

**SECTION I**  
**TEA CROP INSURANCE**

## SECTION - I

### TEA CROP INSURANCE

1.1 Since the introduction of Tea Tariff on 1-4-90, Tea Crop Insurance Policies are required to be issued 'Gardenwise' only. Insurers are prohibited from issuing a Tea Crop Policy on 'Accountwise' or any other basis, other than on Gardenwise basis. An 'Account' for this purpose will mean all Gardens of an Insured as a Company or a separate legal entity. For those insureds who do not own Tea Gardens but have Factories, Policies may be issued 'Factorywise' as specifically provided for in this Section of the Tariff under para 13(D).

#### 1.2 RATING OF APPLICATIONS :

- i. All proposals in respect of initial/renewal rating of Tea Gardens, pertaining to Policies commencing on or after 1-4-99, \* ***are to be considered by the authorised offices of the Insurers.***
- ii All applications for continuation of old Special Rates (which existed prior to 1-4-90), pertaining to Policies being renewed on or after 1-4-99,\* are to be considered by the respective Head Offices of the Companies.

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\* For the period 1-4-90 to 31-3-93, these applications had been processed by the TAC. For the period 1-4-93 to 31-3-99 such applications had been processed by the respective Head Offices of Insurers.

**1.3 PROCEDURE & TIME-LIMIT FOR SUBMISSION OF RENEWAL APPLICATIONS RELATING TO CASES WHERE CONTINUATION OF OLD (PRE-TARIFF) RATES ARE NOT INVOLVED**

- i. With effect from 1-4-99, all such applications for renewal ratings shall be submitted by the Insureds to their respective Insurers prior to the date of renewal.
- ii. Appropriate authorised offices of the Insurers shall dispose of the cases within two months from the date of receipt of the renewal applications from the Insureds.

**1.4 SUBMISSION OF STATISTICS TO THE TARIFF ADVISORY COMMITTEE (TAC):**

THE HEAD OFFICES OF INSURERS SHALL FORWARD TO THE T.A.C. CONSOLIDATED PREMIUM AND CLAIM STATISTICS IN RESPECT OF THE TEA GARDENS INSURED WITH THEM DURING A FINANCIAL YEAR, ***LATEST BY THE END OF DECEMBER THE FOLLOWING FINANCIAL YEAR***, AS PER FORMATS SPECIFIED IN ***ANNEXURE 'B'***.

## **1.5 TRANSFER OF BUSINESS FROM ONE INSURER TO ANOTHER**

When taking over any business rateable under this Tariff, which business was previously with another Insurer, the acquiring Insurer shall do so only on the clear understanding that they are accepting the business on terms and at the rates indicated in the immediately expiring Policy, provided the previous Insurer had not called for any increase in rates of premium or had not imposed any restrictions/alterations as to the terms of cover for the relevant renewal.

The acquiring Insurer must submit the copy of Proposal to the previous Insurer within 7 working days from the date of acceptance of the business.

The acquiring Insurer must also call for, by Registered A.D. Post or Recorded Delivery, the necessary statistics from the previous Insurer within 7 working days from the date of acceptance. The previous Insurer will be obliged to provide through A.D. Post or Recorded Delivery the relevant statistics within 1 month from the date of receipt of such request to the acquiring Insurer. Till such time, the acquiring Insurer shall treat the premium charged and the terms and conditions offered as 'provisional'. However, if for any reason, response from the previous Insurer is not received within 30 days, information and statistics submitted by the Proposer in the Proposal Form will be considered for final rating of the current policy by the acquiring Insurer.

**NON-COMPLIANCE OF THIS PROVISION BY THE ACQUIRING INSURER SHALL BE TREATED AS A BREACH OF TARIFF AND SO DEALT WITH.**

## 2. BASIS OF VALUATION

Policy may be issued on the Agreed Value basis or on Provisional Value Basis on the basis of the value per kilogram of tea declared at the commencement of the Policy.

The options for Basis of Valuation would be as stated in the Basis of Valuation Clause of the Tea Crop Insurance Clauses (Clause No.4). The Insured shall opt for any one of the **options (A) or (B) or (C) and (D) at inception. The value(s) so opted for shall remain unchanged during the currency of the Policy.**

Insurers are prohibited from issuing any Tea Crop Policy without incorporating the values in the blank spaces provided therefor in the Basis of Valuation Clause.

The Agreed Value or Provisional Value as opted for at inception for all categories of tea including those of ex-Garden sale, gift tea etc. are to be taken into account in computing the Sum Insured.

Separate Agreed Value may be declared for Tea Waste.

### **BASIS OF VALUATION [Option A or B or C (Delete options not required) AND 'D']**

A.1. The Valuation of Tea for the purpose of this Insurance is agreed to be Rs. \_\_\_\_\_ per kg. of Made Tea to be disposed of in India, including FOB and C & F Sales.

A.2. For the purpose of this Insurance, tea to be disposed of in Overseas Countries is provisionally valued at Rs. \_\_\_\_\_ per k.g. of Made Tea being an **average price** obtaining for the Garden **during the 3 completed and adjusted years immediately preceding the expiring year** but liable to final adjustments as per Clause 5 in terms of the following stipulations :

a. For tea sold at Overseas Auctions and tea shipped on Consignment Basis to Overseas Countries, the actual amount realised on the same shall be treated as the insured value.

b. For tea sold and shipped (against firm C.I.F. Sale Contracts) to the Overseas Countries, the value declared in accordance with the terms of the Contract of Sale (maximum C.I.F. value + 10%) shall be taken as the insured value, subject to final adjustment as per Clause 5.

B. The valuation of tea for the purpose of this Insurance is agreed to be Rs..... per kg. of made tea, excluding CIF Sales. For tea sold and shipped CIF to Overseas Countries, the value declared in accordance with the terms of the Contract of Sale (maximum C.I.F. value + 10%) should be taken as the insured value, subject to final adjustment as per Clause 5.

