CHAPTER IV
LIVESTOCK INSURANCE IN RURAL INDIA

4.1 INTRODUCTION

As with so many things in so many facets of our lives, Insurance too was born out of a primal need and shaped by socio-economic realities of the time. The story goes back to around 2100 BC to the ancient civilization of Babylon and as business practice called “Bottomry” for all practical purpose a form of marine insurance botany enabled ship owners to borrow money against their ships to pay for the trip with piracy rampant on high seas traders and seafarers were reluctant to sail to other lands for fear of their lives and goods. Bottomry gave them some semblance of security. The arrangement was that only if their ship returned did traders have to repay the loan, along with interest, which was ragged at on above-market rate for the risk covered. So if their ship feinted to make it back, they did not have to repay the loan, there by recovering some or all of the loss origins.

With the marine route being the bed rock of trade and commerce in those days. The practice of bottomry evolved, and spearhead. With the growth of towns and trade in Europe. Medieval guilds (group organized on the basis of some common objective, like traders) rolled in money to protect their members from loss by fire and shipwreck, to pay ran some if they were captured by pirates and to provide burial and support in sickness and poverty. By the middle of the 14th century, as evidenced by the earliest known insurance contract (Genoa 1347) marine insurance was common among maritime nations of Europe.

Loyola’s of London, the largest marine insurer today was founded in 1688 in a coffee shop in London. Lloyd’s coffee houses become the persevered place for merchant’s ship owners and under writers to transact business. Insurance developed rapidly with the growth of British commerce in the 17th and 18th centuries and stored becoming organized along the way going through a period of defaults and closures.

The British brought insurance to India in 1818 replete with imperialist prejudices. The Oriental Life Insurance Company, the fist insurance company in the country insured only European widows British insurers eventually begun insuring Indian lives. but for a premium
that was 15 to 20 percent higher than that payable by the British. It was only in 18 that the
disparity was corrected. Six Indian, peeved by this second class treatment set up Bombay
mutual life assurance society, and started insuring Indian lives at the same cost as british lives.
Social discrimination. Infact, turned out to be a catalyst for Indian initiative in the insurance
sector. In 1909, activist is war chandra vidyasager founded the Hindu Family Amenity fund-
the first instant of a pension based investment scheme targeted at Indians.

As had happened in England earlier, a flood of new players and patchy regulation
snowballed into a crisis. Several insurance defaulted on their contractual obligations to policy
holders citing investment losses some even folded up. The Insurance Act 1938 introduced state
controls on insurance but even this failed to safeguard policy holders interests.

4.1.1 Nationalization of Insurance

Post Independence discontent against insurers reached a pitch, business was chaotic,
foreign insurers were leaving the country and Indian Insurers, driver greed and business
considerations weren’t corroding much credibility. The cry for nationalizing insurance grew
louder-a mover that insurers were of course opposed to.

On 19th January 1956 the life Insurance business was nationalized. In one swoop, the
government snapped up 245 insurers and provident societies eight months later. The life
Insurance corporation was formed, which took over the business of the erstwhile private
insurers, and started expounding at a frenetic pace. Today this monolith has 2100 branch
officer 8,00,000 agents and offers a bevy of insurance and investment products

Similar circumstances led to the nationalization of non-life or general insurance. As in
life insurance, pre-nationalization, there were an inordinately large number of insurers, Many of
whom were notorious for flouting investment norms and delaying settlement of claims. Non-life
insurance was nationalized in 1972. General Insurance Corporation was set up as a holding
company a total of 107 private insurers were merged and grouped to form GIC’s four
subsidiaries.

4.1.2 Privatization
There were various reasons given by the government to nationalize the insurance sector. Take insurance to the masses, facilitate the flow of long term fund (which insurance companies, by virtue of the business they are in have ready access to) in to development of infrastructure in the country, and safeguard the interest of policy holders. Towards this end, state insurers did develop the insurance sector, through most experts; believe these monopolies could have done much, much more.

In the early nineties the government went on a reforms binge and started loosening controls on Indian Industry. In 1993 the government appointed the malhotra committee headed by former RBI government R.N. Malhotra, to draw up a blueprint for Insurance sector reforms. The barrel submitted its report a year later, recommending privatization backed by stiff entry guidelines and stringent regulation. So as to avoid a repeat of the pre-nationalization free-for-all.
4.1.3 Insurance in India:

1818– The British Introduce life insurance to India with the establishment of the Oriental Life Insurance Company in Calcutta

1850 – Non- life insurance debuts with Friton Insurance Company

1870 – Bombay Mutual Life Assurance Society is the first Indian – owned life Insurer.

1907 – Indian mercantile insurance is the first Indian Non-life insurer

1912 – The Indian Life Assurance Companies Act enacted to regulate the life Insurance business.

1938 – The Insurance Act, which forms the basis for most current insurance laws, replaces earlier Act.

1956– Life Insurance Nationalized Government takes over 245 Indian and Foreign insurers and provident societies.

1956– Government sets up LIC.

1972– Non-life Insurance nationalized GIC set up.

1993– Malhotra committee headed by former RBI Governor, R.N.Malhotra, set up to draw up a blue print for Insurance sector Reforms.

1994– Malhotra committee recommends re-entry player’s autonomy to PSU Insurers.

1997– Insurance regulator IRDA (Insurance Regulatory and Development Authority) set up

2000– IRDA starts giving licenses to private Insurers: ICICI prudential and FIDFC standard life first private life insurance to sell a policy.

2001– Royal Sundaram alliance first Non-life Insurers to sell a policy.

2002– Banks allowed to sell insurance plans: TPA, enter the scene insurers start setting non-life claims in the chastise mode

The Insurance Regulatory and Development Authority (IRDA) was formed to regulate the sector and over see the process of privatization. In 2000 the IRDA started giving out licenses and a year later, the first of the private players started operations the wheel had come full circle.
Under state controls the insurance sector both life and non-life, grew steadily. Still, Indians are not adequately insured and large belting most countries. Total Insurance penetration (Insurance, premiums as a percentage of gross domestic product) is dismal when compared to its economic standing just 2 percent of the population has some form of life insurance. But in this huge gap lies a huge opportunity, which is why private insurers are queuing up

In many ways, the re-entry of private insurers has marked a second coming for the sector. In just three years, the sector has undergone a make over, offering the fruits of a free market, more choice, better service quicker settlement, tighter regulations, greater awareness. State insurance have been compelled to get their Act together and to think of it, these are still very early days^85.

4.2 GENERAL INSURANCE

Principles and practice are not separate and unrelated. General principles are closely connected with practice, it is essential to obtain a though grasp of fundamental principles because they constitute the basis of every aspect of practice. General insurance includes all the non-life Insurance.

