



**UNITED INDIA INSURANCE COMPANY LIMITED**  
**AQUACULTURE (SHRIMP/PRAWN) INSURANCE POLICY**

**PREAMBLE**

WHEREAS the Insured named in the Schedule hereto has made to the United India Insurance Company Limited (hereinafter called the "Company") a proposal and declaration which shall be the basis of this contract and be deemed to be incorporated herein for the Insurance hereinafter contained and has paid the premium stated herein.

**I. SCOPE OF COVER**

THE COMPANY hereby agrees, subject to the terms, conditions and exclusions contained herein or endorsed or otherwise expressed herein, that if, after the payment of premium, the subject matter hereinafter described (i.e. Shrimps / Prawns) be totally lost or killed due to or resulting from or arising out of:

- A. SECTION I:** Natural calamities - namely cyclone, storm, tempest, typhoon, hurricane, tornado, flood, inundation, volcanic eruption or other convulsions of nature, earthquake (flood and inundation due to normal tides excluded). and / or
- B. SECTION II:** Other perils - namely summer kill, pollution (from external sources only), accidental poisoning, riot and strike, malicious acts of third parties, damage due to aircraft and other aerial devices or articles dropped therefrom, impact damage due to road vehicles, explosion / implosion and / or
- C. SECTION III:** Diseases - namely parasitical, bacterial, fungal and viral diseases except Black Gill disease, Soft Shell disease, Muscle Necrosis, Crumbled Tails, Fouling Organisms such as Zoothanium Sp., Epistylis Sp., etc.,

As specified in the Schedule herein, during the period of insurance stated herein or any subsequent period in respect of which the Insured shall have paid and the Company shall have accepted the premium required for the extension of period thereof, the Company will pay to the Insured 80% of the cost of inputs as defined and in the manner and to the extent described herein as per "Basis of Indemnity" Clause, at the time of happening of the loss or death of the subject matter.

**II. EXCLUSIONS**

The Company shall not be liable in respect of loss / death of the subject matter due to or arising from or through:

1. Malicious or wilful injury, poisoning, negligence, error or omission by the Insured or his family members or employees.
2. Improper management and rough handling.
3. Partial loss of any kind.
4. Infidelity of any person, burglary, poaching and theft.
5. Natural mortality of the subject matter.
6. Undergrowth and overcrowding.
7. Predators, competitors, weed fish and dangerous insects.
8. Physical and / or chemical status, pH factor, salinity of soil and water, unless associated with climatic changes.
9. Asphyxia
10. Clandestine sale or missing of prawns.
11. Loss of production and loss of profits.
12. Consequential loss of any nature.
13. Transit by any means.
14. 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.
15. Accident, loss, destruction, damage or legal liability directly or indirectly caused by or contributed by or arising from nuclear weapons material.
16. Diseases namely Black Gill, Soft-Shell, Muscle Necrosis, Crumbled Tails, Fouling Organisms such as Zoothanium Sp., Epistylis Sp. Unless specifically included on payment of an additional premium,
17. Losses due to or resulting from Plankton Blooms.

**III. CONDITIONS**

**1. NOTICE:**

Every notice and communication to the Company required by this Policy shall be in writing to the Office of the Company through which this Insurance is effected.

**2. MISDESCRIPTION:**

This Policy shall be void and all premium paid hereon shall be forfeited to the Company in the event of misrepresentation, misdescription or non-disclosure of any materials particular.

**3. CHANGE OF RISK:**

Before each renewal of insurance the Insured shall give written notice to the Company of epidemic, diseases, parasitical attacks, injury, illness or physical defects with which the prawns had been or are affected, during the earlier culture period.

**4. REASONABLE CARE:**

The Insured shall at all times exercise reasonable care and diligence in the selection of employees and shall exercise every precaution and in every manner provide the same care attention as if no insurance had been effected. The Insured shall not introduce, or permit to be introduced any diseased or infected stock. The Insured shall take steps to ensure diseased stock to be completely separated from the remainder of the stock immediately upon the discovery of the pathogenic attack and shall take all necessary proper precautions to protect the healthy stock from any chance of infection.

**5. INSPECTION:**

The Insured shall permit the authorised representatives of the Company at all times to inspect the project / farm and the record books, and also shall furnish any information which the Company may require and shall comply with all reasonable regulations and directions from time to time made and given by the Company.