C. For the purpose of this insurance, tea is valued provisionally at Rs..... per kg. of made tea being an average price obtaining from the Garden during three completed and adjusted years immediately preceding the expiring year subject to final adjustment as mentioned in Clause 5 on the basis of actual production and actual amount realised on same.

**AND**

D. Tea Waste (Agreed Value).

### **3. PROPOSAL FORM**

A completed Proposal Form must be obtained in respect of each Garden as per proforma (**ANNEXURE 'A'**). Unless there is change in ownership, such Proposal Forms need not be obtained at every renewal. However, fresh Proposal Forms are to be obtained at every fourth renewal.

### **4. PAYMENT OF PREMIUM**

In accordance with Rules 59 (f) and 59 (k) of the Insurance Rules 1939 (as amended up-to-date) issued under the Insurance Act 1938, the premium in respect of Tea Crop Insurance shall be payable at the inception of cover based on a 'fair estimate' of the expected crop and value opted as per Basis of Valuation Clause (item 2 above) during the period of Insurance and ***instalment facility must not be granted.***

"Fair estimate" shall mean the quantity of the crop pertaining to the policy period but being not less than the average of the crop turnover of the Garden for the three years immediately preceding the expiring year (e.g. fair estimate for the renewal year 1997/98 will be the average of the crop turnover pertaining to the policy periods 1993/94, 1994/95 and 1995/96). However, if the fair estimate for a certain policy period appears to be less than the average of the said 3 years, the Insurer shall obtain satisfactory explanation from the Insureds in this regard.

## 5. ADJUSTMENT OF PREMIUM

5.1 In accordance with Clause 7 of the Tea Crop Insurance Clauses, the premium collected shall be subject to adjustment on the basis of tea actually produced, sold, unsold or otherwise disposed of.

The Insured shall submit to the Insurer a Final Premium Adjustment Statement (**ANNEXURE 'C'**) furnishing particulars of actual total crop and sale proceeds together with a certificate from the **Auditor** or the **Chief Executive of the Company** or a **certified copy of the Excise Assessment** or the **Balance Sheet** for the concerned year, within 180 days from the date of expiry of the Policy. The Final Premium Adjustment Statement should specify the quantity of all tea produced, whether sold by auction, sold privately, ex-Garden or otherwise disposed of, including gift tea, sample tea, tea consumed at the Estate, tea waste and tea totally lost/destroyed/damaged, howsoever caused, and tea remaining unsold and Held Back at the Garden.

Depending on the provisional premium collected and the actual premium payable, the Insured is required to pay the difference in premium or may become entitled to a refund of premium, as the case may be. If the total turnover for the current year exceeds or falls short of the estimated quantity of made tea, then the difference is to be met by a further proportionate payment of premium to the Insurer or by refund of premium by the Insurer to the Insured, as the case may be, in terms of the Final Premium Adjustment Statement received by the Insurer.

5.2 Final Adjustment of the premium under the Policy issued on Agreed-Value basis shall be done for the actual crop/ turnover as against the estimated crop/turnover proposed at the inception. For Policies issued on Provisional-Value basis, the adjustment shall be done for both the actual crop/turnover and for the actual value realised as against the estimated crop/turnover and value proposed at the inception.

5.3 Where Insurance has been effected on Agreed-Value basis for disposals in India and Provisional-Value basis for disposals overseas, the adjustment for entire crop and value shall be made as aforementioned, separately for the respective disposals on Agreed-Value basis and Provisional-Value basis.

5.4 Should the Insured fail to comply with the requirements laid down under para 2 of Rule 5.1 given hereinabove, the Insurer will adjust final premium under such Policies and close such Policies in the following manner: -

a. Where insurance has been effected on Agreed-Value basis, for the purpose of arriving at the actual turnover of made tea during the period of Insurance, the estimated turnover declared by the Insured under various heads will be loaded by 30% and Sum Insured and premium adjusted accordingly.

b. In case of tea insured on Provisional-Value basis, both the provisional quantities of tea and the Provisional Value per kilogram of tea estimated and declared by the Insured, will be loaded by 30% and the Sum Insured and the premium adjusted accordingly.

5.5 After receipt of the Final Premium Adjustment Statement, it shall be incumbent on the part of the Insured to pay the difference in premium, if any, due and demanded by the Insurer in writing on the basis of the said Final Premium Adjustment Statement, within 30 days from the date of demand being made. **Failure to pay the Premium being demanded will entail automatic cancellation of the policy for the current period immediately on expiry of the said 30 days without any further notice.**

In addition to the usual provision for Cancellation by Notice under the Cancellation Clause of the Policy, the said Clause also provides for invoking similar Notice of Cancellation in the event of the Insured failing to pay within 30 days additional premium, as demanded by the Insurer in writing, on account of automatic adjustment, consequent upon non-receipt of the statements for adjustment within the stipulated time.

**Note :** The Insurer shall incorporate the first para of item 5.5 above in the Premium Adjustment Notice which shall be sent to the Insured by Registered A.D. Post or by Recorded Delivery.

5.6 In the event of non-payment of balance premium on account of adjustment, as demanded by the previous Insurer, the previous Insurer shall intimate the current Insurer of the same immediately and the latter shall cancel the current Policy forthwith in terms of the Cancellation Clause (Clause 10).



**N.B.** In case of any doubt, Insurers will have the discretion to call for appropriate documents/certificates/information/clarification etc. from the Insured's to substantiate the facts as provided in the Final Premium Adjustment Statement certified by their Chief Executives.

## **6. PERIOD OF INSURANCE**

a. Period of Insurance for the Tea Crop Policy to be issued under this Tariff would be for 12 months commencing from 1st April. However, in cases where Garden-owners are in a position to furnish proof that they are permitted to have different financial year, Policies may be issued for a period coinciding with their financial year. In such cases, the figures submitted to the Insurers for adjustment should correspond only to their financial year and should be so certified by their Auditors.

b. Moreover, if for some genuine reason, Policy is to commence from a date falling after the date of commencement of the financial year, the Policy shall expire on the last day of the Insured's financial year from which date a fresh Annual Policy is to be issued. In such cases, full premium for the estimated annual crop for Insured's financial year shall be paid though the risk shall attach only from the date of payment of premium. The Final Premium Adjustment shall also be made on the actual total crop/turnover of the Garden for the financial year.