4.2.1. Types of General Insurance

1. Marine Insurance

Marine Insurance has been defined as contract between insurer and insured where by the insure undertakes to indemnify the insured in manner and to the interest there by agreed, against marine losses incident to marine adventure. Section 2(13) A of the Insurance Act 1938 defines marine insurance as follows “Marine Insurance business” means the business of effecting contracts of insurance upon vessels of any description, including cargoes, freights and other interests which may be legally insured

^85 The layman’s guide to Insurance outlook (monkey Books) Publishing first edition 2003 Page No.4 to 8
in or in relation to such vessels, cargoes and freights, goods, wares merchandise and property of whatever description insured for any transit by land or water or both, and whether or not including were house risk or similar risks in addition or as incidental to such transit and includes any other risks customarily included among the risks insured against in marine insurance polices.

The above definition clearly lays down the following classification of the marine Insurance

I. Hull Insurance
II. Cargo Insurance
III. Freight Insurance
IV. Liability Insurance

2. Fire Insurance

Fire insurance is a device to compensate for the loss consequent upon destruction by fire. Thus the fire insurer shifts the burden of fire losses from their actual victims over to all the members of the society. It is co-operative device to share the loss. It is a well-known fact that the fire causes huge losses every year. The individual owner by taking fire insurance can prevent the fire waste to some extent. The insurer act as a middle man between all the members of the society who are exposed to the fire risk on the one hand and the members who will be the actual victims of the fire losses on the other. The insurer charges the premium from all the insured members and makes good the losses when they occur to any of them. The system of fire insurer cannot save the society from the economic loss to the community to the extent of the property lost by fire, but it compensates someone and this saves him from a ruinous loss, at the cost of group of some others.

3. Motor Insurance
Motor Insurance get recently a great momentum. In the older times, persons, who were injured or killed through the negligence of the motorists, could not get financial redress either to them or to their legal heirs because no sachems of insurance was present at that time. To mitigate the financial hardship caused to the persons. The Motor Vehicles Act 1939, as amended from time to time, has made it compulsory for the motorists to insure against the risk of liability to third parties. The rate of premium is standardized because the business is tariff. No insurer can charge lower rates than the tariff rates and no insurer can grant benefits exceeding than those prescribed by the tariff.

Vehicles for the purpose of insurance are classified as below

I. Private cars (not used for carrying passengers for hire or reward)

II. Commercial vehicles such as goods carrying vehicles, passengers vehicles, tractors and other.

III. Motor cycles, scooters and auto cycles

4. Rural Insurance

The GIC and the four subsidiaries viz., National Insurance Company Ltd. The New India Assurance Company Ltd., The Oriental Insurance Company Ltd, and United India Insurance Company Ltd., here by known as National, New India, Oriental and United India have taken the responsibilities of insuring the rural masses against the growing risks in the areas of personal, property, livestock, and packages. This will high light how far the general insurance industry has been successful to harness the exiting opportunities in rural areas.

5. Miscellaneous Insurance

Miscellaneous insurance owes its origin and growth to the industrial revaluation. In the wake of the steam engine and new discoveries of high pressure
boilers and vessels, fast moving automobiles, and aircraft, highly complicated and monstrous machinery explosive chemical complexes, petroleum, refineries, a host of other technological advancements, sweeping changes have taken place in the socio-economic structure. With progress, hazards to life and property have also been constantly on the increase. This has contributed to the over increasing growth of miscellaneous insurance striving to design tailor-made cover to suit individual and specific needs.

Broadly the miscellaneous insurance can be classified in to four categories based on the subject matter that is being covered under the policy.

I. Insurance of persons
II. Insurance of property
III. Insurance of Liability
IV. Insurance of Interest

Other types of classification are
a) Tariff and non-tariff insurance
b) Traditional and non-traditional insurance
c) Specific cover & package cover insurance

4.2.2 Extent of Cover

This innocuous example illustrates the scope and spirit of non-life or general insurance: got a risk, any kind of risk, insures will cover it for a price, of course from bicycle to cars, from houses to factories, from books to film, from accidents to frauds. And though Indian insures don’t offer cover for a hole-in-one. For three or no extravagant rituals attached to such sporting feats in our country yet, they do cover most things under the sun that carry a material risk.
4.2.3 Principles of General Insurance

1. Indemnity

   To indemnity means to put one in the same or nearly the same financial position as he was in before the loss occurred, assuming adequate cover and sum insured. A person is not allowed to take advantage of the occurrence of a loss and improve his financial position through insurance.

2. Subrogation

   It is a controlling to the principle of Indemnity. An insurer who has paid a claim has the right to receive the benefit of all rights and remedies of the insured, which will go to mitigate of the loss. The right of an insured to recover from a third party in tort or under contract is not diminished by his being paid by the insurers. The insurers step into his shoes and use his name and rights to affect any recovery, which may be made. This position arises out of common law quite apart from any policy conditions modify this principles.

3. Contribution

   Provides for an equitable distribution of any loss among insurers, and it supports the principle of indemnity because it prevents an insured who holds several policies with different companies from recovering. In all more than the amount of his loss. Where the same interest in the same subject matter is insured against the same peril. Under more than one policy, the loss will be apportioned between the policies rateably. This position can also be altered by a policy condition.

4. Insurable Interests

   The more effecting of a policy does not carry with it the right of recovery against an insurer in the event of loss. The legal right to insure must exist, and this is known as insurable interest. A person with an insurable interest means some one who
would suffer a direct financial loss, should the property be damaged by an insured peril. 

The most obvious example is of course, the owner of the property. The bank that loans 
the money to by a house takes a mort-gage or lien on the house. If the house is 
damaged, the security is impaired, so the bank has insurable interest. Insurable interest 
must be measurable in terms of money and it must be a legal or equitable interest.

5. Moral Hazard

Moral Hazard is the risk associated with human nature and depends upon the 
character, qualities and reputation of the proposer or insured. It may extend to the 
general nature of the employees or other persons in contact with the subject matter of 
insurance. It is also reflected in the house keeping and the way the works, machinery 
and plant are maintained. It is often possible to improve an unfavorable physical 
hazard, but bad moral hazard necessitates declination. Moral hazard may manifest in 
several ways by fraudulent claim, carelessness leading to accident, difficult claimants, 
and plant are maintained.

6. Utmost good faith

The general duty of good faith is implicit in all contacts; where as the more 
stringent duty of utmost good faith applies to contacts of insurance. This is the duty the 
disclose all material facts. This duty is inherent in common law, but the inherit duty is 
extended by the contractual duty. The duty of disclosure on the post of the proposer is 
not satisfied by merely supplying truthful answers to the questions found on relevant 
proposal form. If there are other material facts, they must be disclosed. This study is 
very strictly interpreted and it extends to material facts the proposer knows or ought to 
know.

