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Millea Group launches Weather Insurance in India

- IFFCO-TOKIO General Insurance Co. Ltd. (ITGI)(*), the Indian insurance arm of the Millea Group obtained approval from the Indian Insurance Regulatory and Development Authority (IRDA) to launch Weather Insurance in India.
- The new product is named Barish Bima Yojana (Rainfall Insurance Scheme) and is targeted at farmers and provides protection against anticipated deficiency in crop yield due to drought. Cover will be operative during the monsoon season, i.e. June – September.
- The product is Rainfall Index based and linked to deficiency in Actual Rainfall as compared to Normal Rainfall. Normal Rainfall figures are defined by Indian Meteorological Department (IMD) and Actual Rainfall will be measured at IMD's own observatories or other participating rain gauge stations (pre – determined). Primary Weather Station are selected as reference for the particular area, and there will be an Alternate Weather Station – to be used for data substitution in case of missing data at Primary Station.
- Normal Rainfall (NR) figures are based on historical rainfall data and are defined by IMD for Station/District/Nation level for months/year. Actual rainfall (AR) is measured by different agencies.
- “Weights” are assigned to different time periods based on importance of rainfall. Weighted AR will be compared to Weighted NR and the scheme will be payable if deficiency percentage is equal to or greater than the payout trigger point. Payout will be made based on the Payout Table, which calculates the rainfall deficiency and payout amount.
- Actual yield of decreased crop need not be measured as the insurable event is rainfall deficiency rather than actual decrease in crop yield, which will allow for quick payment to compensate farmers. The current crop insurance available in the market takes at least one year for claims settlement. Farmers only need to show evidence of land ownership to prove existence of insurable interest.
- The Tokio Marine and Fire Insurance Co., Ltd.(Tokio Marine) and its group companies have extensive experience in the field of weather insurance supported ITGI in the development of this product, and over 100 years of historical rainfall data has been analyzed in developing this particular product. Tokio Marine will also

provide reinsurance support to ITGI.

- ITGI will initially launch the product in 4 states.
 - Gujarat
 - Maharashtra
 - Andhra Pradesh
 - Karnataka
- ITGI plans to expand the area of coverage in the next few years.

(*ITGI is an affiliate of Millea Asia Pte. Ltd., and Tokio Marine is a sister company of Millea Asia, under Millea Holdings, Inc.