## **7. TERMS OF COVER**

7.1 Cover should be granted only in accordance with the standard Policy Form, incorporating the Tea Crop Insurance Clauses (**ANNEXURE 'D'**). In such cases, where the Insured desires to have extended storage cover, appropriate specific Endorsement must be issued and attached to the Policy.

7.2 No cover wider than that provided in terms of the Tea Crop Policy shall be granted. Even when, for some reasons, any restricted or limited form of cover is granted, no reduction in premium shall be allowed.

## 8. EXCLUSIONS

8.1 No cover shall be granted under this Section for loss of or damage to Standing Crops or Tea Bushes/Plants arising out of whatsoever peril.

8.2 No trade loss, including chest/other packaging allowance, even if admitted by Brokers, shall be payable under the Tea Crop Policy.

## 9. RENEWALS

9.1 Since 1-4-1990, the renewal of Tea Crop Insurance Policies, where continuation of old (pre-Tariff) rates are not involved, are to be effected by charging premium arrived at by applying the provisions of the Bonus/Malus Clause contained under Rule 9.2 hereinafter, on the applicable Tariff rate for the Garden, including Tariff extras.

9.2 The following Clause is to be incorporated in the Tea Crop Policies:

### **"BONUS/MALUS CLAUSE**

Notwithstanding anything to the contrary contained in the within mentioned Policy, it is hereby agreed that rate of premium chargeable at each renewal of the Policy covering the Garden insured hereunder shall be arrived at by applying on the Basic Rate (ref. Note 2 below) the following Bonus/Malus Scale, based on the loss ratio relevant for the particular renewal:

#### **BONUS (DISCOUNT)**

<b>Loss Ratio</b>	<b>Percentage of Discount on Basic Rate</b>
Not exceeding 10%	35%
Exceeding 10% but not exceeding 20%	30%
Exceeding 20% but not exceeding 30%	25%
Exceeding 30% but not exceeding 40%	20%
Exceeding 40% but not exceeding 50%	15%
Exceeding 50% but not exceeding 60%	10%
Exceeding 60% but not exceeding 70%	Basic Rate (i.e no discount)

## MALUS (LOADING)

Loss Ratio	Percentage of Loading on Basic Rate
Exceeding 70% but not exceeding 80%	10%
Exceeding 80% but not exceeding 90%	20%
Exceeding 90% but not exceeding 100%	30%
Exceeding 100% but not exceeding 110%	40%
Exceeding 110% but not exceeding 125%	50%
Exceeding 125% but not exceeding 150%	75%
Exceeding 150% but not exceeding 175%	90%
Exceeding 175% but not exceeding 200%	100%
Exceeding 200% but not exceeding 250%	125%
Exceeding 250% but not exceeding 300%	150%
Exceeding 300% but not exceeding 400%	175%
Exceeding 400% but not exceeding 500%	225%
Exceeding 500% but not exceeding 750%	300%
Exceeding 750%	400%

NOTE 1: To arrive at the Loss Ratio for application of the Bonus/Malus provision as above, finally adjusted net premium and all claims (i.e Paid and Outstanding) including claims on account of catastrophic losses (excluding War & SRCC premium & claims) will be taken into account in respect of 3 underwriting years immediately preceding the expiring year.

NOTE 2: The claim amount referred to in NOTE 1 above shall be net of recovery represented by Carriers' Legal Liability Insurance (Tea Crop) Premium, net of Discount/Agency Commission.

NOTE 3: For the purpose of this Clause, 'Basic Rate' shall mean aggregate of the rate(s) and extra(s), excluding War & SRCC rates, as applicable, for the cover granted for the Garden insured hereunder.

NOTE 4: In case of change in ownership of a Tea Garden, Proposal will be treated as a fresh risk. In such cases, Bonus/Malus will be applicable only after 4 years from the date of taking out insurance cover by the new owners on the basis of experience generated for 3 years immediately preceding the expiring year."

## 10. SCHEDULE OF PREMIUM RATES

### INLAND TRANSIT

#### (A) DESPATCHES TO AUCTION CENTRES :

(a) Auction Centres situated beyond 750 Kms. from the Estate	0.325%
(b) Auction Centres situated beyond 300 Kms. upto 750 Kms. from the Estate	0.240%
(c) Auction Centres situated beyond 80 Kms. upto 300 Kms. from the Estate	0.200%
(d) Auction Centres situated beyond 25 Kms. upto 80 Kms. from the Estate	0.160%
(e) Auction Centres situated upto 25 Kms. from the Estate	0.140%

#### (B) DESPATCHES TO DESTINATIONS OTHER THAN AUCTION CENTRES :

(a) Destinations situated beyond 750 Kms. from the Estate	0.370%
(b) Destinations situated beyond 300 Kms. upto 750 Kms. from the Estate	0.280%
(c) Destinations situated beyond 80 Kms. upto 300 Kms. from the Estate	0.220%
(d) Destinations situated beyond 25 Kms. upto 80 Kms. from the Estate	0.190%
(e) Destinations situated upto 25 Kms. from the Estate	0.150%

N.B. If Tea is taken to places which happen to be Auction Centres but the purpose of tea being taken to those places is not auctioning, rates should be charged as per 10(B) above *on the basis of distances* from the Garden to these places. Thus, if tea from a Garden were to come to Calcutta, *but not for auction*, then rate should be charged as per item 10(B) above based on the distance between the Garden and Calcutta.

## **11. OTHER PARAMETERS :**

### **i. DISCOUNT FOR CONTAINERISED CARGO :**

If Tea is sent in Containers for the purposes of **Inland Transit Insurance**, a discount of 10% shall be granted on the Basic rates as provided under 10 (A) or 10 (B) above.