The declaration at the end of the proposal form that is signed by the proposal 
extends the above duty of utmost good faith. The effect of this is to render any
inaccuracies in the answers to the questions on the proposal form sufficient to make the contact void able.

While the duty of disclosure effects the prosper to a marked extend because it is he who knows, or ought to know all the material facts relating to a risk proposed for insurance, insurers are also bound to observe utmost good faith.

Insurer must give accurate information regarding the contract in to which they are prepared to enter. Any ambiguity in the policy or its accompanying documents will be interpreted in a manner favorable to the insured, because it is the insurance.

7. Proximate Cause

An insurer is liable under a policy only if the loss or damage sustained is proximately or immediately caused by the operation of the insured perils. The relationship of cause and effect must exist between the peril insured and the loss without the intervention of any other external force and without interruption. That is, the connection must be casual and not accidental.

4.3 Rural Insurance

The General Insurance Corporation and four subsidiaries viz., National Insurance Company Ltd, The New India Assurance Company Ltd, The Oriental Insurance Company Ltd, and United India Insurance Company Ltd have take the responsibilities of insuring the rural masses against the growing risks in the areas of personal, property, livestock and packages. Generally rural insurance means insurance products selling in a rural market. It will more benefited and developed to the rural people.

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86 Insurance principles and practices, M.N. Mishra S. Chand and company Ltd.
4.3.1 Types of Rural Insurance:

As per the general insurance corporation rural insurance is classified into six major segments namely

(i) Livestock covers
(ii) Bird covers
(iii) Sub-animal covers
(iv) Human covers
(v) Plant covers
(vi) Other rural covers

(i) Livestock Covers:

The following insurance is covered under the head of livestock insurance.

Cattle Insurance
Sheep / Goat Insurance
Pig Insurance
Camel Insurance
Elephant Insurance
Horse/Pony/Mule/Donkey/Yak Insurance
Rabbit Insurance
Pet Dog Insurance
Bleed Insurance
Stock Insurance

(ii) Bird Covers:

Poultry Insurance
Duck Insurance
Quail Insurance

(iii) Sub Animals Covers:
Sericulture Insurance
Honey Bee Insurance
Inland fresh water fish Insurance
Brackish water prawn Insurance

(iv) Human Covers:
Janata Personal Accident Insurance
Gramin Accident Policy Insurance
Composite Rural Package Insurance
Personal Accident Social Security Insurance

(v) Plant Covers:
Plantation / Horticultural Insurance
Specific Clause for:
Banana
Sapota (Chiku)
Citrus
Rubber
Evcalyptus
Sugar Cane
Teakwood Plantation (inputs) Insurance
Apple Insurance
Tea Plantations

(vi) Other Rural Covers:
Kisan Agricultural Pumpset Insurance
Insurance for Animal Driver Cart/ Tonga
Hut Insurance
Salt- Works Insurance
Failed well Insurance
Insurance for Bio-Gas Plant
Insurance for Handloom weavers.

4.4 LIVESTOCK INSURANCE

The livestock and cattle insurance was demanded since independence. No
worth mentioning progress was made till 1972, when the general insurance was
nationalized. Recently some progress has been made and figure of the progress is
available since 1982. Livestock insurance have included cattle, sheep and goat, horse/
pony/ mule, pig, camel, duck, rabbit etc.,

Livestock insurance refers mainly to the insurance of horses and cattle. This
insurance provides cover against death of animals or livestocks arising as a result of
accident, disease, parturition or pregnant condition as the case may be.

4.4.1 Livestock Insurance schemes and conditions

There is a market agreement among the subsidiaries of GIC with the latest
revision made in 19-03-1991. This market agreement pertains to:

a) Insurance of milk / drought animals – General
b) Insurance of milk / drought animals – IRDP etc. schemes
c) Insurance of calves / heifers subsidized by IRDP / SLPP under
   Calf rearing programme of Govt. of India.

(1) Definition:

The word “Cattle” refers to  a) milk cows / buffaloes b) calves / heifers  c) Stud
bulls and d) bullocks ( castrated bulls/ male buffaloes ) Indigenous / cross breed /exotic.
Exotic animals – whose both parents are of foreign breed.

Indigenous animals – whose both parents are of Indian breed

Cross breed – one of whose parents is of foreign breed.

(2) Age Group:

Animals of ages in years shown below shall be accepted under the Standard Insurance Policy subject to health certificate from a veterinary surgeon.

Table 4.1

Accepted Ages of Animals

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Market animals</th>
<th>Scheme animals</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Milk cows</td>
<td>2 years (or age at 1st calving) to 10 years</td>
<td>2 years (or age at 1st calving) to 10 years</td>
</tr>
<tr>
<td>b) Milk buffaloes</td>
<td>3 years (or age at 1st calving) to 12 years</td>
<td>3 years (or age at 1st calving) to 12 years</td>
</tr>
<tr>
<td>c) Stud bulls</td>
<td>2 years (or earlier age at sexual maturity) to 8 years.</td>
<td>2 years to 8 years</td>
</tr>
<tr>
<td>d) Bullocks(Castrated bulls/ Male buffaloes)</td>
<td>2 years to 12 years</td>
<td>2 years to 12 years</td>
</tr>
<tr>
<td>e) Indigenous/exotic cross breed female calves/heifers</td>
<td>4 month up to date of 1st calving or minimum age limit for adult female animals as above</td>
<td>4 months to 32 months</td>
</tr>
</tbody>
</table>

Source: Book of General Insurance Nalanda learning centre united India Insurance Company Ltd
(3) **Valuation and Sum Assured:**

The valuation and sum assured is presented in the table.

**Table 4.2**

Valuation and Sum Assured

<table>
<thead>
<tr>
<th>Market Animals</th>
<th>Scheme Animals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market value varies from breed to breed, area to area and time to time. Examining Veterinarian’s recommendation shall be considered proper guide for acceptance of Insurance settlement of claims. (Livestock inspector or Diploma holders certificate may be accepted if V.S is not available.</td>
<td>Price fixed by the purchase committee shall be treated as sum insured/ market value. (Loan + subsidy) This will be an Agree Value Policy.</td>
</tr>
</tbody>
</table>

Source: Book of general insurance Nalanda learning centre united India insurance company Ltd

Note: Sum insured will not exceed 100% of the market value.

