

IFFCO-Tokio working on pilot project to settle crop insurance claims

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IFFCO-Tokio General Insurance Company is working on a pilot scheme where crop insurance claims would be settled, based on vegetation images provided by NASA's satellite. Besides, the company is working on a pilot project whereby it will inject Radio Frequency Identification Device (RFID) into an insured animal to ensure the veracity of claims which would reduce fraud in cattle insurance, according to company's senior official.

N K Kedia, director - marketing, IFFCO-Tokio, which was promoted by the largest fertiliser co-operative in the world, said that the pilot, using NASA's satellite, to measure Normalised

Vegetation Difference Index (NVDI) is currently going on in Ambikapur, Chhattisgarh and it would for the next six months covering 25 farmers.

Based on the success it will be extended to other parts of the country he told Business Standard after announcing company's tie-up with Tamil Nadu state Apex Co-operative Bank at Chennai on Friday.

He added, the pilot started with the assistance of the International Labour Organisation (ILO) and the company is using NASA satellite imagery. Every 16 days the satellite will send the pictures, which will be studied by an internal team, based on the findings the company will launch weather insurance and other agriculture related products which would replace crop



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insurance, said Kedia.

This can be accurate down to areas of 250 square meters (about field size) and allows the insurer to really assess whether there has been a crop loss or not. Rainfall and temperature varia-

tions are also taken into consideration, he noted.

IFFCO Tokio is facing major issue in cattle insurance since farmers make claims for the death of uninsured cattle by passing off an uninsured animal as one

that is covered. To control the manipulation the company is installing a small RFID chip for identifying animals.

The pilot project is currently going on in Gujarat, Orissa, Rajasthan and Pan-

jab and the company is considering extending it to Tamil Nadu, said Kedia.

Meanwhile to increase rural business share IFFCO-Tokio is planning to tie-up regional and co-operative banks and planning to double Bima Kendras to 400, over the next three years.

Last year of the total business of Rs 1,515 crore, only seven per cent was rural business.

During the current fiscal, upto July, rural business was 11 per cent of the total Rs 555 crore, he noted. "This could be possible by reaching out to rural population by such tie-ups, said Kedia. Currently the company has tie-up with 130 co-operatives and planning to rope in more such banks and Regional Rural Banks (RRBs).