

Department of Agriculture,
Himachal Pradesh.

(TENDER DOCUMENT)

Invitation of bids for selection of Insurance Companies as Implementing Agencies (IA) for “Pradhan Mantri Fasal Bima Yojna (PMFBY)” for Himachal Pradesh for Kharif, 2018 and Rabi, 2018-19 seasons.

Sealed Tenders superscribed as “Tender of quoting Premium rates for crops under PMFBY” are invited from the empanelled Insurance Companies with the Government of India, Ministry of Agriculture & Farmers Welfare, for four Cereal crops viz. Maize and Paddy during Kharif, 2018 and Wheat & Barley during Rabi, 2018-19 season. Pradhan Mantri Fasal Bima Yojna (PMFBY) shall be implemented by the State of Himachal Pradesh during Kharif, 2018 and Rabi, 2018-19 season as per Operational Guidelines laid by the Government of India. The rates of Premium payable by the farmers for these Cereal crops have been capped @ **2.00%** for Kharif season and **1.50%** for Rabi season of Sum Insured or Actuarial rate whichever are less.

Tender document can be obtained from the office of the Director of Agriculture from **28th March, 2018** onwards or can also be downloaded from Departmental Website **www.hpagriculture.com**. The Tender should reach in his office on or before **11th April, 2018 upto 4:00 P.M.** and the same shall be opened on **12th April, 2018 at 11:00 A.M.** in the presence of tenderers or their authorized representatives who may like to be present in the Directorate of Agriculture, H.P., Shimla-5.

1. Offers are invited from all Insurance Companies designated/ empanelled by DAC&FW, Government of India for submission of their financial bid for carrying out implementation of “**Pradhan Mantri Fasal Bima Yojna (PMFBY)**” in Himachal Pradesh during Kharif, 2018 and Rabi, 2018-19 seasons vide **Annexure – I**.
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 & the OGs.
3. During Kharif, 2018 season, the PMFBY will be implemented in 10 Districts of Himachal Pradesh (except Kinnaur & Lahaul Spiti) covering Cereal Crops, i.e. Maize & Paddy.
4. During Rabi, 2018-19 season, the PMFBY will be implemented in 11 Districts for Wheat crop (except Lahaul Spiti) and in 8 Districts for Barley crop (except Bilaspur, Hamirpur, Una & Lahaul Spiti) in Himachal Pradesh.
5. Cluster-wise Districts to be covered, Sum Insured and Indemnity Levels for Maize & Paddy during Kharif, 2018 season and Wheat & Barley crops during Rabi, 2018-19 season have been given in **Annexure-II**.

Coverage and Exclusions :

Coverage of Risks:

Following stages of the crop and risks leading to crop loss are covered under the scheme.

- I. **Prevented Sowing/ Planting Risk** - Insured area is prevented from sowing/planting due to deficit rainfall or adverse seasonal conditions.
- II. **Standing Crop (Sowing to Harvesting)** - Comprehensive risk insurance is provided to cover yield losses due to non-preventable risks viz. Drought, dry spells, flood, inundation, pests and diseases, landslides, natural fire and lightening, storm, hailstorm, cyclone, typhoon, tempest, hurricane and tornado.
- III. **Post-Harvest Losses**- Coverage is available only up to a maximum period of two weeks from the harvesting for those crops which are allowed to dry in cut and spread condition in the field after harvesting against specific perils of cyclone, cyclonic rains and unseasonal rains (last date by which harvesting should have been done is mentioned in seasonality discipline).

- IV. **Localized Calamities** - Loss/damage resulting from occurrence of identified localized risks of hailstorm, landslide and inundation affecting isolated farms in the notified area.

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 PMFBY 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 Average Premium (WAP) quoted by the Insurance Company for all notified crops within the cluster of Districts (refer para XXIII.9 of OGs of PMFBY). In case any company does not quote Premium rate for one or more proposed notified crops in all the Districts within the cluster, the bid will be rejected for that cluster. Selection of Implementing Agency will be made by adopting the cluster approaches as envisaged in OGs.

The Insurance Company quoting Lowest Weighted Average Premium (WAP) 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 L-1, the Insurance Company may be barred for the coming season and the L-2 may be given the cluster for implementing the crop insurance scheme at L-1 District-crop combination rates and so on to L-3, L-4 bidder as per the consent of Insurance Company.

Premium rate and subsidy:

All farmers (loanee or non-loanee) enrolled under PMFBY would be entitled for subsidy on the premium. Farmers will have to pay maximum 2.00% for Kharif and 1.50% for Rabi of the sum insured or actuarial premium rate, whichever are lower, for Cereal Crops, i.e. Maize & Paddy (Kharif) and Wheat & Barley (Rabi). 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.