**6. FARM MAINTENANCE:**

The following should be ensured by the Insured:

- a) Efficient attention and / or extension service to the Project / Farm
- b) Effective liming, manuring, deweeding, desilting, earth excavations and earth improvements at appropriate times and maintenance of record to that effect.
- c) Strong sufficient and well-maintained bunds to the entire project area.
- d) Proper regulation of water movements by suitable inlets, outlets and sluices.
- e) Regular water analysis.
- f) Follow-up on proper work schedule.
- g) Proper and safe stocking.
- h) Immediate steps to eradicate diseases, epidemics and parasitical attack and prompt removal of dead prawns.
- i) Screening or shutting the escape roots of prawns, such as gaps in embankments etc.,
- j) Proper records for stocking, daily stock position, feeding, disease occurrence and preventive measures taken, inputs and expenditure.
- k) 24 hours watch and ward should be present near the ponds / tanks and suitable measures should be taken to protect the ponds from outsiders.

**7. LICENCE:**

If there is any government legislation in force in the State in which the farm is situated requiring a licence to setup and conduct prawn culture operations in the area, the farm should have such licence.

**8. MAINTENANCE OF RECORDS:**

The Insured shall periodically maintain records relating to different stages of prawns stocked in various ponds, the types and quality stocked survival rate, average body weight and quantity realised at the end of the four and-a-half months crop period.

The Insured should maintain detailed records of water quality management on parameters like pH, temperature, salinity, turbidity, dissolved oxygen, ammonia, etc., pond soil management parameters like ammonia, nitrite, hydrogen sulphide etc., and feed utilisation particulars and make them available to the Company atleast once in a fortnight on demand. The purchase documents / bills for the feed should be preserved and shown on demand.

**9. WAITING PERIOD**

If Section III namely "Specified diseases" is covered under this Policy, no claim shall be payable under the Policy for losses occurring due to diseases within 15 days after commencement of this Policy i.e., there shall be a 'waiting period' of 15 days from the inception of the Policy for diseases covered.

**10. FORTNIGHTS:**

A month will be treated as 2 fortnights irrespective of the number of days in the month. If the month consists of 31 days, second fortnight will have 16 days. Further for the purpose of determination of the applicable fortnight, only the completed fortnight will be taken into account, and not the running fortnight. Further still, a completed fortnight shall mean a lapse of at least 7 days from the previous fortnight. However, for claims occurring in the first fortnight, only the running fortnight will be reckoned.

**11. TOTAL LOSS:**

A loss due to any peril covered under the Policy would be treated as a total loss in case loss percentage at any one particular stage is equal to or exceeds 80% of the population of the subject matter in the pond. For this purpose, the loss percentage



will be calculated only on the remaining population in the pond under claim just prior to occurrence of the insured peril, after allowing due percentage for natural mortality upto that stage, and not on the originally stocked population.

Collective / Cumulative loss of different incidents will not be treated as total loss for the purpose of claim under this Policy. For the purpose hereof, an incident shall not be considered to have terminated until there has been 7 consecutive days' freedom from the perils concerned.

**12. CLAIMS PROCEDURE:**

The Insured shall, upon the occurrence of any event giving rise or likely to give rise to a claim under this Policy, give immediate notice within 12 hours to the Company, and shall within fourteen (14) days thereafter, furnish the Company the claim form fully completed along with the death certificate with details certified by competent authorities and meteorological report (if claim is due to AOG perils like flood or cyclone) and other reports as required by the Company. All dead prawns should be produced without fail to the representative of the Company or a person authorised by the Company before disposal.

If the death of the subject matter hereby insured shall be due to negligence, carelessness or wrongful act of any person, the Insured shall lodge a claim forthwith, with the said person claiming the full value of the prawns so lost, and simultaneously inform the Company also of such action. No offer other than the full compensation shall be accepted from such person without the written consent of the company. The Insured shall at once give to the Company all necessary information and assistance to enable the Company to secure compensation and it shall be absolutely the right of the Company to sue in the name of the Insured and recover compensation from the person causing the death of prawns and the monies or other compensation which shall be recovered shall belong to the Company. The Company will indemnify the Insured against all costs and expenses so incurred with its written consent.