(4) **Indemnity:**

**Table 4.3**

Indemnity

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Indemnity value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sum insured or market value</td>
<td>On agreed value basis</td>
</tr>
<tr>
<td>Prior to illness whichever is less</td>
<td></td>
</tr>
<tr>
<td>PTD claim settlement</td>
<td></td>
</tr>
<tr>
<td>-Draft animals indemnity limited to 70%</td>
<td>75% of S.I</td>
</tr>
<tr>
<td>-Milk cattle indemnity limited to 50%</td>
<td></td>
</tr>
</tbody>
</table>

Source: Book of general insurance Nalanda learning centre united India insurance company Ltd
**5) Premium Rates:**

Co-operative Dairies  
2.25 % (Net) p.a

4% Gross 3.4 % Net

Private farmers

Bank financed including

Co-op bank financed

5% Gross 4.25% Net.

The rate of 4% gross would be applicable only if the insured is a Co-operative dairy and pays premium on behalf of its members. This rate will not be applicable if the insured is a loans or beneficiary being a member of a co-operative society.

**6 Extra Premium:**

i) a) For exotic animals  + 2 % Gross

b) For P.T.D + 1% Gross p.a  
3.1 % (Net) P.a

c) For Transit cover 1% on total sum insured when transit is greater than 80 km with

in the state by rail or road

ii) a) **Cattle Group Insurance Scheme:**

A group discount of 10% is allowed for organized dairy and cooperative dairies where the number of animals covered are not less than 25 and if the proposal is a fresh one. In case in the subsequent years if the claim ratio is less than 1005 an additional premium discount of 10% is offered. However, the maximum discount should not exceed 25% at any give time. Even in case the former is processing 100 animals such proposals will also be treated as group policies only.
b) Malus System

Table 4.4

Cattle Group Insurance Claim

<table>
<thead>
<tr>
<th>Claim Ratio %</th>
<th>Malus</th>
</tr>
</thead>
<tbody>
<tr>
<td>100-110</td>
<td>20%</td>
</tr>
<tr>
<td>111-130</td>
<td>33%</td>
</tr>
<tr>
<td>131-160</td>
<td>60%</td>
</tr>
<tr>
<td>161-200</td>
<td>100%</td>
</tr>
<tr>
<td>Above 200</td>
<td>Claim ratio to be adjusted</td>
</tr>
</tbody>
</table>

Source: Book of general insurance Nalanda learning centre united India insurance company Ltd

(7) Short Period Rates:

Table 4.5

Period Not Exceeding

<table>
<thead>
<tr>
<th>Period</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Week</td>
<td>1/8th of the Annual Rate</td>
</tr>
<tr>
<td>1 Month</td>
<td>1/4th of the Annual Rate</td>
</tr>
<tr>
<td>2 Months</td>
<td>3/8th of the Annual Rate</td>
</tr>
<tr>
<td>3 Months</td>
<td>1/2nd of the Annual Rate</td>
</tr>
<tr>
<td>4 Months</td>
<td>5/8th of the Annual Rate</td>
</tr>
<tr>
<td>5 Months</td>
<td>3/4th of the Annual Rate</td>
</tr>
<tr>
<td>8 Months</td>
<td>7/8th of the Annual Rate</td>
</tr>
<tr>
<td>Exceeding 8 Months</td>
<td>Full annual Premium</td>
</tr>
</tbody>
</table>

Source: Book of general insurance Nalanda learning centre united India insurance Company Ltd
Minimum Premium

Rs. 25%- Per animal Note: Minimum premium is not

Rs. 20%- Per bullock applicable to scheme animals and master policies

8. Long Term Policy Rates:

Long-term cattle policies can be had for 3 years and above subject to the conditions that (a) Full premium to be paid in advance (b) No refund of premium even if claims arise in earlier years and (c) Maximum age limit should be as detailed in II above at the end of long term conduct:

<table>
<thead>
<tr>
<th>Long term Discount</th>
<th>Market Animals</th>
</tr>
</thead>
<tbody>
<tr>
<td>For 3 years Policies</td>
<td>15%</td>
</tr>
<tr>
<td>For 5 years Policies</td>
<td>25%</td>
</tr>
</tbody>
</table>

Source: Book of general insurance Nalanda learning centre united India insurance company Ltd

9) Benefits under the Policy:

The insured animals are covered against market animals scheme animals.

Death by disease or accident (including fire and/ or lightning occurring anywhere in India or such other country/countries as the company may agree but excluding death directly/indirectly due to or resulting from following exclusions.

9. (a) Exclusions:

1. Malicious or willful injury or neglect, overloading, unskilled treatment or use of the animal for the purpose other than stated in the Policy with out the consent of the company in writing.
2. Accidents accruing and/or diseases contracted prior to commencement of risk

3. International slaughter of the animal except in cases where destruction is necessary to terminate incurable suffering on human consideration on the basis of certificate issued by qualified veterinary surgeon in case where destruction is resorted to by order of lawfully constituted authority.

4. Transport by Air and/or Sea

5. Pleuropneumonia in respect of cattle in Lakkimpur and Sibsager districts of Assam.

6. Theft and/or clandestine sale of insured animal

7. War, Invasion, act of Foreign enemy, hostilities whether war be declared or not civil war, rebellion, revolution, insurrection, muting, tumult, military or usurped power or any consequences thereof or attempt threat.

8. Any accident, loss, destruction, damage or legal, liability directly or indirectly caused by or contributed to by or arising from nuclear weapons/materials

(10) Veterinary Examinations:

The report of the veterinary surgeon giving the age, identification mark, health of the animal and indication that protective invocations have been completed must be obtained for each proposal.

Wherever veterinary surgeons are not available, companies may at their discretion accept certificates of health issued by livestock inspectors who are diploma holders. Such certificates will be valid for acceptance of proposals only.

Fresh veterinary examination is not necessary for renewal of insurance if renewal of insurance is made on or before the date of expiry of the policy.
Table 4.7
Veterinary Examination of the Livestocks

<table>
<thead>
<tr>
<th>Market Animals</th>
<th>Scheme Animals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Veterinary fees not exceeding Rs.5/- for examination of each animals the insurance proposal of which has been accepted is payable</td>
<td>Veterinary examination not payable by insurer</td>
</tr>
</tbody>
</table>

Source: Book of general insurance Nalanda learning centre united India insurance company Ltd

(11) Tagging fees:

Table 4.8
Tagging Fees

<table>
<thead>
<tr>
<th>Market Animals</th>
<th>Scheme Animals</th>
</tr>
</thead>
<tbody>
<tr>
<td>The above Rs.5/- per animal is inclusive of tagging charges. If the tagging is done by the same vet.</td>
<td>Rs.1/- per Animal will be given to the person who has tagged the animal</td>
</tr>
</tbody>
</table>

Source: Book of general insurance Nalanda learning centre united India insurance company Ltd

(12) Retagging Fees:

Table 4.9
Retagging Fees

<table>
<thead>
<tr>
<th>Market Animals</th>
<th>Scheme Animals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rs. 5/- per animal</td>
<td>Rs. 2/- per animal</td>
</tr>
</tbody>
</table>

Source: Book of general insurance Nalanda learning centre united India insurance company Ltd
In the event of fall of tag due to manufacture defect, the approved tag supplier should be called upon to replace and also to bear Rs. 5/- towards retagging charges.

