



THE ORIENTAL INSURANCE COMPANY LIMITED
HEAD OFFICE: CORPORATE OFFICE, NBCC, KIDWAI NAGAR EAST, NEW DELHI

UIN-IRDAN556RP0118V03200506

AQUACULTURE (SHRIMP/PRAWN) INSURANCE PROSPECTUS

This policy can be taken by any person practicing aquaculture (fresh water or brackish water) shrimp/prawn farming, subject to the farm being duly licensed in accordance with the Government notification growing Brackish Water Shrimp/Fresh Water Prawns.

I. PERIOD OF COVER

Policy period is upto One Hundred and Eighty (180) days from the date of stocking of the post larvae (PL) or the seed.

II. SCOPE OF COVER

Cover is available as under:

Section – I Basic Cover: It provides cover against only Total loss of the Shrimp / Prawns due to the following:

- (a) Summer Kill
- (b) Pollution (from External source only)
- (c) Poisoning
- (d) Riot & Strike
- (e) Malicious acts of Third Parties
- (f) Earthquake
- (g) Explosion/Implosion
- (h) Storm, Tempest, Cyclone, Typhoon, Hurricane, Tornado, Flood, Inundation, Volcanic eruption and/or other convulsions of nature.
- (i) Aircraft & other aerial devices or articles dropped there from, impact with any road vehicle and animals
- (j) Terrorism

Section-II Comprehensive Cover:

It provides cover against all perils as enlisted in basic cover and death due to disease, excepting diseases caused by improper management practices and/or which are due to nutritional deficiencies.

III. EXCLUSIONS:

The Company shall not be liable in respect of loss/death of Shrimp and/or Prawns due to or arising from or through:

- (a) Malicious or willful injury, poisoning, negligence, error or omission by the insured or his family members or employees.
- (b) Improper & incompetent management and rough handling.
- (c) Partial loss of any kind.
- (d) Infidelity of any person, burglary, poaching and theft.
- (e) Natural mortality of the subject matter.
- (f) Undergrowth and cannibalism.
- (g) Predator, competitors, weeds, fish and dangerous insects.
- (h) Physical alteration/change of chemical status, p^H factor and salinity of soil and water.
- (i) Asphyxia
- (j) Clandestine sale or missing of Shrimp/prawns.
- (k) Loss of production and loss of profits.
- (l) Consequential loss of any nature.
- (m) Transit by any means.
- (n) Use of wrong/excessive chemicals.
- (o) War, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, revolution, insurrection, mutiny, military or usurped power or any consequences thereof or attempt thereat.
- (p) Accident, loss, destruction, damage or legal liability directly or indirectly caused by or contributed to by or arising from nuclear weapons/material.
- (q) Diseases due to improper management and/or nutritional deficiencies
- (r) Losses due to or resulting from Plankton Blooms (unless associated with natural climatic reasons).
- (s) Polyculture.
- (t) Any destruction in compliance with requirements of any statute or any order of government/municipal or other authority except where Company has expressly agreed.
- (u) Flood and inundation due to the action of normal tides.
- (v) Death occurring within 10 days from the inception of policy due to disease, stunted growth and / or low yield.

IV. CONDITIONS:

1. BASIS OF VALUATION (SUM INSURED/PEAK VALUE)

The Policy will cover only input cost. Sum Insured shall be fixed adopting the formula given below:

$$\text{Sum Insured} = \frac{\text{No. of seeds released} \times \text{Expected Survival rate} \times \text{ABW} \times \text{input cost/kg}}{100 \times 1000}$$

- ABW = Expected Average Body weight in grams.
- Input Cost = As declared by the insured
- Expected Survival rate = As agreed between the Insurer and the Insured

The Company will exercise utmost care and use its own underwriting wisdom before accepting input cost per kg of the Shrimp/Prawns produced, as declared by the proposer.

2. (i) **STOCKING OF PONDS:** The stocking density of shrimp/prawns should not be more than 10 seeds per sq.m. in case of P Monodon and 40 seeds per sq.m. in case of P. Indicus, and 60 seeds for L. Vannamei and P. Vannamei, or as prescribed from time to time by the Coastal Aquaculture Authority (CAA) or such other government agency.
(ii) The stocking density of other species, shall be as prescribed by CAA, Marine Products Export Development Authority (MPEDA) or such other government agency.
The density as stated above is subject to adequate biosecurity, power, alternative power sources, technical competency and other necessary infrastructure being in place.
(iii) The density of the stocking can be increased by 25-50%, in case of short duration crop of around 60-70 days and the targeted Average Body Weight (ABW) is about 12-15-20 grams; the harvest is done as partial harvests and sold at domestic markets.
3. A **HOLIDAY PERIOD** as recommended by MPEDA or such other Government Agency has to be observed by the farmers before releasing fresh seeds and during the period proper pond treatment has to be ensured by the proposer/insured, which shall be verified, by the underwriting office.
4. **TOTAL LOSS:** A loss due to any peril covered under the policy would be treated as a Total loss in case the loss percentage at any particular stage in one incident only equals or exceeds 70% of the total population of shrimps/prawns in a particular insured pond named in the schedule of the policy just prior to occurrence of the loss. No claims would be admissible under the policy if the loss percentage in the affected insured pond is below 70%.
Collective loss of different incidents will not be treated as total loss for the purpose of claim under this policy. Further death or loss of the Shrimp/Prawns by any means or any manner whatsoever before the occurrence of the insured peril will be excluded completely and that the population in the insured pond as on date of occurrence of the insured peril but not the originally stocked number and the related biomass shall form the basis for indemnity.

