



ODISHA LIVESTOCK RESOURCES DEVELOPMENT SOCIETY (OLRDS),  
**OBPI Campus, Bhubaneswar-751003**

TERMS AND CONDITIONS  
FOR  
RISK MANAGEMENT & LIVESTOCK INSURANCE UNDER  
ORISSA LIVESTOCK RESOURCES DEVELOPMENT SOCIETY  
(OLRDS)  
OBPI, Campus, Bhubaneswar

**Tender Documents**  
OF  
RISK MANAGEMENT & LIVESTOCK INSURANCE  
UNDER NLM, 2019-20

|  |                                 |
|--|---------------------------------|
| Date of commencement                                 | Dt. 13.05.2020                  |
| Last date & time for submission of Tender documents: | Dt. 02.06.2020 up to 12.00 NOON |
| Last date & time for receipt of Tender               | Dt. 02.06.2020 up to 12.00 NOON |
| Date and time of opening of Tender                   | Dt. 02.06.2020 at 3.00PM        |

Cost of Tender Paper: Rs.2000/- (Rupees two thousand only)+ GST Rs. 240/-

RECEIPT OF TENDER DOCUMENTS  
PLACE OF OPENING OF TENDER  
ADDRESS FOR COMMUNICATION

ODISHA LIVESTOCK RESOURCES  
DEVELOPMENT SOCIETY  
OBPI CAMPUS, BHUBANESWAR - 3



**Expression of Interest (EoI) for RISK MANAGEMENT & LIVESTOCK INSURANCE UNDER NLM, 2019-20 implemented by ODISHA LIVESTOCK RESOURCES DEVELOPMENT SOCIETY (OLRDS), OBPI CAMPUS, Bhubaneswar.**

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The Chief Executive Officer, Orissa Livestock Resources Development Society (OLRDS), OBPI Campus, Bhubaneswar – 751003 (herein after referred as "CHIEF EXECUTIVE OFFICER" invites sealed Tender in the attached format ( Annexure-I) from the Public General Insurance Companies and Private general insurance companies having a wide network in the State for conducting Livestock Insurance Programme under National Livestock Mission (NLM) 2019-20 in all 30 districts (11 Normal and 19 Left Wing Extremism (LWE) affected) of Odisha. Interested Companies are requested to quote their rate and submit the same in sealed cover, addressed to the Chief Executive Officer, Odisha Livestock Resources Development Society (OLRDS), OBPI Campus, Bhubaneswar – 751003.

**SALE OF TENDER FORMS:**

TENDER – FORM can be downloaded from the website [www.olrds.nic.in](http://www.olrds.nic.in) and the cost of Tender Paper / Document can be paid by attaching a Bank Draft prepared amounting to Rs.2240/- (Rupees Two thousand two hundred forty) towards the cost of tender paper Rs. 2000/-+12% GST Rs. 240/- only in favour of "Chief Executive Officer", OLRDS, OBPI, Campus, Bhubaneswar payable at AXIS Bank, OUAT Branch, Bhubaneswar. The cost of Tender Paper / Document is compulsory and the same is Non – Refundable.

The Chief Executive Officer, OLRDS, Bhubaneswar shall no way be responsible for loss of Tender Paper / Document despatched by Post / Courier and also for any delay in delivery to the addressee.

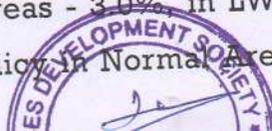
The Tender Paper / Document will be opened on the scheduled date in presence of Tenderers / their authorised representative.

|  |                                 |
|--|---------------------------------|
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## General Conditions

