

COCONUT PALM INSURANCE SCHEME (CPIS)

1. In collaboration with Coconut Development Board, a comprehensive coconut life insurance product.
2. Insurance based on Named perils leading to death / permanent damage to coconut palm
3. Maximum liability is based on age of coconut palm and discounted future value

Coconut is the leading plantation crop of India grown mostly in the coastal areas. Every part of coconut has use – coconut water, coconut oil, copra, raw kernel, toddy, shell, wood, and coconut leaves, etc. Coconut occupies dominant position with cultivated area of nearly 2 million hectares, producing over 12 billion nuts per annum. Coconut is vulnerable to weather factors, particularly cyclone winds, gales etc. besides pests & diseases.

Coconut Palm Insurance Scheme is a mechanism for providing effective risk management aid to those growers who are likely to be impacted by non-preventable natural factors, pests & diseases, etc.

Coverage

The insurance cover shall cover damage / losses to coconut palm and / or nut yield arising out of non-preventable natural factors. During the year 2011-12, only Section 1, i.e. loss of coconut palm due to non-preventable factors is covered.

Insurance of Nut Yield:

The insurance compensates the insured against the likelihood of diminished nut output/ yield resulting from non-preventable natural factors, such as Natural Fire & Lightning, Storm, Hailstorm, Cyclone, Typhoon, Tempest, Hurricane, Tornado, Flood, Inundation, Landslide and Pests/Diseases etc

Insurance of Coconut Palm

The insurance compensates the insured in the event of total loss of the individual palm/tree in the insured plantation from the 4th year to the 60th year. In the first year, a waiting period of three months from the date of transplanting shall apply. The insurance coverage and claim assessment shall be on individual tree basis. The insurance is against perils like Storm, Hail storm, Cyclone, Typhoon, Tornado, Heavy rains, Flood, Inundation, severe Drought, Fire, Lightning, Earthquake, Landslide, Riot, Strike and Pests & Diseases of widespread incidence.

Sum Insured: For section – 1 (nut yield), Sum insured shall vary from Block to Block and is determined by the Guaranteed Yield of the Block multiplied by the previous year's average nut price in the respective district.

For section – 2, Sum insured is based on the average input cost of the plantation according to the age of the plantation.

Premium:

The premium is determined on the basis of variability in the historical Block level nut yield and age of the palm.

Note: The above product summary is meant for information only and may not necessarily match the actual insurance policy/scheme, word to word.