

# Crop & cattle insurance go hi-tech

## Iffco Tokio Working On Settling Crop & Cattle Insurance Claims Based On Images & RFID Tags

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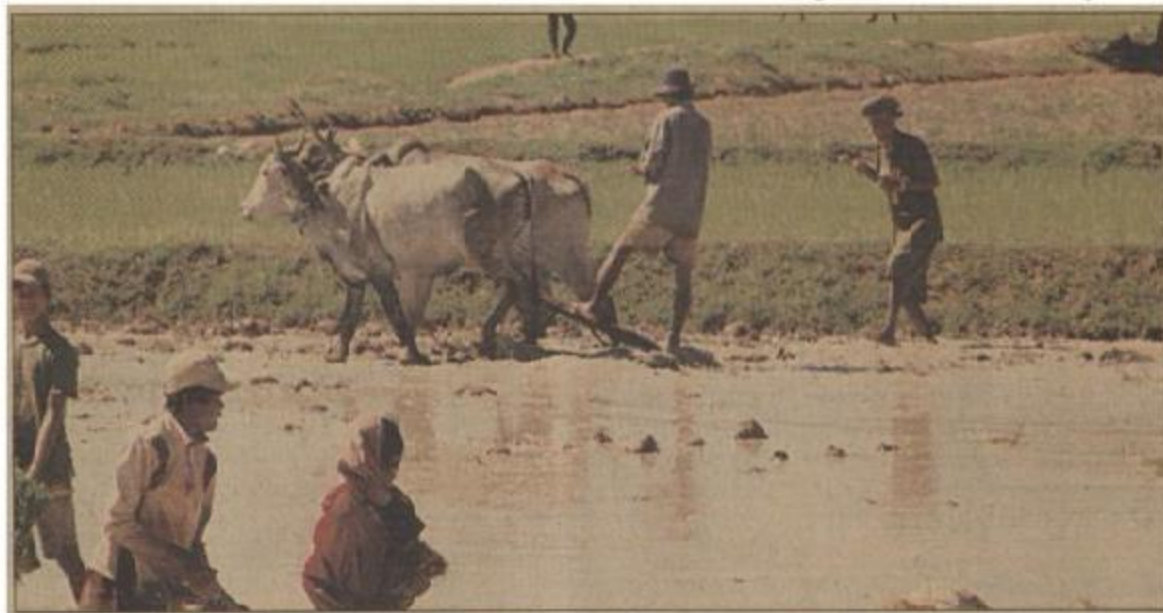
**W**ITH traditional forms of farm insurance being subject to a high degree of moral hazard, insurers are relying on technology. Iffco Tokio General Insurance, which is promoted by the largest fertiliser co-operative in the world, is working on a pilot scheme where crop insurance claims would be settled, based on vegetation images provided by US satellites. Besides to reduce fraud in cattle insurance, the company will inject radio frequency identification device (RFID) tags into insured animals to ensure the veracity of claims.

Speaking to newsmen, Iffco Tokio General Insurance MD S Narayanan said: "We have been providing weather index-based crop insurance cover for farmers for some time. But claims are prone to manipulation at the ground level." He added that to overcome this hurdle,

the company was running a pilot project with the assistance of International Labour Organisation where NASA's satellite imagery was used to arrive at the Normalised Difference Vegetation Index — the difference in the green cover over a specified area over weeks.

"The data is available for areas as small as 250 square meters and can be used to assess whether there is a crop failure or not," said Mr Narayanan. He said in addition to NDVI, rainfall and temperature variations were also considered. According to Mr Narayanan, insurers are not able to process claims based on the reduction in output because there are a number of factors within the control of the farmer that affect agri production. The satellite image-based assessment is being done on a pilot basis in Chhattisgarh and is yet to be launched as formal product.

Mr Narayanan was speaking to the media at the launch of Iffco Tokio's new health insurance plan Swasthya Kavach — a health



insurance policy that provides wider cover, including medical evacuation benefits by offering a low-cost package for nuclear families.

Along with the weather insurance, Iffco Tokio was also innovating in cattle insurance — another area where insurers are fac-

ing moral hazard as farmers make claims for the death of uninsured cattle by passing off an uninsured animal as one that is covered. "The technology for identifying animals has moved from hot branding, to ear tags but none of these are adequate," said Mr Narayanan. The

RFID programme is also a pilot project being run in Mehsana and Khurda districts in Orissa. Mr Narayanan said there were objections from some farmers for the RFID tags being injected. "If they do not want the RFID tags we do not want them as customers" he said.