1. The 'Risk Management' (Livestock Insurance) as a component of sub-mission on livestock development of National Livestock Mission (NLM) is to be implemented in all the Districts of the State. The indigenous / crossbred milch animals, Pack animals (Cattle/Buff. Male, Horses, Donkey, Mules, Camels, Ponies) and other livestock (Goat, Sheep, Pigs, Rabbit, yak and mithun) will be under the purview of the 'Risk Management' (Livestock Insurance).
2. As per F. No. 26/106(2)/Policy/2015-LI-NLM Livestock Insurance Scheme and reinsurance is exempted of Goods and Service Tax (GST).
3. Benefit of subsidy is to be restricted to 5 animals per beneficiary per household for all animals except sheep, goat, pig and rabbit. In case of sheep, goat, pig and rabbit the benefit of subsidy is to be restricted based on 'Cattle Unit' and one cattle unit are equal to 10 small animals' i.e. for sheep, goat, pig and rabbit. Therefore the benefit of subsidy to sheep, goat, pig and rabbit is to be restricted to 5 'Cattle Unit' per beneficiary per house hold. If a beneficiary has less than 5 animals / 1 Cattle Unit can also avail the benefit of subsidy. However, a beneficiary may insure more than five animals by paying the full premium without availing the benefit of subsidy for all animals except sheep, goat, pig and rabbit. Similarly a beneficiary may insure more than five cattle units by paying the full premium without availing the benefit of subsidy for sheep, goat, pig and rabbit.
4. As prescribed by Govt. of India, the minimum value of animal should be assessed by taking Rs.3000 per liter per day or as per the price prevailing in the local market (declared by Government) for cow and Rs.4000 per liter per day or as prevailing in the local market (declared by Government) for buffalo. The market price of pack animals (Horses, Donkey, Mules, Camels, Ponies and Cattle/Buff. Male) and minor livestock (Goat, Sheep, Pigs, Rabbit, Yak and Mithun) is to be assessed by negotiation jointly by owner of animal and by insurance company in the presence of Veterinary Doctor. In case of dispute the price fixation would be settled by the Gram Panchayat / BDO.
5. The rate of premium quoted by the agency shall not exceed Premium rates for one year policy in Normal Areas - 3.0%, in LWE affected areas 3.5% and Premium rates for three year policy in Normal Areas - 7.5%, in LWE affected



areas - 9.0% and the period of completion of work is one year from the 10<sup>th</sup> day of signing of agreement.

6. The cost of ear-tags having unique twelve digit identity number of NDDDB to be used for identification of animals is to be borne by Insurance Company. However, the animals already having ear-tags with unique twelve digit identity no. of NDDDB will not be retagged and the existing ear-tag will be considered for insurance coverage. There shall not be any dispute in settlement of claims on account of utilization of existing tag having unique twelve digit identity no. of NDDDB.
7. While processing an insurance proposal, one photograph of the animal with the Owner and one photograph of the animal clearly displaying the EAR TAG shall be taken. The cost of the photos and Ear tag will be borne by the Insurance Company.
8. As per the guidelines of GoI, an adequate amount of premium will be deposited as advance with insurance company to ensure policy coverage of the animal once the basic formalities like identification of animals, its examination by the veterinary practitioner, assessment of its value & tagging along with payment of premium to the insurance company or its agent by the owner are completed.
9. Policy documents will be issued by the Insurance Company within 15 days of receipt of proposal from the concerned veterinarian through Chief District veterinary Officer (CDVO).
10. Only Four documents would be required by Insurance Company for settling the claim namely (a) Claim intimation with the Insurance Company (b) Insurance Policy (c) Claim form (d) Post Mortem Report along with the Ear tag. The claim shall be settled within 15 days of receipt on the aforesaid four documents by the Company. If the company fails to settle the claim within 15 days of submission of documents, the Insurance Company will liable to pay a penalty of 12% compound interest per annum to the beneficiary.
11. Insurance companies may develop an IT based mechanism preferably to ensure the genuineness of insurance claims. Representatives of insurance company may take up investigation to verify before settlement of claims.
12. The selected Insurance company has to execute an agreement with the undersigned /Authorized Officer, in the Non Judicial Stamp Paper worth of Rs.500/- (Rupees five hundred) only for Implementation of the Risk Management & Livestock Insurance Programme in the State.



The selected Insurance Company(s) shall submit a monthly progress report for each month within first week of subsequent month starting with the signing of the agreement in the prescribed format to be supplied by OLRDS after signing of agreement. Other reports as per the requirement will have to be supplied by the company within the stipulated time.

