

SALES LITERATURE

WEATHER INSURANCE POLICY

Scope of Cover:

Universal Sompo's Weather Insurance Policy seeks to provide compensation to farmers and /or any business entity having seasonal nature of business getting impacted in case of deviation in the actual weather index as compared to the normal weather index, as defined for each Policy.

The normal weather index could be:

- Indian Meteorological Department defined Normal (rainfall, temperature, humidity etc.)
- Crop and/or location specific Normal

Target:

The policy is aimed at:

1. Farming community whose agricultural produce is very highly dependent on weather parameters ex; areas which are dependent on seasonal rainfall for irrigation and/or certain temperature conditions
2. Proposers should be genuine land owners of the agricultural land only and form a part of group of borrowers from Cooperative bank, land development bank etc.
3. Business entities whose business is of seasonal nature and can vary heavily with the variation of the weather parameters

Key Definitions:

1. **Weather Index:** shall mean the mathematical construct on the basis of which Policy is issued. Weather Index would be constructed with any one or a combination of the following weather parameters (this will be specified for each individual Policy under section "Coverage Details"):
 - Rainfall
 - Temperature
 - Humidity
 - Fog
 - Wind Velocity
2. **Observed Weather Index:** shall mean the observed value of the Weather Index against the weather **parameters** covered in the Policy, which observed value will be used for determining the Strike Index or the Exit Index, during the Period of Insurance.
3. **Strike Index:** shall mean the Observed Weather Index level at which the Insured becomes eligible for claim payment
4. **Exit Index:** shall mean the Observed Weather Index level at which the Insured becomes eligible for full Sum Insured under the Policy.
5. **Notional Payment:** shall mean the agreed amount, which shall be paid as compensation to the Insured per unit deviation in Weather Index
6. **Reference Weather station:** shall mean the primary weather station engaged in the study or monitoring of weather or atmospheric observations, the data from which will be used for the purpose of determining the Observed Weather Index, Exit Index and Strike Index for payment of compensation and claim settlement under this Policy.
7. **Missing Data:** It shall mean the specified weather data for any particular period or sub-period which has officially been reported by IMD as not having been recorded or having been recorded but is not available.

- 8. Actual Weather Data:** It shall mean the reference weather data for the Policy Period as obtained from IMD or any other recognized source
- 9. Alternate Weather Station:** shall mean the secondary weather station engaged in the study or monitoring of weather or atmospheric observations, the data from which will be used as a substitute for the Missing data, if any, of the Primary Weather station, for the purpose of determining the Observed Weather Index, Exit Index and Strike Index for payment of compensation and claim settlement under this Policy.
- 10. Sub-Period:** It shall mean the smaller periods within the Policy Period as specified in the Schedule.
- 11. Claim Trigger:** It shall mean the threshold value of the Weather Index, as defined in the Schedule, beyond which a claim will first become payable under the Policy as per the Claim Payout Table specified in the Schedule.

How does the Policy operate?

In case the actual measured weather index in a particular location (Station) during the Policy Period varies (is deficient/exceeds) from the Normal weather index by a predefined limit (Claim Trigger), then claim would be payable to the insured based on the margin of difference between the actual and normal weather index.

The claims are payable as per the Payout Table provided in the Schedule of each Policy. On operation of the trigger, the variation in the actual weather index as compared to the normal weather index is calculated as per Policy conditions. The figure so arrived at forms the basis of the claim payout.

This Policy provides a cover for the potential decrease in yield of a crop/in business due to variation in the normalised weather index. For this purpose the amount of variation in the weather index will be sufficient to settle the claims.

Universal Sompo shall monitor the deviation/ variation from the normal index and shall advise the policy holders if claim is payable and if so, to what extent as per the payout table mentioned on the Policy schedule.

Premium Rating

Premium rating of this Policy is dependent on the under mentioned factors:

- Analysis of historical weather data
- The Claim Payout Table
- Trigger point.

The historical weather data is sourced from IMD

Very Important:

Legal ownership of land

It is important to note that during the Policy Period, the Insured Person(s) should possess all legal ownership rights with regard to the agricultural land and crop cultivated as specified in the Schedule to the Policy. The Insured shall provide to Us such title deeds and other documents as may be required for verification of the Insured Person's ownership of the agricultural land. The due observance and fulfilment of the above shall be a condition precedent for settlement of any claim under this Policy.

It is important to note that the Policy is meant for only bona-fide farmers and business units and not for speculators. While all efforts shall be made at proposal stage to ensure that the Proposers are genuine land owners of the agricultural land only and form a part of group of borrowers from Cooperative bank, land development bank etc. There may be certain instances where this aspect may not be administratively

possible to verify at proposal stage. Hence at the time of claim, the Insured will be required to submit the relevant documents along with the Claim Form to prove his insurable interest in taking out the coverage.

Disclaimer: The above are only the salient features of the Policy, for complete details on coverage and exclusions please refer to Policy wordings