

IT/ICT IN INSURANCE

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Key Recommendations (IT-ICT for Insurance)

1. Product design and development
2. Enrolment
3. Loss assessment
4. Claim settlement
5. Institutional arrangements
6. Other recommendations

1. Product design and development

General recommendations

- Automated Premium Calculation
 - *Yield index*
 - *WBCIS*
- Development of Insurance Data Portal/Module

Recommendations for rabi-2016

- Development and operational testing of an application or module for automated premium calculation framework (yield index schemes) in few districts and crops

2. Enrolment ^{1/4}

General recommendations

- Use of KYC details of agricultural borrowers with the up-loadable excel relating crop, area, and other insurance related information
 - *The format should necessarily capture bank account number and Aadhar number and also the mobile number (wherever available)*
- Use of KCC for replying queries on insurance, voice blasts, IVRS and SMS for scaling out insurance
- Mobile app for dissemination of crop insurance has been already developed – same app should facilitate enrolment of farmers (especially – non-loanee farmers)
- Development of insurance service like 139 of IRCTC

Recommendations for rabi-2016

- KCC should be used for facilitating the enrolment process
- Development of mobile apps for enrolment of non-loanee farmers with payment gateway



2. Enrolment ^{2/4}

General recommendations

- Geotagging/geo-fencing of insured plots
- Sowing certificate is not mandatory and hence should not be insisted
- Land records should be supplied by the concerned government departments
 - *There should be connectivity with land records like Bhumi project in Karnataka*

Recommendations for rabi-2016

- Use of geotagged photographs as sowing certificate when crop is changed (subject to verification)

2. Enrolment ^{3/4}

General recommendations

- Comprehensive National portal: Use good features from state government portals (AP, GJ, KA) wherever applicable
- National portal: It uses census codes, needs to incorporate missing links such as revenue circle in Maharashtra, firka in Tamil Nadu
- Need to improve the bulk upload facilities

Recommendations for rabi-2016

- Linking the village level kiosks for enrollment with SMS update to farmer at each stage

2. Enrolment ^{4/4}

General recommendations

- The co-operative sector poses the biggest challenge through hard copy data flow
 - *Capacity building of co-operative banks is essential for scaling out of insurance*
- Banks with CBS capabilities have all the information required for insurance purpose which can be directly transferred into National portal
 - *Codes and fields of CBS and national portal needs to be matched for seamless flow of data*
- CSCs may be used in providing the agricultural insurance enrolment to the farmers
- Livestock insurance: App based photographs and retina pictures should be used for tagging insurance contract with animal

3. Loss Assessment

General recommendations

- Intelligent Sampling for reducing crop cutting experiments.
- Localized calamity assessment using new methodologies that enable decision support, delivered through mobile based applications.
- Development of loss library
- Development of software for detection of moral hazard in loss assessment based on CCEs data
- Geotagging and time stamping of photographs for reporting of post-harvest losses within specified duration

Recommendations for rabi-2016

- Uploading of CCE results through app with clear protocol
- The CCE results should be processed automatically (on the portal) for the calculation of yields to bring transparency
- The results should be immediately available online and to the farmers through SMS

4. Claim settlement

General recommendations

- Automated claim settlement through RTGS/NEFT
 - *Yield index : after CCEs data uploading*
 - *WBCIS: after reaching threshold triggers*
- Development of grievance redressal mechanism
- Livestock insurance: Use of app based photographs and retina pictures for settling the claims through its verification with data acquired during enrolment

Recommendations for rabi-2016

- At least SMS to be received by farmers on the settled claim through the portal; the payment gateway may deposit the claim in next stage
- CSC / GP / IT Cafe to disseminate information on claims settled once unique farmer application number is used