14. In case of any breach of contract in issuing the policies and submission of required reports the company/agency shall, without prejudice to any other right or remedy available under the law to the Government on account of such breach, will pay as penalty @ Rs100/- per day per policy or report as the case may be, payable to OLRDS. The decision of CEO, OLRDS, Bhubaneswar in this regard will be final and binding on the agency.

15. **Terms of payment:**

I. Secured 30% advance is to be released by the Chief Executive Officer, OLRDS within 7 days of signing of the agreement.

II. Subsequent payment will be made upon submission of policy, report and requisition for advance by the company along with Utilization Certificate (UC) of the amount released earlier.

16. Interested Insurance company will submit their EoI in the prescribed format (Annexure-1).

The operational guidelines on National Livestock Mission issued by Govt. of India is enclosed herewith which should be scrupulously followed.

The OLRDS reserves the right to reject any or all the quotations without assigning any reason, thereof.





### Expression of Interest

(Livestock Insurance under Risk Management Component of National Livestock Mission, 2019-20 implemented by OLRDS, Odisha)

( All entries should be made by Ball point pen neatly without overwriting)

1. Name of the Insurance Company with address:

2. Details of the contact person (Name with Mobile no.):

3. Address of registered Head office of the company:

4. GST number:

5. Details of the Capacity to provide services under Livestock Insurance under Risk Management Component of National Livestock Mission implemented by OLRDS, Odisha: (attach separately)

6. Whether cost of tender paper has been paid or not (Yes/No):



7. If yes, details of the Bank draft:

|  |
|--|
|  |
|--|

8. Premium quotation details :

| Premium rate for one year policy including all taxes |              | Premium rate for three year policy including all taxes |              |
|--|--------------|--|--------------|
| Normal District                                      | LWE District | Normal District  | LWE District |
|  |              |  |              |

**NB:**

1. As per the guidelines of Govt. of India, the rate of premium should not exceed 3% & 3.5% for annual policies and 7.5% & 9.0% for three year policies in respect of Normal areas and LWE affected areas respectively for both the cases.
2. It is mandatory to indicate the premium quotation rate for both one year & three year policy.

We hereby declare that the information furnished above are true and agree to the terms and conditions laid down in the tender documents.

**Signature with seal**

Place:

Date:



## Sub-mission: Livestock Development

## Component IV: Risk Management

|    |                            |   |
|----|----------------------------|---|
| 1. | Name of the sub-Components | Risk Management   |
| 2. | Objectives                 | The objective of the scheme is to management of risk and uncertainties by providing protection mechanism to the farmers against any eventual loss of their animals due to death and to demonstrate the benefit of the insurance of livestock to the people.   |
| 3. | Salient Features           | <p>The 'Risk Management &amp; Insurance' as component of sub-mission on livestock development of NLM is to be implemented in all the Districts of the Country and, in case if new Districts are carved out of the existing Districts, than the new districts will also be covered. The indigenous / crossbred milch animals, pack animals (Horses, Donkey, Mules, Camels, Ponies and Cattle/Buff. Male) and Other livestock (Goat, Sheep, Pigs, Rabbit, Yak and Mithun) will be under the purview of the 'Risk Management &amp; Insurance'. Benefit of subsidy is to be restricted to 5 animals per beneficiary per household for all animals except sheep, goat, pig and rabbit. In case of sheep, goat, pig and rabbit the benefit of subsidy is to be restricted based on 'Cattle Unit' and one cattle unit is equal to 10 animals' i.e for sheep, goat, pig and rabbit. Therefore the benefit of subsidy to sheep, goat, pig and rabbit is to be restricted to 5 'Cattle Unit' per beneficiary per house hold. If a beneficiary has less than 5 animals / 1 Cattle Unit can also avail the benefit of subsidy.</p> <p>The Risk management and Insurance component envisages the following payments from central funds as Grant's - in -Aid</p> <ul style="list-style-type: none"> <li>(a) Subsidy as per Annexure-E</li> <li>(b) 100% Payments of Honorarium to the Veterinary Practitioners and</li> <li>(c) 100% Publicity</li> </ul> <p>However a beneficiary may insure more than 5 animals by paying the full premium without availing the benefit of subsidy for all animals except sheep, goat, pig and rabbit. Similarly a beneficiary may insure more than 5 'Cattle Unit' by paying the full premium without availing the benefit of subsidy for sheep, goat, pig and rabbit.</p> <p>For this purpose, 'household' will be defined on the same lines as adopted under Mahatma Gandhi National Rural Employment Guarantee Act, 2005, here-in-after referred to as MNREGA for brevity. Efforts should be made to insure the animals for at least three years rather than one year.</p> <p>Special efforts will be made to associate and involve the registered milk societies / unions for insuring the animals</p> |