Claim liability:

Insurers shall be responsible to settle all the admissible claims to be arisen due to the adverse conditions/eventualities as detailed in paras XI.10, XII to XVI of operational guidelines of PMFBY. Insurers shall be responsible for payment of claims upto the ceiling as stated in para VIII.4 of the Operational Guidelines of PMFBY.

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 IRDAI regulations. Banks may submit their Invoice in the format prescribed as **Annexure-III**.

Notification of crops and area:

The scheme will operate on the principle of "Area Approach" in the defined areas called Insurance Unit (IU). The scheme in the State will operate on Tehsil/ Sub-Tehsil unit area level for Maize, Paddy, Wheat & Barley crops. Lists of crops along-with notified Tehsil/ Sub-Tehsil are attached at **Annexure-IV**.

Notified Automatic Weather Stations (AWS) :

For the purpose of assessment of on account payment of claims and claims for prevented sowing/planting risk, list of Reference Weather Stations (RWS) will be notified in the State's Notification and annexed at **Annexure-V**.

On account Payment of claims due to mid-season adversity :

For the purpose of assessment of on account payment of claims and claims for prevented sowing/planting risk, the Joint Committee shall decide the eligibility on the basis of Weather data/long term average rainfall data/satellite imagery supported by estimated yield losses at notified Insurance unit level.

Notification of Calamity year(s) for the calculation of Threshold yield (TY) :

According to provisions provided in OGs, maximum two calamity years (if any) are excluded to arrive at the Threshold Yield (TY). There is no Calamity year during the last Seven Years in the State. The statements showing latest available ten years yield data under Maize, Paddy (Kharif season) and Wheat, Barley (Rabi season) are annexed at **Annexures – VI (a) and VI (b)** respectively. Tehsil/Sub-Tehsil-wise area of units under Maize, Paddy (Kharif season) and Wheat, Barley (Rabi season) are annexed at **Annexures – VII (a) & VII (b)** respectively. The statements showing District-wise Area, Yield and Production under Maize, Paddy (Kharif season) and Wheat, Barley (Rabi season) are annexed at **Annexures – VIII (a) & VIII (b)**.

Seasonality Discipline: The Seasonality Discipline of PMFBY for Kharif, 2018 and Rabi, 2018 seasons are as under :

Pradhan Mantri Fasal Bima Yojna (PMFBY) during Kharif, 2018 season :-

S.N.	Activity	Kharif
1	Loaning period (loan sanctioned /renewed) for Loanee farmers covered on compulsory basis.	Upto 31 st July, 2018
2	Cut-off date for receipt of Proposals of farmers/debit of premium from farmers account (loanee & non-loanee).	31 st July, 2018
3	Cut-off date for receipt of consolidated Declarations/ proposal of Loanee farmers covered on compulsory basis & non-loanee farmers covered on Voluntary basis from Bank branches (CBs/RRBs) to respective Insurance Companies and DCCBs for PACS.	Within 15 days for loanee farmers and 7 days for non-loanee farmers after cut-off date, (i.e. 15-8-2018 for Loanee farmers and 7-8-2018 for Non-Loanee farmers).
4	Cut-off date for receipt of declarations of farmers covered on Voluntary basis from designated Insurance Agent(s) to Insurance Companies	Within 7 days of receipt of declaration/ premium.
5	Cut-off date for receipt of proposal of Loanee farmers covered on compulsory basis & non-loanee farmers covered on voluntary basis from respective DCCBs/Nodal Banks (for Co-operatives).	Within 7 days of receipt of Declarations by the respective Nodal Bank offices, (i.e. 22-8-2018 for Loanee farmers and 14-8-2018 for Non-Loanee farmers).
6	Uploading of soft copy of the details of individual insured farmers by Commercial Banks/RRBs/PACS/Intermediaries.	Within 15 days after cut-off date for collection of Premium from farmers.
7	Entry of all requisite information/data on Crop Insurance Portal.	Within a week of issuance of Notification.
8	Cut-off date for receipt of Yield data.	Within a month from final harvest, i.e. 31st December, 2018.
9	Processing, Approval and Payment of Final Claims based on Yield data.	Three weeks from receipt of Yield data from the State Government.
10	On Account Payment of Claims due to Mid – Season Adversity.	If adversity occurs within 15 days before the normal Harvest time, this provision will not be invoked.
11	Prevented/Failed Sowing and Prevented Planting/Germination Claims in the State.	Date by which provision can be invoked is 15 th August, 2018 for Maize and Paddy crops.
12	Normal Sowing time of Maize and Paddy crops.	June/July.
13	Normal Harvest time of Maize and Paddy crops.	October/November.