### **ii CHANGE IN PORT OF SHIPMENT**

The declaration for Export Tea must specify the Port of Shipment and if there is any diversion from that Port to another, after reaching the first Port, the Insured must notify the Insurer in advance of the same and for this an Additional Premium @ 50% of the rate applicable for transit from Garden to the new Port; duly modified by Bonus/Malus, under item 10 above, shall be charged.

The total period of Storage, at both the Ports taken together, shall not exceed the period of Storage Extension opted for the original Port at the inception.

### **iii RATING OF TEA DIVERTED FROM AUCTION CENTRES TO OTHER AUCTION CENTRES/UPCOUNTRY DESTINATIONS :**

a. If Tea is diverted from a notified Auction Centre to any other Auction Centre in India, after reaching the first Auction Centre, the Insured must notify the Insurer in advance of the same and pay Additional Premium @ 50% of the rate applicable for transit from Garden to the new Auction Centre, duly modified by Bonus/Malus, under item 10 above.

The total period of Storage at both the Auction Centres taken together shall not exceed the number of days of Storage Extension opted for the original Auction Centre at inception.

b. If Tea is diverted from a notified Auction Centre to any other destination in India, after reaching the Auction Centre, the Insured must notify the Insurer in advance of the same and for this an Additional Premium @ 50% of the applicable rate for transit from Garden to the new destination, duly modified by Bonus/Malus, under item 10 above shall be charged.

Storage period under Clause 1(ii) can be extended by payment of Additional Premium @ 0.02% for every 7 days or part thereof, but not exceeding 28 days, whereafter the cover shall cease, provided the Insured opts for such Storage Extension at the inception of the Policy.

#### **iv EXTENSIONS**

a. For extending Storage Cover in respect of Clause 1 (i), 1 (iv) and 1 (v) of the Tea Crop Insurance Clauses attached to the Policy, beyond 30 days provided in the Clauses, Additional Premium at the following rates shall be charged :

30 days	: 0.04%
60 days	: 0.05%
90 days	: 0.06%
120 days	: 0.065%
150 days	: 0.07%

N.B. 1: For extension of Storage Cover for each stage of transit provided for in Clause 1 (i), 1(iv) and 1(v), extra shall be charged as above separately. Where storage extensions for identical periods are required at two stages of transit in the context of Clause 1(i), 1(iii), 1(iv) and 1(v), the same can be granted by charging 150% of the appropriate storage extra for both the extensions.

N. B. 2: Cover for Storage beyond 30 days provided for in the Policy under Clause 1(i), 1(iii), 1(iv) and 1(v) may be opted for at the inception of the cover.

N. B. 3: Cover for Storage beyond the period opted at the inception may be granted only under special circumstances at the request of the Insured before the expiry of the insurance and on receipt of the separate declaration giving particulars of the invoice and the places of storage at an Additional Premium of 0.01% per 7 days or part thereof but for a period not exceeding 56 days in excess of what has been provided in the Policy.

	<b>Additional Premium Rates</b>
(b) For extending the Storage Cover in respect of Clause 1(ii) of the Tea Crop Insurance Clause attached to the Policy, in excess of 7 days (for all Gardens per 7 days or part thereof but not exceeding 28 days, whereafter the cover shall cease)	0.02%
(c) To include to and fro journey from Estate to a Neighbouring Garden for manufacture	0.04%
(d) To include single journey from an Estate to a Neighbouring Garden for manufacture or vice-versa	0.02%
(e) Tea Stored in Garden in Excess of 15% (To be charged on the surplus quantity only)	0.04% per month or part thereof
(f) For extension of cover under a Tea Crop Policy upto on board overseas vessel at ports subject to the following F.O.B. Clause :  "This insurance is extended to cover the interest insured until the goods are placed on board the ocean-going vessel or lash barges (including Sling Loss) or until expiry of two weeks after arrival of goods at the place of storage at the port town and/or docks awaiting shipment, whichever shall first occur."	0.025%

**(g) SHUT-OUT CARGO**

**Additional rates for Shut-Out Cargo - Coastal & Overseas**

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**Ex-Craft/Raft/Lighter:** 0.10% to cover whilst on board Craft, Raft or Lighter until loaded on ocean-going vessel but not exceeding 48 hours or return to loading point and discharge.

**Shut-out Midstream due to strike/lock-out:** 0.03% for each period of two weeks or part thereof while awaiting shipment by another vessel.

**N.B.:** When the goods are returned to shipper's warehouse involving rail or road transit, appropriate full premium as per Section II of this Tariff shall become chargeable for the return journey, in addition to the above.

**(v) S R & C C :** (as per the applicable standard Clause provided under ANNEXURE 'E')

150% of the rate current on the date of despatch from the Estate in the normal times while apprehensive extra shall be chargeable when declared.

**(vi) EXTENSION OF STORAGE COVER AFTER PROMPT DATE \***

Extension may be granted for 15 days or part thereof from the Date of Prompt \* subject to Additional Premium of 0.02% .

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Date is the date specified in the respective Account Sales within which the  
to take delivery of the consignments from the Seller's Warehouse at

\* Prompt  
Buyer is required  
Auction Centres.



(vii) **ISSUANCE OF MULTI-TRANSIT POLICIES:**

Multi-Transit Policies may be issued under Section I to those Garden-owners who send part of their produce to the Packeting Centres located at the Gardens and, thence, to the Distribution Centres where packeted Teas are stored for allocation and from these Distribution Centres they are despatched to the Retailers at the final destinations.

The basis of rating in such cases would be as under :

(a) To arrive at the **final rate(s)** for the various destinations (after applying the Bonus/Malus provision) under Section I.

(b) For that portion of the produce which would be subjected to multi-transit, a loading of 10% to be imposed on the rate arrived at under (a) above for **each** distribution point involved.

(c) To load the rate so arrived at under (b) by 0.01% for **each** place of storage for a period of **one week or part thereof** subject to a maximum period of storage for all places put together not exceeding 8 weeks.