(13) **Agency Commission:**

<table>
<thead>
<tr>
<th>Table 4.10</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Agency Commission</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Market Animals</th>
<th>Scheme Animals</th>
</tr>
</thead>
<tbody>
<tr>
<td>15%</td>
<td>Nil</td>
</tr>
</tbody>
</table>

Source: Book of general insurance Nalanda learning centre united India insurance company Ltd

(14) **Identification of Animals:**

All insured animals should be suitably identified preferably by one of the following methods

(a) ear tag made of brass or any other metal or poly urethrance “E”

N.B. Natural identification marks of the animals should be clearly noted in the proposal form and veterinary death certificate.

(15) **Transfer of Interest:**

<table>
<thead>
<tr>
<th>Table 4.11</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Transfer of Interest</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Market Animals</th>
<th>Scheme Animals</th>
</tr>
</thead>
<tbody>
<tr>
<td>On sale of animals provided previous notice in writing is given to the insurance company the policy may be transferred to the new owner. Transfer fees of Rs.5/- for affecting the transfer of interest in the policy and additional premium if any shall be paid the new owner before affecting the transfer.</td>
<td>Not applicable</td>
</tr>
</tbody>
</table>
(16) Claims Procedure/Important Conditions:

Table 4.12

<table>
<thead>
<tr>
<th>Market Animals</th>
<th>Scheme Animals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insured shall take proper care of the animals</td>
<td>Insured shall give immediate information of the death of the animal as early as</td>
</tr>
<tr>
<td>Insured including providing proper feed and shelter, ensure softy of animal and</td>
<td>possible but not later than 30 days to IRDP/Bank/Insurance Company.</td>
</tr>
<tr>
<td>proper treatment in case of illness or accident notice of illness, lameness,</td>
<td></td>
</tr>
<tr>
<td>accident or injury to insured animal shall be given to the company/bank</td>
<td></td>
</tr>
<tr>
<td>immediately after accident. Insured shall give immediate intimation to the</td>
<td></td>
</tr>
<tr>
<td>company’s nearest office on death of animal as early as possible but not later</td>
<td></td>
</tr>
<tr>
<td>than 30 days.</td>
<td></td>
</tr>
</tbody>
</table>

Source: Book of general insurance Nalanda learning centre United India insurance company Ltd
4.4.2 Claimant has to Furnish to the Company:

Table 4.13

Claimant has to Furnish to the Company

<table>
<thead>
<tr>
<th>Market Animals</th>
<th>Scheme Animals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Duly completed claim Form, along with Ear tag (plastic, Polyurethane “E” or Brass) Post mortem examination report if required by the company.</td>
<td>Duly completed claim Form Certificate of death from qualified veterinarian in the prescribed form or certificate of death along with ear tag given jointly by any two of the following:</td>
</tr>
<tr>
<td></td>
<td>1. Sarpanch of village</td>
</tr>
<tr>
<td></td>
<td>2. President or any other officials of Co-op. credit society.</td>
</tr>
<tr>
<td></td>
<td>4. Supervisor Inspector/Officer of any banking or credit Institution(Other than financing banking)</td>
</tr>
</tbody>
</table>

Source: Book of general insurance Nalanda learning centre united India insurance company Ltd

Note: Insured shall not claim or accept compensation if death is due to negligence, carelessness or wrong doing of any person but shall assist the company to secure compensation by giving all necessary information to the company.

Endorsement relating to (No tag No Claim)

The wording of the endorsement from the GIC and same is reproduced below.

Not with standing anything contained herein to the contrary if is hereby declared and agreed that no claim in respect of death of animals covered under the policy shall be entertained unless the ear tags in respect of animals and is/are surrendered to the company. In the event of loss of ear tag/s it is the responsibility of
the insured to give immediate tag loss intimation to the concerned Insurance Company
and get the animal/s re-tagging certificate to the insurance company subject otherwise
to the terms and conditions of the policy. Ensure that this endorsement is passed on the
banks/insured so that this provision is implemented on the existing policies. Needless
to mention that this endorsement has to be attached with the policies being issued under
IRD/scheme animals.

4.4.3 Special Calf Rearing Programme Scheme:

The Heifer Calf to be included in the scheme will be from 3 to 30 months. The
value of the Calf is taken considering the cost of feed, labour of the Farmers etc.

Table 4.14

Special Calf Rearing Programme Scheme

<table>
<thead>
<tr>
<th>Month</th>
<th>Value of Calf(Rs)</th>
<th>Month</th>
<th>Value of Calf(Rs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-6 months</td>
<td>600</td>
<td>21st month</td>
<td>2100</td>
</tr>
<tr>
<td>7th months</td>
<td>675</td>
<td>22nd month</td>
<td>2200</td>
</tr>
<tr>
<td>8th months</td>
<td>750</td>
<td>23rd month</td>
<td>2300</td>
</tr>
<tr>
<td>9th months</td>
<td>900</td>
<td>24th month</td>
<td>2400</td>
</tr>
<tr>
<td>10th months</td>
<td>900</td>
<td>25th month</td>
<td>2500</td>
</tr>
<tr>
<td>11th months</td>
<td>1000</td>
<td>26th month</td>
<td>2600</td>
</tr>
<tr>
<td>12th months</td>
<td>1100</td>
<td>27th month</td>
<td>2700</td>
</tr>
<tr>
<td>13th months</td>
<td>1200</td>
<td>28th month</td>
<td>2800</td>
</tr>
<tr>
<td>14th months</td>
<td>1300</td>
<td>29th month</td>
<td>2900</td>
</tr>
<tr>
<td>15th months</td>
<td>1400</td>
<td>30th month</td>
<td>3000</td>
</tr>
<tr>
<td>16th months</td>
<td>1500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17th months</td>
<td>1600</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18th months</td>
<td>1700</td>
<td></td>
<td></td>
</tr>
<tr>
<td>19th months</td>
<td>1900</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20th months</td>
<td>2000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Book of general insurance Nalanda learning centre united India insurance
company Ltd
* Since nutritive feed is being fed. Some of the calves may come to neat after 10-12 months. Hence the value has been increased.

Heifer calf may become pregnant and sufficiently grown up around 18th month fodder consumption will also be more. Hence the increased value.

