notice in writing, provided that the Company shall in that case return to the Insured the then last paid premium less a pro-rata part thereof for the portion of the current insurance period which shall have expired. Such notice shall be deemed sufficiently given if posted by Registered post acknowledgement due and addressed to the Insured at the address last registered in the Company's books and shall be deemed to have been received by the Insured at the time when the same would be delivered.

OR the policy may be cancelled at any time by the Insured by giving 30 days notice in writing under a Registered Post Acknowledgement Due, provided no claim has arisen under the within mentioned Policy prior to the receipt of such notice by the Company, the Insured would be entitled to the return of premium less premium at Company's short period rates for the period the policy has been in force.

Short Period Rates:

Period (not exceeding)	Proportion of premium
1 month(30 days)	25% of annual rate
3 months	50% of annual rate
6 months	75% of annual rate
Exceeding 6 months	Full premium

10. **Arbitration:** If any dispute or difference shall arise as to the quantum to be paid under the policy (liability being otherwise admitted) such difference shall be independently of all other questions, be referred to the decision of a sole arbitrator to be appointed in writing by the parties to 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 of the dispute or difference and the third arbitrator to be appointed by such two arbitrators who shall act as presiding arbitrator and arbitration shall be conducted under and in accordance with the provisions of the Arbitration and Conciliation Act, 1996.

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It is clearly agreed and understood that no difference or dispute shall be referable to Arbitration as herein before provided, if the company has disputed or not accepted liability under or 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 award by such arbitrator/ arbitrators of the amount of the loss or damage shall be first obtained.

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 twelve calendar months from the date of such disclaimer have been made the subject matter of a suit in a court of law or pending reference before ombudsman, then the claim shall for all purpose be deemed to have been abandoned and shall not thereafter be recoverable hereunder.

11. **Observance of terms and conditions:** The due observance and fulfillment of the terms and conditions and endorsements 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.
12. **Onus of proof:** In the event of 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 consequences of the peril covered.
13. **Settlement of claim:** 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 to the sugarcane crop by the perils specified in the Policy. The expression "cost of Inputs" shall mean the expenses incurred to raise the crop under the following items (wherever applicable) and no other item unless specifically agreed.
 - i) Preparation of land- ploughing, tilling etc.
 - ii) Cost of plant material/seedling.
 - iii) Cost of planting and staking.
 - iv) Cost of irrigation.
 - v) Cost of manures and fertilizers.
 - vi) Cost of plant protection material- pesticides, insecticides.
 - vii) Intercultural operation – weeding, thinning, mulching etc.
 - viii) Labour charges.
 - ix) Harvesting.

The amount of claim payable under this Policy shall be such sum as is arrived at by applying the percentage of the loss of yield to the amount of the cost of inputs of that time at which the Insured peril causing the loss of yield operates, subject to the franchise, excess and deductions stated below.

Franchise: No claim shall be payable under this Policy if the amount of the claim assessed is less than Rs 1000/- per affected acre

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Excess: The Insured shall bear first 20 percent of the amount of each and every loss as determined above subject to a minimum of Rs 1000/-.

Deductions: Losses due to any or all of the excluded perils and/or improper maintenance will be qualified and the said sum will be deducted from the loss assessed to arrive at the net loss payable.

It is agreed that the franchise, excess 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.

Specific provisions:

1. The cut crop shall be held covered whilst lying in the field pending removal. This extension, however shall apply subject to warranty that the crop would be removed from the field within the 24 hours of cutting.
2. In the event of fire, sugarcane crop will be cut and crushed within 48 hours and a certificate of its weight and value to be submitted to the company.
3. The loss will be assessed on the actual input cost incurred till the time of loss but not exceeding the following limits:

Crop stage (age of the crop)		Maximum % of sum insured payable	
12 months crop	15 months crop	Plant-Crop	Ratoon-Crop
First 4 weeks	First 5 weeks	40	10
4 – 8 weeks	5 –10 weeks	60	35
8 – 16 weeks	10 –20 weeks	75	75
16 – 20 weeks	20 – 25 weeks	80	80
20 – 28 weeks	25 – 35 weeks	85	85
28 – 36 weeks	35 –45 weeks	90	90
36 – 44 weeks	45 – 55 weeks	95	95
44 – 48 weeks	55 – 60 weeks	100	100