**12. SCHEDULE OF PREMIUM RATES**

**OVERSEAS SHIPMENTS/SENDINGS FROM INDIA**

	<b>Rate</b>
(A) For shipments/sendings to any country other than Afghanistan and Commonwealth of Independent States (C.I.S.)	0.50%
(B) For shipments/sendings to Afghanistan or Commonwealth of Independent States (C.I.S.)	1.00%

## 12.1 OTHER PARAMETERS :

### (i) DISCOUNT FOR CONTAINERISED CARGO

For Containerised shipments, if specifically declared by the Insured as such	Discount at 10% is to be granted on the applicable rate appearing under 12(A) and 12(B) above.
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### (ii) EXTENSIONS

(a) Extension of storage cover in respect of Clause 1(iii) & 1(iv) of the Tea Crop Insurance Clause attached to the Policy	Rates and stipulations as given hereinabove, under 11(iv) (a) is to be applied.
(b) For extending the period beyond the period of 60 days mentioned under Clause 8 of the Institute Cargo Clauses dt.1-1-82. upto 30 days upto 120 days	0.03% 0.05%

(iii) War & S R & C C as per the Institute War & Strike Clause: 150% of the War & SR & C C current as on the date of sailing

## 13. GENERAL

### (A) HELD BACK TEA OR TEA OTHERWISE DISPOSED OF IN THE GARDEN

For the purpose of adjustment of a Policy, Tea Held Back at the Garden or otherwise disposed of at the Garden shall be rated at 0.125%. 100% S R & C C premium, as applicable on the date of expiry of the Policy, shall be charged thereon.

**(B) TEA HELD BACK - TRANSIT BEYOND THE POLICY PERIOD**

Insured will be required to declare Tea Held Back at the Garden beyond the last date specified in the Policy on 'Provisional' basis at the time of renewal. Insurers, in such cases, shall charge applicable package rate under the renewal Policy but shall give credit at the rate of 0.125% on the quantity which has already been charged under the previous Policy.

**(C) EXCESS CLAUSE**

All Tea Crop Policies issued on or after 1-4-2000 shall contain the following 'Excess Clause' :-

"Warranted that :

Claims for losses, if any, under this Policy, shall be subject to an Excess of Rs.2000/- per consignment/per occurrence.

**(D) POLICIES FOR FACTORIES**

For those insureds who do not own Tea Gardens but have factories and buy Green Leaf from Neighbouring Estates, Tea Crop Policies may be issued on Factorywise basis. The following Endorsement is to be attached to the Duration Clause of the Tea Crop Policy in cases where Policies are issued on Factorywise basis :

**ENDORSEMENT WORDING :**

"Notwithstanding anything stated to the contrary in the Duration of Cover Clause (Clause 1 of the Tea Crop Clauses) attached to this Policy, it is hereby understood and agreed that this Insurance attaches only from the time the green leaf is received at the Assured's Factory named herein".

[**Note** : All other terms and conditions of the Tea Crop Policy attached would remain unaltered. However, wherever the word "Garden" appears in the Policy and Proposal Form, the word "Factory" will have to be substituted for it.]

***On such Policies, a discount of 0.02% may be allowed on the rate chargeable. Transit of bought green leaves into Factory may be insured under Section II of this Tariff.***

**(E) CANCELLATION :**

A Policy may be cancelled by giving 30 days' Notice of Cancellation in writing by either side subject to provisions of Clause 10 of the Tea Crop Insurance Clauses.

**(F) MINIMUM RETENTION OF PREMIUM :**

The Minimum Retention Premium in respect of each Policy issued under this Section shall be Rs.5000/-

## **SECTION - II**

### **INLAND AND OVERSEAS TRANSIT OF TEA INCLUDING STORAGE**

## SECTION - II

### INLAND AND OVERSEAS TRANSIT OF TEA, INCLUDING STORAGE

#### (A) TRANSIT OF MADE TEA :

1. (a) Transit Policies may be issued to individuals or Companies, who purchase made teas sold at Gardens and/or the various Auction Centres of India and/or from any other source with a view to despatching the same to various places in India or abroad to buyers or distribution centres.

(b) Garden-owners who take Tea Crop Policy as per Section I and also buy Made Teas separately from various Auction Centres or from other Gardens not belonging to them may have transit of such Made Teas covered separately under this Section.

(c) Those Garden-owners who do not opt for Tea Crop Policy as per Section I can avail of Transit Policies for their Made Tea on the basis of Garden Invoice on an Agreed-Value basis.

2. (a) Transit Policies are to be granted only as per (i) Inland Transit (Rail or Road) Clause 'B' (Basic Cover) or Inland Transit (Rail or Road) Clause 'A' (ALL Risks) and/or (ii) Inland Transit (Inland Vessels) Clause 'A' (All Risks) or Inland Transit (Inland Vessels) Clause 'B' (Basic Cover). (For Clause wordings, refer to **ANNEXURES 'F' 'G' 'H' and 'I'** respectively.)

(b) No Special Declaration Policy can, however, be issued.

3. S R & C C cover can also be allowed, which will be as per the wordings given in **Annexure 'E'**.

**(B) TRANSIT OF GREEN LEAF FOR GARDEN-OWNERS WHO DO NOT OWN ANY FACTORY:**

Transit Policy for green leaf may be issued under this Section to those Garden-owners who do not own any Factories. Transit Policy would be for covering Green Leaf after plucking and till the time they are delivered at the Factory premises. Such Policy can be issued to Garden-owners fulfilling the following conditions :-

- i. Total annual production of the Garden has to be declared for insurance.
- ii. Entire sale of Green Leaf to the Factories has to be documented by Invoices and Certificates of Purchase issued by Factories.
- iii. All transits from the Garden must be documented by either Challan or Consignment Note denoting the weight.
- iv. The Open Transit Policy issued to such Garden-owners can be granted only as per Inland Transit (Rail or Road) Clause 'B'. Insurers will be prohibited from granting cover for Wider than Basic Cover. SR & CC cover is allowable.
- v. The premium rate for the Transit Policy issued for the Garden shall not be less than 0.12%. (50% reduction if transit is for less than 80 kms.)
- vi. Basis of Valuation for Transit Policy issued to the Garden-owners has to be Agreed Value basis to be declared on the basis of per kilogram of Green Leaf.