belonging to the members of these societies / unions as a group. The insurance companies will also be persuaded to give some further concessions to these societies / unions with respect to rate of premium as the work of their agents will be reduced otherwise.

In order to get the maximum benefit in terms of competitive premium rates, easier procedures of issue of policy and settlement of claims, Chief Executive Officer will be empowered to decide upon the Insurance company(s) and the terms and conditions. While selecting Insurance Company, besides premium rates offered, their capacity to provide services, terms and conditions and service efficiency on objective criteria should also be taken into account. The CEO will invite quotations in writing from those public and private general insurance companies having a network in the State/UTs or a considerable part of the State/UTs. Only one tender should be floated for the whole State/UTs considering state as a unit. The tender may comprise of 3 or more items defining the type of geographical / LWE area for which separate premium rates may be quoted by the insurance company/agencies. A tender committee would be constituted by the State/UTs Government in which one representative to be nominated by the Joint Secretary, DADF, GoI would be there who is responsible for implementing the 'Risk Management & Insurance' as component of sub-mission on livestock development of NLM in GoI.

Under no circumstances, the rate of premium should exceed 3%, 3.5% and 4.0% for annual policies and 7.5%, 9.0% and 10.5% for three-year policies

Normally, a single insurance company should be entrusted for insurance work in States/UTs for a particular type of area and if more than one company bids the same premium rate then the area should be divided equally in terms of Revenue Divisions or in absence of Revenue Divisions, region wise.

Default in settlement of claim or any types of deficiency in services on part of Insurance Companies should immediately be brought to the notice of the Insurance Regulatory and Development Authority (IRDA) which is a nodal authority in the country in this regard with intimation to the District Monitoring Committee and DADF.

The Service Tax, if applicable will be paid by the concerned beneficiary / State/UT Government as per the prevalent Rules.

The Post Mortem Report of the deceased animal and examination of the animal while issuing insurance policy is to be carried out by the veterinary practitioners registered with the Veterinary Council of India.

In order to generate confidence among the farmers about the efficacy of the 'Risk Management & Insurance' as component of sub-mission on livestock development of NLM, it is important that the policy cover should take effect once the basic formalities like identification of animal, its examination by the veterinary



practitioner, assessment of its value and its tagging along with payment of the premium to the insurance company or its agent by the owner are completed. The selected insurance company will have to agree to this. However, it is possible that the selected Insurance Company may demand for whole premium in advance so that the insurance cover can take effect immediately after the owner pays the beneficiary share. In order to take care of this problem, there could be an arrangement by which the admissible percentage of the premium amount of the Central and State Share, of maximum number of animals that generally expected to be insured in a period of three months, is paid in advance to the insurance company by the CEO. The selected insurance company, on its part, should issue instructions to their branches that as and when share of the premium is paid by the owner, they should issue the policy with immediate effect. Target of getting the number of animals insured in one month period for payment of advance to the Insurance Company should be on realistic basis and recouping of the advance fund should be on the basis of subsequent progress made by the concerned Insurance Company.