**Table 4.15**

**Premium table for Insurance of Male Indigenous calves under IRDP**

<table>
<thead>
<tr>
<th>Age in completed months of the commencement of insurance</th>
<th>Sum insured payable in the event of death during corresponding month</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 Months</td>
<td>Rs. 250</td>
</tr>
<tr>
<td>5 Months</td>
<td>Rs. 325</td>
</tr>
<tr>
<td>6 Months</td>
<td>Rs. 400</td>
</tr>
<tr>
<td>7 Months – 12 Months</td>
<td>Rs. 850</td>
</tr>
<tr>
<td>13 Months – 24 Months</td>
<td>Rs. 1500</td>
</tr>
</tbody>
</table>

Source: Book of general insurance Nalanda learning centre united India insurance company Ltd

**Calf rearing scheme endorsement attached to and forming part of policy no**

**Memorandum No: 1**

It is hereby understood and agreed that for the purpose of considering acting of a claim arising under this policy. The sum insured on each calf (animal) will be taken as under
Table 4.16

Sum Assured of the Calf

<table>
<thead>
<tr>
<th>Age of the Calf</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 6 months</td>
<td>600</td>
</tr>
<tr>
<td>7th Months</td>
<td>675</td>
</tr>
<tr>
<td>8th Months</td>
<td>750</td>
</tr>
<tr>
<td>9th Months</td>
<td>825</td>
</tr>
<tr>
<td>10th Months</td>
<td>900</td>
</tr>
<tr>
<td>11th Months</td>
<td>1000</td>
</tr>
<tr>
<td>12th Months</td>
<td>1100</td>
</tr>
<tr>
<td>13th Months</td>
<td>1200</td>
</tr>
<tr>
<td>14th Months</td>
<td>1300</td>
</tr>
<tr>
<td>15th Months</td>
<td>1400</td>
</tr>
<tr>
<td>16th Months</td>
<td>1500</td>
</tr>
<tr>
<td>17th Months</td>
<td>1600</td>
</tr>
</tbody>
</table>

Source: Book of general insurance Nalanda learning centre united India insurance company Ltd

Memorandum No. 11

It is also understood and agreed that the premium under the policy for various age group of the animals having been charged on pro – rata basis taking into account the average value of the animal of each point of age the insured has agreed to pay the difference between the short period scale of rates and the pro – rata scale of Rate, in the event of a claim arising under the policy, the insurance in respect of the particular animal not having been renewed for the subsequent full one year for the insurance

For the purpose of arriving at short period scale the following basis will be applicable
### Table 4.17

**Period Not Exceeding**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Week</td>
<td>$\frac{1}{8}$th of the Annual Rate</td>
</tr>
<tr>
<td>1 Month</td>
<td>$\frac{1}{4}$th of the Annual Rate</td>
</tr>
<tr>
<td>2 Month</td>
<td>$\frac{3}{8}$th of the Annual Rate</td>
</tr>
<tr>
<td>3 Month</td>
<td>$\frac{1}{2}$nd of the Annual Rate</td>
</tr>
<tr>
<td>4 Month</td>
<td>$\frac{5}{8}$th of the Annual Rate</td>
</tr>
<tr>
<td>5 Month</td>
<td>$\frac{3}{4}$th of the Annual Rate</td>
</tr>
<tr>
<td>8 Month</td>
<td>$\frac{7}{8}$th of the Annual Rate</td>
</tr>
<tr>
<td>Exceeding 8 Months</td>
<td>Full Annual Premium</td>
</tr>
</tbody>
</table>

Source: Book of general insurance Nalanda learning centre united India insurance company Ltd Subject, otherwise, to the terms and conditions of the Policy.

#### 1. Illustrations

1. If a policy commencing at the age of 4 months is to be issued, premium would be under

   The total value of the animal during 12 months period i.e. $4^{th}$ to $15^{th}$ will be Rs. 6,580

   Average sum insured = $\frac{6580}{12} = Rs. 549

   Premium on Rs.549 @ Rs. 2.25%= Rs. 12.35

2. If the animal is to be insured at the $11^{th}$ month for twelve months

   (1 year) total sum insured i.e. $11^{th}$ month to $22^{nd}$ month will be Rs.13,510

   Average sum insured= $\frac{13510}{2} =Rs. 1,126/-

   Premium on Rs.1126/- @ 2.25% = Rs. 25.30
3. If the animal is to be insured for 2 years from the age of 4 months, the premium would be as under 1st 12 month i.e. from 4-15 months

<table>
<thead>
<tr>
<th>Premium (as in illustration (1))</th>
<th>Rs. 12.35</th>
</tr>
</thead>
</table>

2nd and 12 months i.e. 16-27 month Premium

<table>
<thead>
<tr>
<th>Average sum insured</th>
<th>Rs. 18,970/12 = Rs. 35.55</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premium on Rs.1500 @ 2.25%</td>
<td>Rs. 47.90</td>
</tr>
</tbody>
</table>

2. Valuation chart for Buffalo Calves:

Table 4.18

Valuation of Buffalo calves

<table>
<thead>
<tr>
<th>Age</th>
<th>Value in Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Month</td>
<td>125.00</td>
</tr>
<tr>
<td>2nd Month</td>
<td>175.00</td>
</tr>
<tr>
<td>3rd Month</td>
<td>200.00</td>
</tr>
<tr>
<td>4th Month</td>
<td>250.00</td>
</tr>
<tr>
<td>5th Month</td>
<td>325.00</td>
</tr>
<tr>
<td>6th Month</td>
<td>400.00</td>
</tr>
<tr>
<td>7th to 12th Month</td>
<td>850.00</td>
</tr>
<tr>
<td>13th to 24th Month</td>
<td>1500.00</td>
</tr>
<tr>
<td>25th to 36th Month</td>
<td>2000.00</td>
</tr>
<tr>
<td>37th to 45th Month</td>
<td>3000.00</td>
</tr>
</tbody>
</table>

Source: Book of general insurance Nalanda learning centre united India insurance company Ltd
4.4.4 Scheme for Insurance of exotic cattle belonging to Bull, Mother Farms under the Control of NDDB and IDC

(I) Applicability

1. Bull mother farms under the control of national dairy development board and Indian dairy development board and Indian Dairy Corporation.

2. Type of cattle Insured
   i) Only exotic cattle will be covered under the scheme
   ii) Cattle for the purpose of the scheme means young stock, cows and stud-Bulls

(2) Age Group

1. Young Stock
   i) Calves will be covered since birth
   ii) Insurance will not apply to still born calves
   iii) Calves aged less than six months will be covered only in respect of the undetermined six farms
   a) Exotic cattle farm, P.B. No 9 Bhattian, Punjab
   b) Model exotic farm, Bhiwani, Haryana, Pin Code 125921
   c) Exotic Nucleus Farm, Bassi, Rajasthan
   d) Nucleus Jersey & Stud form, Finger post Ootackamund, Tamil Nadu 643 006
   e) Jersey cattle farm IDC Project, S.A.G.P Bidaj Mahij District, Kaira Gujarat
   f) IDC Project institute of Agriculture Anand-380 110
2. Adults:

Maximum age limit will be eight years.