**(C) GENERAL :**

1. Valuation for such Transit Policies shall be on the basis of the CIF Value or Invoice Value plus 10% to cover incidental expenses.

2. All Transit Policies shall be issued on Standard Marine Policy Form and at the rates prescribed hereinafter in this Tariff other than those cases where continuation of old (pre-Tariff) rates would be involved.

**3. SUBMISSION OF STATISTICS TO THE TARIFF ADVISORY COMMITTEE**

THE HEAD OFFICES OF INSURERS SHALL FORWARD TO THE T.A.C. CONSOLIDATED PREMIUM AND CLAIM STATISTICS IN RESPECT OF THE POLICIES ISSUED BY THEM UNDER THIS SECTION DURING A FINANCIAL YEAR, **LATEST BY THE END OF DECEMBER THE FOLLOWING FINANCIAL YEAR AS PER FORMATS SPECIFIED IN ANNEXURE 'J'.**

4. Policies shall be subject to Standard Clauses issued by the Institute of London Underwriters or as per the Clauses provided in the various Annexures incorporated in this Tariff. No other cover except as provided under the applicable Clauses as follows shall be granted :

**INLAND TRANSITS :**

**Insurances will be granted subject to current -**

- i. Inland Transit (Rail or Road) Clause - B (Basic Cover) -- (ANNEXURE 'F')
- ii. Inland Transit (Rail or Road) Clause - A (All Risks) -- (ANNEXURE 'G')
- iii. Inland Transit (Inland Vessels) Clause - A -- (ANNEXURE 'H')
- iv. Inland Transit (Inland Vessels) Clause - B -- (ANNEXURE 'I')
- v. Strikes, Riots and Civil Commotions Clause -- (ANNEXURE 'E')



## OVERSEAS SHIPMENTS:

Insurances will be granted subject to current -

- i. Institute Cargo Clauses (A) \*
- ii. Institute Classification Clause \*
- iii. Institute War Clauses (Cargo) \* : subject to 7 days' Notice of Cancellation
- iv. Institute Strikes Clauses (Cargo) \* : subject to 48 hours' Notice of Cancellation
- v. Institute Radioactive Contamination Exclusion Clause \*

## (D) RATING STRUCTURE

### INLAND TRANSIT

Packing	Mode	Rate	
		Inland Transit (Rail or Road) Clause 'B' (Basic Cover)	Inland Transit (Rail or Road) Clause 'A' (All Risks)
a. Tea in Chests or in Polylined Hessian/Gunny/Canvas/Paper Bags	Rail/Road	0.15%	0.20%
b. Tea in Chests or in Polylined Hessian/Gunny/Canvas/Paper Bags	Rivers/ Canals/ Waterways	0.20%	0.30%
c. Tea in consumable small packets/Sacks/Containers, further packed in suitable containers such as Cases/Cartons etc.	Rail/Road	0.15%	0.25%
d. Tea in consumable small packets/Sacks/Containers, further packed in suitable containers such as Cases/Cartons etc.	Rivers/ Canals/ Waterways	0.20%	0.32%

\* Institute Clauses referred to above are international Clauses and hence are not annexed to the Tariff.

**NOTE:**

- i. Where transit involves journey by two modes, viz. Rail/Road and River/Canal/Waterways, higher of two applicable rates will be charged.
- ii. For journeys not exceeding 80 Kilometers, discount @ 50% will be allowed on the above applicable rates.

**2. EXTENSION OF COVER BEYOND THE PERIOD OF 7 DAYS PROVIDED UNDER THE INLAND TRANSIT (RAIL OR ROAD) CLAUSE 'B' or 'A'**

(a) The period of seven days provided in the Inland Transit Clause may be extended whilst Teas are lying in the Railway/Road Carriers' premises or any other Warehouse, affording identical cover as provided in the Policy, for a period not exceeding 8 weeks (in addition to 7 days already provided) at rates specified hereunder subject to the following Clause :

"The cover provided under the Policy, notwithstanding anything contained herein to the contrary, is extended to include a further period of ..... weeks whilst Teas are lying in the Railway/Road Carriers' premises or in Clearing and Forwarding Agents' Warehouse or Bonded Warehouse at the destination beyond the period of seven days mentioned in the Inland Transit Clause".

**Rates :**

Extra for Teas whilst stored at any Warehouse or place of storage at final destination, such as Carrier's Warehouse, Clearing and Forwarding Agent's Warehouse and Bonded Warehouse.	For Basic Cover	: 0.01%	per week or part thereof
	For Wider than Basic Cover	: 0.03%	

3 **COVER FOR SR & CC ONLY** may be granted to cover transit risks (including stationary risks in the normal course of transit, e.g. stay in Customs or Port Warehouse), in respect of ocean voyages or for canal or river voyages or for land transits only, **at a minimum rate of ...0.025%**

**FOR WAR & S.R.C.C. RISKS**, premium shall be collected as per the Rating Schedule issued periodically by the War Risks Rating Committee of the Institute of London Underwriters, London.

4. For F.O.B. extension, the terms and conditions shall be governed by the F.O.B. Clause provided at **ANNEXURE 'K'**

The rates chargeable will be as follows :

**SCHEDULE OF RATES**

The following extras are chargeable for extension of cover upto on board overseas vessel in addition to appropriate premium chargeable for Inland Transit Risks :

a. For direct loading into ocean-going vessel or lash barges or involving transit by craft, raft or lighter :	0.03%			
b. Loading by craft, raft or lighter :	Port Categories *			
	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>
Inland Transit (Rail or Road) Clause - B	0.05%	0.07%	0.09%	0.11%
Inland Transit (Rail or Road) Clause - A	0.09%	0.11%	0.13%	0.15%

\* **Categorisation of Ports :**

i. Category 'A' includes Mumbai, Calcutta, Kochi, Kandla, Chennai, Nhava Sheva, Visakhapatnam, Haldia, Mangalore, Marmugao and Tuticorin.

ii. Category 'B' includes Alleppey, Bedi including Rozi, Calicut, Kakinada, Mandvi, Navlakhi, Panaji, Paradeep, Porbandar, Port Blair, Port Okha, Sikka and Veraval.

iii. Category 'C' includes Bhatkal, Bhavnagar, Coondapur, Honavar, Karwar, Machlipatnam, Pondicherry, Port Redi, Tallicherry and Thiruvananthapuram

iv. Category 'D' includes all ports on the Indian Coast other than those mentioned under Category 'A', 'B' and 'C', Andaman and Nicobar Islands, Lakshadweep, Nagapatnam and Neendakara.