An animal will be insured for its current market price. The market price of the animal to be insured will be assessed jointly by the beneficiary and the insurance company preferably in the presence of the Veterinary officer or the BDO. The minimum value of animal should be assessed by taking Rs.3000 per liter per day yield of milk or as per the price prevailing in the local market (declared by Government) for cow and Rs.4000 per liter per day yield of milk or as prevailing in the local market (declared by Government) for buffalo. The market price of pack animals (Horses, Donkey, Mules, Camels, Ponies and Cattle/Buf. Male) and Other livestock (Goat, Sheep, Pigs, Rabbit, Yak and Mithun) are to be assessed by negotiation jointly by owner of animal and by insurance company in the presence of veterinarians Doctor. In case of dispute the price fixation would be settled by the Gram Panchayat / BDO.

The animal insured will have to be properly and uniquely identified at the time of insurance claim. The ear tagging should, therefore, be full proof as far as possible. The traditional method of ear tagging or the recent technology of fixing microchips could be used at the time of taking the policy. The cost of fixing the identification mark will be borne by the Insurance Companies and responsibility of its maintenance will lie on the concerned beneficiaries. The nature and quality of tagging materials will be mutually agreed by the beneficiaries and the Insurance Company. The Veterinary Practitioners may guide the beneficiaries about the need and importance of the tags fixed for settlement of their claim so that they take proper care for maintenance of the tags. The tag already available on animal may be utilized with unique identity number subject to the condition that it is mutually agreed by farmer and agency and there shall not be any dispute in settlement of claims on account of utilization of existing tag. While processing



an insurance proposal, one photograph of the animal with the Owner and one photograph of the animal clearly with the GAR TAG visible shall be taken at the time of processing the insurance documentation.

In case of sale of the animal or otherwise transfer of animal from one owner to other, before expiry of the Insurance Policy, the authority of beneficiary for the remaining period of policy will have to be transferred to the new owner. The modalities for transfer of livestock policy and fees and sale deed etc required for transfer, should be decided while entering into contract with the insurance company.

The method of settlement of claim should be very simple and expeditious to avoid unnecessary hardship to the insured. While entering into contract with the insurance company, the procedure to be adopted / documents needed for settlement of claim should be clearly spelt out. Only four documents would be required by insurance companies for settling the claims viz. intimation with the Insurance Company, Insurance Policy paper, Claim Form and Postmortem Report. All documents/forms for insuring as well as settling the claims should be made available by the insurance agency in local language or in English language. In case the farmers' copy of the Insurance Policy paper is lost then the Insurance Company would immediately issue duplicate Insurance Policy paper. In case of claim becoming due, the payment of insured amount should be made within 15 days positively after submission of requisite documents. If an Insurance company fails to settle the claim within 15 days of submission of documents, the insurance company will be liable to pay, a penalty of 12% compound interest per annum to the beneficiary. While insuring the animal, CEOs must ensure that clear cut procedures are put in place for settlement of claims and the required documents are listed and the same is made available to concerned beneficiaries along with the policy documents. The beneficiary should get full payment of the sum insured in case of death of animals. In case, there are delays in settling a claim or the claim is rejected, it must be fully justified by the concerned insurance company to the claimant under intimation to District Monitoring Committee and also to SIA. The provisions to these effects must be incorporated in the MOU with the insurance companies.

It has been decided to pay an honorarium of Rs 50/- per animal at the stage of insuring the animal and Rs. 125/- per animal at the stage of conducting post-mortem and issuing post-mortem certificate in case of any insurance claim. Central Government will provide the amount needed for payment of honorarium to the SIAs. The CEOs should ensure that payment is made to Veterinary Practitioners at the end of each quarter for the animal's insured and veterinary certificates issued by them in that quarter.