* There may be alteration in the Seasonality Discipline as per instructions issued by the Govt. of India, if any, from time to time.

Pradhan Mantri Fasal Bima Yojna (PMFBY) during Rabi, 2018-19 season :-

S.N.	Activity	Rabi
1.	Loaning period (loan sanctioned /renewed) for Loanee farmers covered on compulsory basis.	Upto 31 st December, 2018
2.	Cut-off date for receipt of Proposals of farmers/debit of premium from farmers account (loanee & non-loanee).	31 st December, 2018
3.	Cut-off date for receipt of consolidated Declarations/ proposal of Loanee farmers covered on compulsory basis & non-loanee farmers covered on Voluntary basis from Bank branches (CBs/RRBs) to respective Insurance Companies and DCCBs for PACS.	Within 15 days for loanee farmers and 7 days for non-loanee farmers after cut-off date, (i.e. 15-1-2019 for Loanee farmers and 7-1-2019 for Non-Loanee farmers).
4.	Cut-off date for receipt of declarations of farmers covered on Voluntary basis from designated Insurance Agent(s) to Insurance Companies.	Within 7 days of receipt of declaration/ premium.
5.	Cut-off date for receipt of proposal of loanee farmers covered on compulsory basis & non-loanee farmers covered on voluntary basis from respective DCCBs/ Nodal Banks (for Co-operatives).	Within 7 days of receipt of Declarations by the respective Nodal Bank offices, (i.e. 22-1-2019 for Loanee farmers and 14-1-2019 for Non-Loanee farmers).
6.	Uploading of soft copy of the details of individual insured farmers by Commercial Banks / RRBs / PACS / Intermediaries.	Within 15 days after cut-off date for collection of Premium from farmers.
7.	Entry of all requisite information/data on Crop Insurance Portal.	Within a week of issuance of Notification.
8.	Cut-off date for receipt of Yield data.	Within a month from final harvest, i.e. 15th August, 2019.
9.	Processing, Approval and Payment of Final Claims based on Yield data.	Three weeks from receipt of Yield data from the State Government.
10.	On Account Payment of Claims due to Mid-Season Adversity.	If Adversity occurs within 15 days before the normal Harvest time, this provision will not be invoked.
11.	Prevented/Failed Sowing and Prevented Planting /Germination Claims in the State.	Date by which provision can be invoked is 15 th January for Wheat and Barley crops.
12.	Normal Sowing Time of Wheat and Barley crops.	15 th October to 15 th December.
13.	Normal Harvest Time of Wheat and Barley crops.	April/May.

* There may be alteration in the Seasonality Discipline as per instructions issued by the Govt. of India, if any, from time to time.

Roles of Insurance Companies :

Ensuring payment of bank service charges to banks @4% of the premium collected from banks.

- Providing monthly progress returns/ statistics/ information to State and Central Government.
- Endeavoring for 100% coverage of the loanee farmers through Banks/Financial Institution, etc.
- Facilitate the bank branches/ intermediaries/ agents to upload the details of insured farmers and beneficiaries with all requisite details on Crop Insurance portal well in time.
- Redressal of all Public Grievances within the time fixed by IRDAI. Provide toll free number where farmers can approach for redressals of grievance, intimate claims in case of localized calamity, seek information on coverage, etc.
- The coverage of loanee farmers should be carried out by insurance companies themselves, use of agents / brokers are not allowed.
- Claim processing and payment to Banks/Farmers within the prescribed timelines.
- Marketing and publicity of Scheme, Insurance company will ensure the marketing and publicity of the scheme and submit a report with photographs to State and Central Government.
- Distribution of Declaration form/proposal form to bank/financial institution branch/s.
- Submission of reports to State and Central Government.
- State Government will submit CCE's results of all notified crops for notified area in standard format within notified date to respective Implementing Agency/ies.
- Awareness and publicity – extensive efforts to generate publicity and create awareness of PMFBY at grass-root levels / locations including bank branches. Also co-ordinate with the States and other agencies for awareness and publicity of the scheme.
- Other role & responsibilities as detailed in para XXIV.3 and XXV of OGs of PMFBY.
- The selected Insurance Company shall ensure coverage of maximum area of notified crops under Crop Insurance scheme.

