

## Livestock Insurance

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In India, agriculture and allied activities such as animal husbandry continues to be the main source of livelihood for millions of household and about 86.20% of them are small and marginal farmers. Livestock for their feed depends on the fodder production which depends on the monsoon which has been uneven. Apart from this, widespread incidences of disease, drought, flood and fluctuations in market prices of livestock products makes it a risky venture. Therefore a secure and protected farming and animal rearing in terms of insurance was provided to farmers by introducing crop insurance at national level in 1965, and livestock insurance in late 70's.

### Insurance procedure

For promotion of the livestock sector, it has been felt that along with providing more effective disease control and improvement of genetic quality of animals, a mechanism of assured protection to the farmers and cattle rearers needs to be devised against eventual losses of such animals. In this direction, the Government has approved a new centrally sponsored scheme on Livestock Insurance. In case of cattle the scheme covers milch cows and buffaloes, calves/heifers, stud bulls, bullocks (castrated bulls), and castrated male buffaloes. All those female cattle/buffalo yielding at least 1500 litre of milk per lactation are to be considered high yielding and hence can be insured under the scheme. In case of sheep and goat insurance of all indigenous, crossbred and exotic sheep and goats are covered under the scheme. Benefit of subsidy provided by government is to be restricted to two animals per beneficiary and is to be given for one time insurance of an animal up to a maximum period of three years. Sum insured under the policy will be the market

value of the animal. An animal will be insured for the maximum of its current market price. The market price of the animal to be insured will be assessed jointly by the beneficiary, authorized veterinary practitioner and the insurance agent. Indemnity under the policy will be the sum insured or market value prior to illness whichever is less. The indemnity is limited to 75% of sum insurance in case of a PTD (Permanent Total Disability) claim. The basic premium rate per annum is 4% of the sum insured. The policy covers indemnity for death due to accidents (due to fire, lightning, flood, storm, hurricane, earthquake.) diseases occurring during period of policy, surgical operations, riots and strikes. The policy can also be extended to cover PTD on payment of extra premium. PTD in case of milch cattle results in permanent incapacity to conceive or yield milk. PTD in case of bulls is permanent incapacity for breeding purpose. In case of bullocks, calves/heifers and castrated male buffaloes results in permanent and total incapacity for the purpose of use mentioned in proposed form. For filling insurance, a proposal form along with veterinary health certificate from a qualified veterinarian giving age, identification mark, health, and market value of the animal in prescribed format is required. All the insured animals should be identified by natural identification mark and colour. Ear tags made of suitable material are applied to the ear of the animals and the code number is entered into the veterinary health certificate. For claiming the insurance of an animal immediate intimation about the death of the animal should be sent to the insurer along with duly completed claim form, death certificate obtained from qualified veterinarian, P.M. report if required by the company, along with surrendering the ear

tag of the animal. For the PTD claim a certificate from qualified veterinarian, along with complete chart of treatment, medicines used, receipts, etc. should be submitted. The indemnity is limited to 75% of the sum insured.

#### **What is not covered in the insurance**

- Malicious or willful injury or neglect, overloading, unskillful treatment or use of animal for purpose other than stated in the policy.
- Enterotoxaemia, Sheep Pox, Goat Pox, Rinderpest, FMD, Anthrax, H.S, B.Q. if the animal is not successfully inoculated (protected).
- Death due to any disease contracted within 15 days from the date of commencement of the policy.
- Transport by air and sea. Transport beyond 25 kilometers from the place of stabling by rail/road and beyond 50 kilometers from the place of stabling in case of transit by foot.
- Loss or damage caused willfully or knowingly by the Insured or any person acting on his behalf.
- Normal cracking, settlement, bedding down, up heaving of land/structures, coastal or river erosion, defective design, workmanship or use of defective materials.
- Partial disability of any type, whether permanent or temporary.
- Intentional slaughter of the animal except in cases where destruction is necessary to terminate incurable suffering.
- Death due to Plueropneumonia.

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