3. Sum Insured and Valuation:

Table 4.19

Sum insured in the case of cattle born in India

<table>
<thead>
<tr>
<th>Sl No</th>
<th>Particulars</th>
<th>Jersey</th>
<th>Fresien</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
<td>Male</td>
</tr>
<tr>
<td>1</td>
<td>Up to 1 month</td>
<td>250</td>
<td>250</td>
</tr>
<tr>
<td>2</td>
<td>Above 1 month up to 2 month</td>
<td>400</td>
<td>400</td>
</tr>
<tr>
<td>3</td>
<td>Above 2 months up to 6 months</td>
<td>1500</td>
<td>800</td>
</tr>
<tr>
<td>4</td>
<td>Above 6 months</td>
<td>2500</td>
<td>-</td>
</tr>
<tr>
<td>5</td>
<td>Above 6 month up to 12 month</td>
<td>2000</td>
<td>-</td>
</tr>
<tr>
<td>6</td>
<td>Above 12 months</td>
<td>3500</td>
<td>-</td>
</tr>
<tr>
<td>7</td>
<td>Stud stock for breeding purposes</td>
<td>5000</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: Book of general insurance Nalanda learning centre united India insurance company Ltd

4. Premium Rates:

In view of adverse claim experience in respect of bull mother forms. It was decided in the C.RI committee meeting dated 12.12.1985 That premium rate should be 5% per annum on a uniform basis.

5. Scope of cover:

As per standard cattle Insurance Policy.

6. Exclusion:

As per standard cattle Insurance Policy.

7. Identification of Insured animals:

i) This will be done by ear, tags approved by GIC & NDDB-IDC

ii) Ear tagging will be done by the bull mother forms at their own cost.
8. Claim procedure:

Claimant has to furnish information in the following forms

i) Duly completed claim form along with Ear Tag.
ii) Veterinary death certificate on company’s form
iii) Post mortem report, if conducted

9. Salvage  - Nil

10. Business

Will be treated as direct and without agency.

11. Group Policy

One group policy will be issued in favor of each bull mother form.

4.4.5. Cattle Insurance

1. Applicability

Scheme applicable to any corporate office who are involved in dairy industry.

2. Scope

The word “Cattle” for the purpose of the agreement refers to

a. Milch cows and buffaloes
b. Calves/Heifers
c. Stud Bulls
d. Bullocks (castrated Bulls) and castrated male Buffaloes, whether indigenous of exotic or cross-breed.

Note:

1. Exotic animals means an animal, whose both parents are of foreign breed.
2. Cross breed animal means an animal one of these parents is of foreign breed.
3. Age Group

Table 4.20

Animals of ages in year

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Ages of animal in years</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. a) Cows (Indigenous/cross-breed / Exotic)</td>
<td>2 years (or age at first calving) to 8 year.</td>
</tr>
<tr>
<td>b) Buffaloes</td>
<td>3 years (or age at first calving) to 10 years.</td>
</tr>
<tr>
<td>c) Stud Bulls (Cow/Buffalos</td>
<td>3 years (or earlier age at sexual maturity) to</td>
</tr>
<tr>
<td>Specifies</td>
<td>8 years</td>
</tr>
<tr>
<td>d) Bullock (castrated Bulls and castrated male Buffaloes)</td>
<td>3 years to 12 years</td>
</tr>
<tr>
<td>2. Indigenous cross breed and exotic Female calves/heifers (if cover is to be granted)</td>
<td>From 4 months up to the date of first calving or minimum age as in (a) and (b).</td>
</tr>
</tbody>
</table>

Source: Book of general insurance Nalanda learning centre united India insurance company Ltd

4. Valuation and Sum Insured

1. The market value of cattle varies from breed to breed, from area to area and from time to time. The examining Veterinarians recommendations shall be considered as the proper guide for acceptance of insurance as well as for settlements of claims.

2. Sum insured will not exceed 100% of market value.

3. In respect of permanent total disablement claims, insurers liability would be limited to 75% of sum insured or market value which ever is less.

5. Premium Rates

For cow/Buffaloes/Female calves/Heifers/Studbulls/Bullecks and castrated male Buff ales.
## Table 4.21

**Premium Rates of the Livestocks**

<table>
<thead>
<tr>
<th>Species</th>
<th>Gross Rate</th>
<th>Minimum Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Death</td>
<td>Premium</td>
</tr>
<tr>
<td>1. Milch animals</td>
<td>7 year (across)</td>
<td>1% (Gross)</td>
</tr>
<tr>
<td>2. Calves/Heifers</td>
<td>4 year (net)</td>
<td>No PTD</td>
</tr>
<tr>
<td>3. Bulls</td>
<td>5% (gross)</td>
<td>1% (Gross)</td>
</tr>
<tr>
<td>4. Bullocks</td>
<td>5% (gross)</td>
<td>1% (Gross)</td>
</tr>
<tr>
<td>5. He Buffaloes</td>
<td>5% (gross)</td>
<td>1% (Gross)</td>
</tr>
</tbody>
</table>

Source: Book of general insurance Nalanda learning centre united India insurance Company Ltd

Attracts extra premium as shown below

<table>
<thead>
<tr>
<th>Extra Rate</th>
<th>Premium rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>A) For exotic cattle / stud bulls / calves</td>
<td>2%</td>
</tr>
<tr>
<td>B) For PTD</td>
<td>1%</td>
</tr>
</tbody>
</table>

### 6. Discount

a) The rates of basic premium and extra premium can be reduced by 15% and the deduction shown on the face of the policy in lieu of agency commission.

b) Long term discount of 10% in premium rate is allowed on policies issued for a period of 5 years subject to following conditions

(i) Full premium had to paid in advance

(ii) No refund of premium will be allowed even if claim arises in the earlier years.
7. Special Discount

Good features like veterinary facility in the farm, adequate water supply, grazing fields, scientific and hygienic shelter etc. would entitle the insured for a special discount of 5% for this purpose of veterinary officer from Insurance company will inspect and certify the satisfactory features.