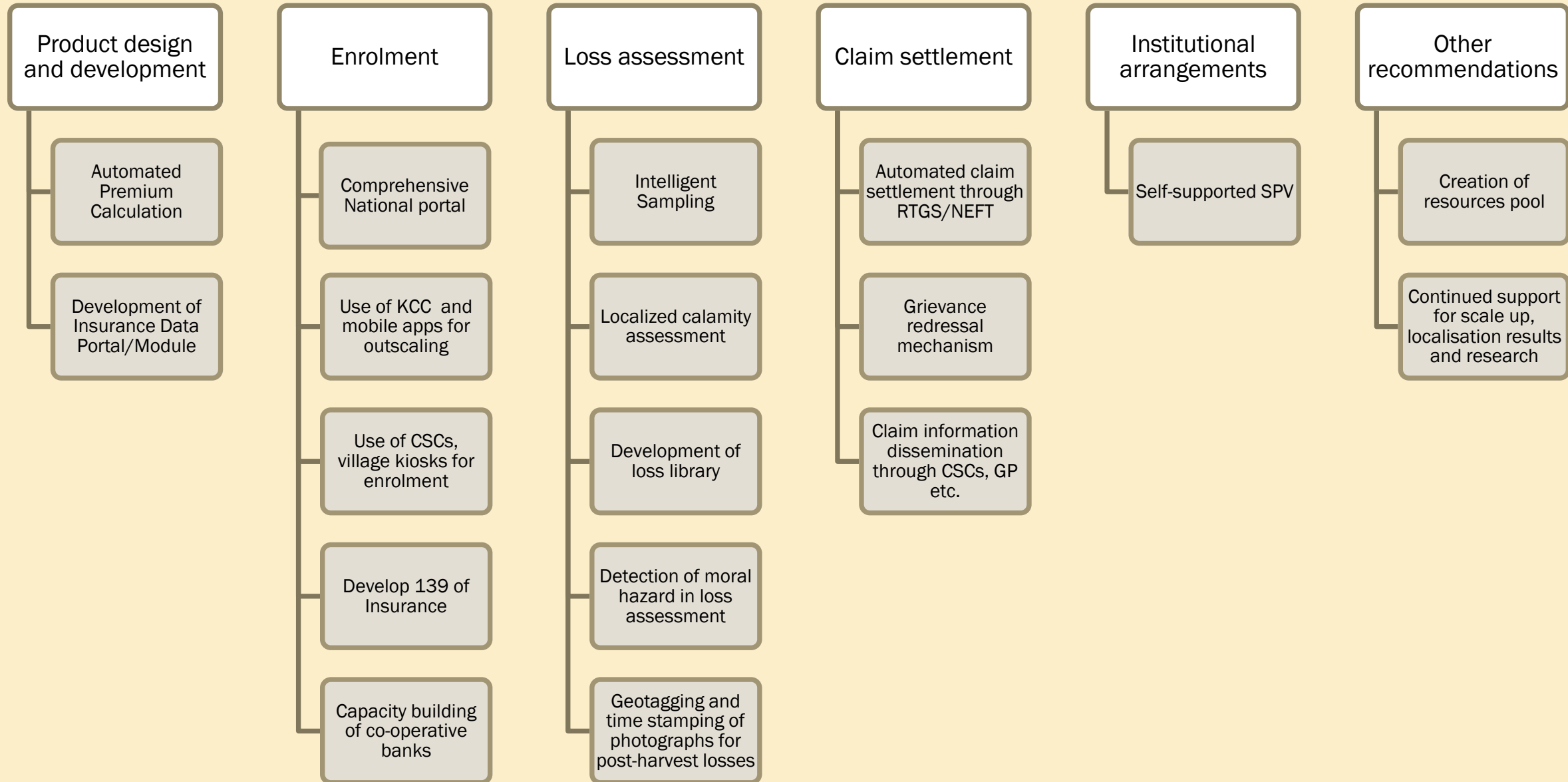
Institutional arrangements

- Self-supported SPV (like aadhar) should be formed by central government to run the insurance data portal
 - *The SPV should be jointly owned by all stakeholders of insurance viz., farmers, government, bankers, insurers and reinsurers*
 - *Major tasks: To run the online portal, resolve issues, SMS and IVRS based Voice blasts; payment gateway connectivity, bankers' connectivity, states portals links, land record integration etc.*
 - *SPV to act as one stop shop for all the stake holders including farmers. Sale of data and advertisement revenue to be allowed for running the SPV*

Other recommendations

- Crop insurance is a multi-disciplinary function and includes technicalities that cut across agro-meteorology, actuarial sciences and financial systems.
 - *As a result its development and implementation requires a pool of experts with the capability to undertake work across the above disciplines. The group recommends broadening the current resource pool to include others with relevant expertise within the current ecosystem.*
 - *The above recommendations merit the organisation of a high level national level workshop with participants across the crop insurance ecosystem.*
- Need continued support for scale up and localisation of recommended solutions

Summary of recommendations



Thank you !