The major Terms and Conditions are as under:-

1. The scheme will be implemented in the State as per Operational Guidelines received from Government of India.
2. State Level Co-ordination Committee on Crop Insurance (SLCCCI) will be final authority to decide Terms and Conditions for implementation of this scheme in the State.
3. A Cluster will be allotted to a Insurance Company for all the notified crops to be covered in all the Districts under a Cluster on the basis of L-1.
4. Insurance Companies are required to quote Premium rates in their bids for all the crops and for all the Districts in a Cluster as per **Annexure - I**.
5. Company not quoting for all crops & all the Districts in a Cluster would be disqualified.
6. An Insurance Company will be selected for one Cluster only through the bidding process and will be designated as the Implementing Agency for the said Cluster.
7. In case an Insurance Company is L-1 in both the Clusters, the allocation of Cluster to that Insurance Company will be decided on the basis of lower rates of WAP among both L-1 and the Cluster in which the rate WAP of that Insurance Company is higher (though L-1 in that Cluster) will be allocated to L-2 Insurance Company at L- 1 rates for that particular Cluster, e.g. if an Insurance Company 'A' is L-1 Insurance Company in both the Clusters - 1 & 2 on the basis of Lowest rates of WAP @ 1.5% and 1.6% respectively and an Insurance Company 'B' is L-2 on the basis of WAP @ 1.7% in Cluster -2, then Cluster-1 will be allocated to Insurance Company 'A' on the basis of lower WAP between 1.5% &1.6% and Cluster -2 will be allocated to Insurance Company 'B' @ L-1 Insurance Company rate , i.e. 1.6% and so on to L-3, L-4 bidder as per the consent of Insurance Company.
8. If any Insurance Company declines after being declared L-1, the Insurance Company shall be debarred for the coming seasons and the L-2 shall be given the Cluster for implementing the Crop Ins. scheme at L-1 Cluster rates and so on to L-3, L-4 bidder as per the consent of Ins. Company.
9. Conditional Tenders shall not be accepted. Cutting/over writing should be duly authenticated.
10. The Director of Agriculture, H.P. reserves the right to reject any or all the Tenders without assigning any reason.
11. In case some more information is required, please contact on Phone No. 0177 – 2832247 and PBX -- 0177-2830174, 2830618 & 2830162 & Extension No.s – 114 & 605.
12. The Sub-Committee of State Level Co-ordination Committee on Crop Insurance (SLCCCI) has been constituted for finalizing L-1 Insurance Companies on the basis of lowest WAP of the premium rates quoted in the bids and the proposals would be finalized in the meeting of SLCCCI which is to be convened very shortly.

From

[insert name & address of the Bidder]

To

Subject: Financial Bid for Implementation of the PMFBY in Himachal Pradesh during Kharif, 2018 and Rabi, 2018-19 seasons.

Dear Sir,

With reference to your Tender Document dated (**28th March, 2018**) we, [insert name of Bidder], wish to submit our Financial Bid for the award of the Contract(s) for the implementation of the **Pradhan Mantri Fasal Bima Yojna (PMFBY)** in Himachal Pradesh during Kharif, 2018 and Rabi, 2018-19 seasons.

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 PMFBY in the State. We certify that all information provided in the Financial Bid is true and best to the knowledge of the Company.
3. 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:

Name of the Insurance Company : _____

Cluster	Name of the Districts	Crops to be covered in a Cluster	Premium rates (in % of Sum Insured)	Weighted Average Premium rate for Cluster (%)
Cluster - 1	Chamba	Maize		
		Paddy		
		Wheat		
		Barley		
	Hamirpur	Maize		
		Paddy		
		Wheat		
	Kangra	Maize		
		Paddy		
		Wheat		
		Barley		
	Una	Maize		
Paddy				
Wheat				
Cluster - 2	Bilaspur	Maize		
		Paddy		
		Wheat		
	Kinnaur	Wheat		
		Barley		
	Kullu	Maize		
		Paddy		
		Wheat		
		Barley		
	Mandi	Maize		
		Paddy		
		Wheat		
		Barley		
	Shimla	Maize		
		Paddy		
		Wheat		
		Barley		
	Sirmour	Maize		
		Paddy		
		Wheat		
Barley				
Solan	Maize			
	Paddy			
	Wheat			
	Barley			

Note to Bidders:- 1. The Bidders are required to quote the Premium rate up to two decimal points only.

2. Crop-wise Premium Rates of the Districts are to be worked out for Weighted Average Premium at Cluster Level by the Insurance Company.

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.

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], 2018

[signature]

In the capacity of

Chief Underwriting Officer

Duly authorized to sign this Bid for and on behalf of

[name of Bidder]

Note:- Remaining Annexures of this Tender document are being sent through e-mail to all the empanelled Insurance Companies on 28-3-2018.