8. Group Discounts

<table>
<thead>
<tr>
<th>No. Of animals</th>
<th>Discount</th>
</tr>
</thead>
<tbody>
<tr>
<td>500 to 1000</td>
<td>2%</td>
</tr>
<tr>
<td>1000 to 1,00,000</td>
<td>4%</td>
</tr>
<tr>
<td>More than 1,00,000</td>
<td>5%</td>
</tr>
</tbody>
</table>

Source: Book of general insurance Nalanda learning centre united India insurance company Ltd

9. Short Period Rates

<table>
<thead>
<tr>
<th>Short Period Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 months .............</td>
</tr>
<tr>
<td>6 months..............</td>
</tr>
<tr>
<td>8 months.............</td>
</tr>
<tr>
<td>Exceedity months</td>
</tr>
</tbody>
</table>

Source: Book of general insurance Nalanda learning centre united India insurance company Ltd
10. Insurance Coverage

The policy shall give indemnity only for death due to:

a) Accident (inclusive of fire, lightning, flood, inundation, storm hurricane, Earthquake, cyclone, tornado, tempest, and famine)

b) Disease contracted or occurring during the period of this policy

c) Surgical operations

d) Riot and strike

The policy can also be extended to cover PTD on payment of extra premium.

a) Permanent total disability which, in the case of milch cattle results in permanent and total incapacity to breed conceive or yield milk

b) PTD which in the case of stud bulls result in permanent and total capacity for breeding purpose

c) In case of bullocks and castrated make buffaloes result in permanent and total capacity for the purpose of use mentioned in the proposal form.

11. Exclusion:

1. Malicious or will not injury or neglect, over leading, unskillful treatment or use of animal for purpose other than stated in the policy without the consent of the company in writing.

2. Accidents occurring and or diseases contracted prior to commencement of risk.

3. International slaughter of the animal except in cases where destruction is necessary to terminate incurable suffering on humane consideration on the basis of certificates issued by qualified veterinarian or in case where destruction is resorted to by the order of lawfully constituted authority.

4. Theft and clandestine sale of the insured animal.
5. War, invasion, act of Foreign enemy, hostilities (whether war be clochard or not), civil war, rebellion, revelation insurrection, mutiny, tumult, military or usurper power or any consequences there of or attempt thereat.

6. Any accident, loss, destruction, damage or legal liability directly or indirectly caused by or contributed to by or arising from nuclear weapons.

7. Consequential loss of what so ever nature.

8. Transport by air and sea

9. Partial disability of any type

10. Permanent total disability which, in the case of milch cattle results in Permanent and total capacity for breeding purpose and in the case of Bullocks and castrated male buffaloes results in permanent and total capacity far the purpose of use mentioned in the proposed.

11. Veterinary Examination

1. a) The record of a qualified veterinarian giving the age, identification, marks health of the cattle must be obtained for each propos

   b) Where vaccination is a requirement to cover any specific disease, the veterinarian will ascertain and certify about the successful inoculation / vaccination against the disease to be covered.

2. Fresh veterinary examination is not necessary for renewal of cattle insurance policy, if renewal is made on or before the date of expiry of the policy.

3. Insurance will not pay any veterinarian fee to the resident vets.

4. As regards veterinary examination fees following the death of animal or post mortem if required, the same will be payable by the insurer provide the claims are payable and the fees can be prescribed at the insurer’s own discretion. If qualified veterinarians are not available in the area concerned
for certifying cause of death, the insured may make suitable alternative arrangements at its discretion.

13. Identification of Animals

All insured animals should be suitably identified by one or more
a) Ear tag made of brass metal / poly urethane “E” Tags
b) Branding with not iron
c) Tattooing

Natural identification marks should be clearly noted in the proposal from and veterinarians report. The cost of car-tags and tagging charges will be borne by the insurer. Besides cost of car-tags tagging charges shall be at the discretion of the insurance company

14. Blanket Policy:

It would be in order to issue blanket policies subject to monthly declaration. In favour of clients who maintain regular records of each animal, by which any illness suffered treatment provided, vaccinations given etc., are recorded in the normal course of business

15. Transfer of Interest

(Provided previous notice in writing is given to the company) A policy may be transferred to an approved new owner or the cover a new (another) animal subject to adjustment of premium on a pro rata basis.

16. Claim procedure:

In the event of death of an animal the following requirements should immediately be furnished by the insured to the insurance companies,

1. Duly completed Form(along with car – tag where applicable)
2. Death certificate obtained from qualified veterinarian company’s form
4.5 LIVESTOCK INSURANCE MATTER POLICY

An open policy is issued without specifying the sum insured. This will be a stamped document stating the type of cover, grantees, perils covered, conditions, exclusion etc. When loans are granted by the branch of the bank, the animals purchased will be covered under the insurance scheme. The insurance cover will commence from the time the animals are purchased by the beneficiaries and will be valid for one year. The declaration forms are supplied to the bank branches by the insurance company. As and when animals are financed, the branch will send to the insurance company the declaration giving details of the borrowers financed along with the certificate of the veterinary doctor. Under the livestock insurance scheme, livestock as milch cows, buffaloes, calves / heifers, stud bulls and bullocks, castrated bulls and male buffaloes, whether indigenous or cross-bred or exotic, sheep, goats and pigs are insured. This policy covers death of livestock due to any accident, inclusive of fire, lightning, flood inundation, storm, hurricane, earthquake, cyclone, tempest, famine, snakebite, etc., diseases inclusive of rinderpest, blackquarter, haemorrhagic, septicaemia, anthrax, foot and mouth diseases, surgical operation, strike, riot and civil commotion.

4.5.1 Procedure for implementation of Master Policy

A master Policy agreement is entered into with the bank, IRDP or similar agency. Under this agreement, an open master Policy is issued.

Master Policy can be issued to Bank / IRDA / IRDP or any financial institution or agency. Which advances money for purchase of animals. It can be issued to cover one or more branches or all branches or districts. All animals for which advance is made are covered for a period of one / three / four / five years from the date of purchase. Normally there are three documents involved.
1. Proposal cum animal health certificate

2. Certificate of insurance

3. Statement giving details of beneficiaries and property (animal etc) on weekly monthly basis

A book containing certificate of insurance is entrusted to the bank.

These certificates are in quintuplicate. The certificate is valid only when signed by Bank / IRDA official. After the satisfactory proposal cum health certificate is received the official issues a certificate copies are meant for DRDA or IRDP authority (where involved) Insurance office beneficiary and the Bank. Stop copies are retained in the book which when completed is returned to Insurance Company. The statement incorporates details of borrower, details of his account, details of animals including tag number, value Rate of premium Period of insurance and the certificate number. The statement is send in duplicate to insurance company with copies of certificates issued and a cheque/draft for the total premium involved. Insurance company reforms a copy duty countersigned when the same it found in order or else discrepancies are sorted out. A deposit premium or a Bank guarantee in the prescribed format should be obtained from the bank /IRDA or the agency to whom master policy is issued\textsuperscript{88}.

Hence, this conceptual chapter as clearly explained on the livestock insurance and significance in letting the research in to analysis of the policy holders perceptions on livestock insurance.

\textsuperscript{88} Ramesh.T.V.(2006) " Rural Initiative-Micro Insurance