**13. NO SELECTION OF INSURANCE**

All the tanks/ponds/whole water spread area utilised for culturing prawns shall be insured and no culture pond shall be excluded from the coverage. If any culture pond is found to be not insured at the time of loss, claim will be settled in the proportion which the insured number of ponds bears to the total number of culture ponds.

**14. CESSATION OF RISK**

The Insured shall declare the probable dates of harvest to the Company well in advance. The Policy shall cease to cover shrimps/prawns immediately after the Insured harvests or sells them or parts with any interest on them whatsoever, whether temporarily or permanently.

**15. FRAUD**

If any claim under this Policy shall be in any respect be 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 under this Policy, the Policy shall be cancelled forthwith and the premium shall be forfeited.

**16. CANCELLATION:**

- i. The policyholder may cancel his/her policy at any time during the term, by giving 7 days' notice in writing. The Insurer shall refund proportionate premium for unexpired policy period, if there is no claim (s) reported during the policy period.
- ii. The Company may cancel the policy at any time on grounds of mis-representation, nondisclosure of material facts, fraud by the Insured Person, by giving 7 days' written notice. There would be no refund of premium on cancellation on grounds of mis-representation, non-disclosure of material facts or fraud.

**17. CONTRIBUTION**

If at the time of any loss covered by this Policy, there shall be any other insurance covering the same subject matter whether effected by the Insured or not, then the Company shall not be liable for more than its rateable proportion thereof.

**IV. WARRANTIES**

It is hereby warranted that:

1. The shrimp / prawn culture ponds should be prepared in accordance with the prescribed, recommended and established practices.
2. The prawn / shrimp seeds should be of good quality and selected in accordance with the established and prescribed tests and purchased from well - known hatcheries.
3. The feed should be of high quality and selected as per the prescribed procedures and procured from reputed firms.
4. The prawn/shrimp seed should be reared in nursery pond for atleast 30 - 45 days before stocking them in regular culture ponds.
5. The stocking density of prawn/ shrimp should not be more than 15 - 20 per square meter in case of P. monodon and 30 - 40 per square meter in case of P. indicus and other varieties for sea - water based farms. For creek / estuarine water based farms, the stocking density should not be more than 8 to 10 per square meter in case of P. monodon and 15 - 20 per square meter in case of P. indicus and other varieties.
6. The farm should have a reservoir occupying 10% of total water spread area of the farm.
7. The Insured should observe an inter crop period of atleast 45 days.
8. The farm should have its own effluent treatment system.
9. In the event of any suspicion of disease incidence or immunence of other insured perils, the farmer / Insured should resort to premature harvest based on expert opinion and in consultation with the Company.



10. In all the aforesaid matters concerning farming practices, the norms, stipulations and guidelines recommended by competent Government Authorities, Fisheries Department Officials, Research Institutes, Fisheries College etc., should be complied with.

**V. BASIS OF INDEMNITY CLAUSE**

This Policy indemnifies the Insured to the extent of 80% of the input cost value of the subject matter as on the date of loss as per the valuation table given hereunder, and the value shall be that established documentarily for the remaining population as on the date of occurrence of the peril and that the value per unit weight shall be restricted to such unit values declared and accepted for insurance, multiplied by the percentage stated in the indemnity table herein for the applicable fortnight OR the actual input costs incurred, whichever is lesser.

<b>VALUATION TABLE</b>		
<b>Stage of Culture</b>	<b>Agreed mortality of Prawn / Shrimp Cumulative percent</b>	<b>Value of Sum Insured in percentage applicable</b>
1 st fortnight	8	25
2 nd fortnight	13	28
3 rd fortnight	16	33
4 th fortnight	19	38
5 th fortnight	22	45
6 th fortnight	24	55
7 th fortnight	26	66
8 th fortnight	28	80
9 th fortnight	30	100

The Sum Insured under the Policy is only an estimated value based on the estimated survival percentage taking into account the input cost declared and agreed. In the event of loss, all loss adjustments will be made on the declared value per unit weight basis or actual input costs whichever is less. For a loss to be admissible, the mortality rate will be calculated on the residual stock as on the date anterior to loss. Salvage value of residual crop in the pond if any, will be deducted from the claim amount.