It has been felt that the onus of making the 'Risk Management & Insurance' as component of sub-mission on livestock development



|    |                                 |   |
|----|---------------------------------|---|
|    |                                 | of NLM more popular lines with the insurance agency. The expenditure on publicity, therefore, needs to be minimized. Efforts will be made to evolve Howveredairy cooperative societies, PRI and other agencies that have direct contact with milk producers in different ways; e.g. Gau-Mitras, Panchayati Raj Bodies, etc is to be involved in publicity. For this purpose the CEOs are empowered to provide assistance not exceeding Rs.50,000/- for Provincial Co-operative Dairy Federation (PCDF)/other agencies, not exceeding Rs.15,000/- for District Panchayat / other agencies and Rs.1,500/- for Block Panchayat / other agencies per annum either in cash and in the form of publicity material or a mix of both. |
| 4. | Pattern of financial assistance | Central assistance as per Annexure-E  |
| 5. | Implementing agencies           | DADF is implementing the Centrally Sponsored 'Risk Management & Insurance' as component of sub-mission on livestock development of NLM is implemented through the SIAs such as State Livestock Development Board/Agency which are also implementing National Project for cattle & buffalo and breeding. In states/UTs where there are no SIAs, the 'Risk Management & Insurance' Scheme will be implemented through the State/UTs Animal Husbandry Departments  |



Components that can be financed under the National Livestock Mission, brief guidelines, and pattern of assistance are given below:

| Sub-mission Livestock Development |  |  |
|-----------------------------------|--|--|
| S.N.                              | Components   | Pattern of Assistance  |
| 1                                 | Entrepreneurship Development & Employment Generation [Central Sector (CS)] [Unit costs under different components given below] | 100% (Back-ended subsidy part only)<br>Subsidy 25%, credit 65% for APL; and subsidy 33.33%, credit 56.67 for BPL / SC / ST in normal areas.<br>Subsidy 35%, credit 55% for APL; and subsidy 50%, credit 40 for BPL / SC / ST in NER / Hill areas / LWE affected areas<br>Subsidy 45%, credit 45% for APL; and subsidy 60%, credit 30 for BPL / SC / ST in difficult areas<br>Beneficiary Share 10% across all categories |
| 2                                 | Infrastructure Development [Government of India (GOI) farms under CS, other farms under Centrally Sponsored Scheme (CSS)]      | GOI farms - 100%<br>State farms - 75%  |
| 3                                 | Productivity Enhancement [CSS]   |  |
| a                                 | Rural Backyard Poultry Development   | 75%  |
| b                                 | Interventions in the breeding tract of high fecundity breeds   | 100%   |
| c                                 | Research studies and linkages with professional bodies   | 100%   |
| d                                 | Propagation of Artificial Insemination   | 100%   |
| e                                 | Biotechnology centres for fecundity breeds   | 100%   |
| f                                 | Training and orientation of functionaries  | 100%   |



|   |  |  |
|---|--|--|
| g | Ram / Buck / Boar shows  | 100%   |
| h | Community led breed improvement programmes   | 100%   |
| i | Cluster based mass de-worming / health cover programmes  | 100%   |
| j | Innovative projects  | 100%   |
| 4 | <p>Risk Management [CSS]</p> <p>[Premium rates for one year policy in Normal Areas - 3.0% , in NER / Hill areas / LWE affected areas - 3.5%, and in difficult areas - 4.0 %</p> <p>Premium rates for three year policy in Normal Areas - 7.5% , in NER / Hill areas / LWE affected areas - 9.0%, and in difficult areas - 10.5 % ]</p> | <p>Central share 25%, State share 25% and Beneficiary share 50% for APL, and Central share 40%, State share 30%, and Beneficiary share 30% for BPL / SC / ST in Normal Areas</p> <p>Central share 35%, State share 25% and Beneficiary share 40% for APL, and Central share 50%, State share 30%, and Beneficiary share 20% for BPL / SC / ST in NER / Hill areas / LWE affected areas</p> <p>Central share 45%, State share 25% and Beneficiary share 30% for APL, and Central share 60%, State share 30%, and Beneficiary share 10% for BPL / SC / ST in Difficult Areas</p> |
| 5 | Conservation of Breeds [CSS]   | 100%   |
| 6 | Development of Minor Livestock Species [CSS]   | 100%   |
| 7 | Utilisation of Fallen Animals [CSS]  | 75%  |
| 8 | Rural Slaughterhouses [CSS]  | 75%  |