(c) For inclusion of jettisoning risk in conjunction with Inland Transit (Rail or Road) Clause B (Basic Cover)	0.03%
(d) For extension of storage risk at the Port Town/Docks [in addition to two weeks cover already provided under the Clause]	0.03% for a period of two weeks or part thereof.
<b>SHUT-OUT CARGO</b>	
<b>Additional rates for Shut-out Cargo (Coastal and Overseas)</b>	
i. Ex craft/raft/lighter in mid-stream	100% of Clause 'B' or Clause 'A' rates as per item (b) above to cover whilst on board craft, raft or lighter until loaded on ocean-going vessels but not exceeding 48 hours or return to loading point and discharge.
ii. Ex Dock/Port Warehouse or Shut-Out Midstream due to Strike/lock-out	0.03% for each period of two weeks or part thereof while awaiting shipment by another vessel.

N.B. When the goods are returned to Shipper's Warehouse involving Rail Transit, appropriate full premium as per this Section shall become chargeable for the return journey in addition to the above.

## 5. MULTI-TRANSIT POLICIES:

Inland transit would commence from the time the goods leave the place mentioned in the Policy for the commencement of the transit and continues during the ordinary course of transit until delivered at the place mentioned in the policy for the termination of the transit. At intermediate stations, if the insured goods come under control of the Assured or his Agents for allocation, redistribution, processing etc. the transit will be deemed to have come to an end and further transit shall become a second transit. However, the Insureds may submit proposals for transits involving intermediate storage for allocation, redistribution, processing etc. and obtain Special Rating for such multi-transits and storages as under:

- i. The Rate as provided in this Section, with applicable discounts/loadings, to be loaded by 50% to cover multi-transits, irrespective of the number of transits involved.
- ii. A rate of 0.01% per week or part thereof to be added to the rate computed as in (i) above to cover Intermediate Storage(s), irrespective of the number of storage points. **However, the period of Storage at all intermediate points put together must not exceed 8 weeks.**
- iii. A rate of 0.02% to be added to the rate computed as in (ii) above to cover Processing Risk if processing is being carried on at the intermediate storage points.

## 6. INLAND AND OVERSEAS TRANSITS OF TEA INCLUDING STORAGE : LOSS RATIO

Inland Transit Policies issued under this Section are required to maintain a loss ratio of 70% after they have generated experience for four years. If the loss ratio for the previous 3 years, excluding the expiring year exceeds 70%, the premium is required to be loaded in such a way that the loss ratio on the loaded rate comes down to 70%. However, the maximum loading should not exceed 500% of the appropriate Tariff rate.

However, if the loss ratio for the relevant period is less than 60%, discount will be allowed as follows

Loss Ratio	Discount(s) on the Tariff rates
Less than 60% upto 40%	20%
Less than 40% upto 20%	30%
Less than 20%	50%

## 7. OVERSEAS SHIPMENTS/SENDINGS FROM INDIA SUBJECT TO I.C.C. (A) TERMS

	RATES
i. For shipments/sendings to all countries other than Afghanistan and Commonwealth of Independent States (C.I.S.)	0.30%
ii. For shipments/sendings to Afghanistan or Commonwealth of Independent States (C.I.S.)	1.00%

- iii. No reduction in Premium Rates given above shall be allowed for covers less than I.C.C.(A)
- iv. For War and S R & C C cover, Additional Premium rate shall be the one prevailing on the date of sailing as per the Scale Rate provided by the War Risks Rating Committee, London.
- v. Overage, Under tonnage and Non-Classification Extras shall be charged as provided in the Schedule incorporating "SCALE OF ADDITIONAL PREMIUM APPLICABLE ON VESSELS NOT COMPLYING WITH THE INSTITUTE CLASSIFICATION CLAUSE" issued by the Joint Cargo Committee of the Institute of London Underwriters, London, from time-to-time and in force on the date of sailing.

Similarly, additional premium as per Insurers' norms shall be charged if Tea is sent by vessels whose operations have not been approved by the GIC.

## 8. DISCOUNT FOR CONTAINERISED CARGO :

If Tea is sent by Containers, 10% discount on the **Gross applicable rate**, can be granted provided transportation is on door-to-door basis and the quantity being carried is Full Container Load (FCL basis).

## **SECTION - III**

**TRANSIT INCLUDING STORAGE  
FOR BLENDING, PROCESSING,  
PACKING ETC. OF MADE TEA**

## SECTION - III

### TRANSIT INCLUDING STORAGE FOR BLENDING, PROCESSING, PACKING ETC. OF MADE TEA.

1. (a) Policies under this Section may be issued to cover transits within India between purchase centres and F.O.B. points/Inland Sale Outlets/Wholesalers' Depots/Distributors, including cover during Processing, Blending and Packing at various places including incidental storages at Godowns/Warehouses.

(b) Such Policies may be issued to individuals or Corporate Bodies or Garden-Owners.

2. This Policy will be subject to :

- i. Inland Transit (Rail or Road) - Clause A (All Risks) only. (ANNEXURE 'G') ; and/or
- ii. Inland Transit (Inland Vessels) - Clause A (All Risks) (ANNEXURE 'H') ; and
- iii. The following 'Process' Clause :

"No Claims to attach hereto for loss or damage except where caused by fire and allied perils, burglary and theft, whilst the interest insured is undergoing any process or directly resulting therefrom".