Here, incident shall not be considered to have terminated until there has been seven consecutive days of freedom from the perils covered.
5. **EXCESS:** Each and every claim shall be subject to a deduction of 20% from the claim amount payable. In other words, Company's liability in the event of total loss will be only 80% of the assessed value in terms of policy condition as per indemnity clause.
6. **LICENSE:** If there is any Government legislation in force in the State/Union Territory in which the farm is situated requiring a license to set up and conduct Prawn/Shrimp culture operations in the area, the farm should obtain such license.
7. **CESSATION OF RISK:** The insured shall declare the probable dates of harvest to the Company well in advance. The policy shall cease to cover Shrimp/Prawns immediately after the insured harvests/sells them or parts with any interest in them, whatsoever whether temporarily or permanently or after the expiry of the policy period.
8. **MISDESCRIPTION:** This policy shall be void and all premium paid thereon shall be forfeited to the Company in the event of misrepresentation, mis-description or non-disclosure of any material particulars.
9. **FRAUD:** If any claim under this policy shall be in any respect fraudulent or if any fraudulent means or devices are used by the insured or any one acting on the insured's behalf to obtain any benefit, the policy shall be cancelled forthwith and the premium shall be forfeited.

10. CANCELLATION: The Company can cancel this policy only on grounds of fraud, misrepresentation and moral hazard. Cancellation shall be done by sending notice by registered post with acknowledgement due to the insured at his last known address informing him that after seven days from the receipt of the notice, the policy stands cancelled.

The Insured may, at any time, cancel this policy, and in such an event the Company shall charge premium as per the table below:

	Period on Risk	Premium to be charged
1.	Upto 30days	50% of the total premium
2.	31-90days	25% of the total premium
3.	More than 90days	Full premium

11. NO SELECTION OF INSURANCE: All the tanks/ponds/whole water spread area utilized for culturing Shrimp/Prawns shall be insured and no cultured pond shall be excluded from the coverage. If any cultured pond is found to be not insured at the time of loss, claim will be settled in the same proportion as insured pond bears to the total number of culture ponds of the insured.

12. PRODUCT WITHDRAWAL: This product may be withdrawn in future with due approval of IRDAI.

13. JURISDICTION: The Geographical Limit and jurisdiction of this Policy shall be India. All disputes or differences under or in relation to the policy shall be determined by the Indian Courts and in accordance with the Indian laws. All claims under this Policy shall be settled in Indian Rupees only.

14. DISCLAIMER OF CLAIM: If the Company disclaims liability and communicates in writing to the Insured in respect of the claim and such claim has not within 12 calendar months from the date of such disclaimer been made the subject matter of a suit in a Court of law, then the claim shall for all purposes be deemed to have been abandoned and shall not thereafter be recoverable hereunder.

15. (I) Basic PREMIUM RATES: to be applied on the Sum Insured, are as below:

Table-I : Basic Cover

Period of Coverage (optional)	Basic Cover (Non Cyclonic)	Basic Cover(Cyclonic)
135	2.0%	3.0%
150	2.2%	3.3%
165	2.4%	3.7%
180	2.7%	4.0%

Table II : Disease cover

Period of Coverage (optional)	Disease cover only
45 days	1.7%
60 days	2.2%
75 days	2.7%
90 days	3.1%
105 days	3.4%
120 days	3.7%
135 days	4.0%
150 days	4.2%

165 days	4.4%
180 days	4.5%

Note: The above periods for Basic and disease cover are to be opted by the insured in the beginning of the policy period, based on which premium rate shall be applicable as per tables above. However no option is available for disease only cover.

Cyclone Prone Regions are the inland geographical locations that lie within a radius of 100 KMs from the Eastern coastline (i.e., bordering Bay of Bengal) of the country.

Non-Cyclone Prone regions are all geographical locations except those which are Cyclone Prone.

(II) Following Discounts / Loadings are applicable on the Basic premium:

A. Discounts:

1. Certified SPF/SPR seed Discount: 15%
If the seeds are Specific Pathogen Free (SPF) / Specific Pathogen Resistant (SPR)
2. Availability of Water Reservoir: 5%
3. Density of Shrimps: 10% -As per the Table given below
Prescribed Density of Shrimps for 10% discount eligibility

Variety of Shrimp	Density of Shrimp (seeds per Sq. Meter)
P. Monodon	Less than 08
P. Indicus	Less than 30
Litopenaeus Vannamei	Less than 50
Penaeus Vannamei	Less than 50

4. Soil Type: 5%
Discount is allowed if the Soil type is Sandy Clay, Sandy Clay Loam or Clay Loam
5. Epidemic free History for consecutive two preceding cropping cycles: 10%
Maximum discount is capped at: 40%

B. Loadings:

1. Non SPF / NON-SPR seeds & non-availability of Reservoir – 15%
Loading to apply if neither the seeds are SPF/SPR nor is there a Reservoir
2. Adverse Epidemic History – 10%
3. Loading to apply if the District / Mandal in which the proposed Farm is situated has suffered an epidemic in any or both the preceding two cropping cycles.
Maximum Loading is capped at: 20%

All discounts and loadings shall be applied additively.

NOTE: Prospectus only contains salient features of the Policy. For details, reference is to be made to the Policy. In case of any difference between the Prospectus and the Policy, the terms and conditions of the Policy shall prevail.

16. INSURANCE ACT 1938 SECTION 41 – PROHIBITION OF REBATE

Section 41 of the Insurance Act 1938 provides as follows:

Any person making default in complying with provision of this section shall be punishable with fine, which may extend to Rupees Ten Lakhs.

No person shall allow, or offer to allow, either directly or indirectly as an inducement to any person to take out or renew or continue an insurance in respect of any kind of risk relating to lives or property in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the policy nor shall any person taking out or renewing or continuing a policy accept any rebate except such rebate as may be allowed in accordance with the published prospectus or tables of the Insurer.