3. The Minimum Premium for a Policy to be issued under this Section will be Rs.15,000/-

4. Insurers are prohibited from issuing any other type of Policy covering the risks envisaged under this Section at rates other than those prescribed herein except in respect of cases where continuation of old (pre-Tariff) rates would be involved.

#### 5.1 RATING OF APPLICATIONS :

All proposals in respect of initial/renewal ratings pertaining to Policies commencing on or after 1-4-99,\* shall be considered by the authorised offices of the Insurers.

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\* For the period 1-4-90 to 31-3-93, these applications have been rated by the T.A.C.

For the period 1-4-93 to 30-9-99, these applications are to be rated by the Head Offices of Insurers.



**5.2 SUBMISSION OF STATISTICS TO THE TARIFF ADVISORY COMMITTEE**

**THE HEAD OFFICES OF INSURERS SHALL FORWARD TO THE T.A.C. CONSOLIDATED PREMIUM AND CLAIM STATISTICS IN RESPECT OF THE POLICIES ISSUED BY THEM UNDER THIS SECTION DURING A FINANCIAL YEAR, LATEST BY THE END OF DECEMBER THE FOLLOWING FINANCIAL YEAR AS PER FORMAT SPECIFIED IN ANNEXURE 'L'.**

6. The Sum Insured under the Policy will be the estimated turnover based on final Sale Value or Sale Price for the policy period but not less than the previous year's turnover. The Premium calculated on such estimated turnover shall be collected in full in advance, and shall be considered Provisional, to be adjusted at the end of the policy year on the basis of actual turnover to be declared by the Assured.

7. The following Premium Adjustment Clause shall be incorporated in the Transit Policy issued under this Section of the Tariff :

"Depending upon the Provisional premium collected and the actual premium payable, Insured may be required to pay the difference in premium or may become entitled to a refund of premium, as the case may be. If the total turnover for the current year shall exceed or fall short of the estimated turnover, then the difference shall be met by a further proportionate payment of premium to the Insurer or by refund of premium by the Insurer to the Insured subject to a minimum retention premium of Rs.15,000/-"

8. **Insurance for Transits including Storages for Blending, Processing, Packing etc. against All Risks, as envisaged under this Section, shall be granted at a rate of 0.50%.**

9. The Loss Ratio of Policies should be monitored in such a way that the same is maintained at 70% once a Policy generates experience of three years excluding the expiring year. If the loss ratio so generated exceeds 70%, the premium will have to be loaded in such a way that the same comes down to 70% . However, the maximum loading should not exceed 500% of the appropriate Tariff rate.

However, if the loss ratio for the relevant period is less than 60%, discount will be allowed as follows :

<b>Loss Ratio</b>	<b>Discount(s) on the Tariff rates</b>
Less than 60% upto 40%	20%
Less than 40% upto 20%	30%
Less than 20%	50%

10. For F.O.B. extension, the terms, and conditions shall be governed by the F.O.B. Clause provided below :

"This insurance is extended to cover the interest insured until the goods are placed on board the ocean-going vessel or lash barge (including Sling Loss) or until expiry of two weeks after arrival of goods at the place of storage at the port town and/or docks awaiting shipment, whichever shall first occur."

The rates chargeable will be as follows :

### SCHEDULE OF RATES

The following extras are chargeable for extension of cover upto on board overseas vessel in addition to appropriate premium chargeable for Inland Transit Risks :

a. For direct loading into ocean-going vessel or lash barge or involving transit by craft, raft or lighter	0.03%								
b. Loading by craft, raft or lighter	Port Categories *								
Inland Transit (Rail or Road) Clause - A	<table><tr><td><u>A</u></td><td><u>B</u></td><td><u>C</u></td><td><u>D</u></td></tr><tr><td>0.09%</td><td>0.11%</td><td>0.13%</td><td>0.15%</td></tr></table>	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	0.09%	0.11%	0.13%	0.15%
<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>						
0.09%	0.11%	0.13%	0.15%						
c. For extension of storage risk at the Port Town/Docks [in addition to two weeks cover already provided under the Clause]	0.03% for a period of two weeks or part thereof.								

#### \* Categorisation of Ports :

- i. Category 'A' includes Mumbai, Calcutta, Kochi, Kandla, Chennai, Nhava Sheva, Visakhapatnam, Haldia, Mangalore, Marmugao and Tuticorin.
- ii. Category 'B' includes Alleppey, Bedi including Rozi, Calicut, Kakinada, Mandvi, Navlakhi, Panaji, Paradeep, Porbandar, Port Blair, Port Okha, Sikka and Veraval.
- iii. Category 'C' includes Bhatkal, Bhavnagar, Coondapur, Honavar, Karwar, Machlipatnam, Pondicherry, Port Redi, Tallicherry and Thiruvananthapuram.
- iv. Category 'D' includes all Ports on the Indian Coast other than those mentioned under Category 'A', 'B' and 'C', Andaman & Nicobar Islands, Lakshadweep, Nagapatnam and Neendakara.

<b>SHUT-OUT CARGO</b>	
<p>Additional rates for Shut-Out Cargo (Coastal and Overseas)</p> <p>(i) Ex craft/raft/lighter in mid-stream.</p> <p>(ii) Ex Docks/Port Warehouse or Shut-Out Midstream due to strike/lockout</p>	<p>100% of Clause - B or Clause - A rates as per item (b) above to cover whilst on board craft, raft or lighter until loaded on ocean-going vessels but not exceeding 48 hours or return to loading point and discharge.</p> <p>0.03% for each period of two weeks or part thereof while awaiting shipment by another vessel.</p>

N.B. : When the goods are returned to Shipper's Warehouse involving Rail Transit, appropriate full premium as per this Section shall become chargeable for the return journey in addition to the above.

11. **COVER FOR SR & CC ONLY** may be granted to cover transit risks (including stationary risks in the normal course of transit, e.g. stay in Customs or Port Warehouse), in respect of ocean voyages or for canal or river voyages or for land transits only, **at a minimum rate of ...0.025%**

12. Basis of Claim Settlement in respect of Section III, for claims arising before raising of Final Invoice, should be the actual cost incurred till the time of loss.