OPERATIONAL MANUAL

NATIONAL CROP AND LIVESTOCK INSURANCE SCHEME 2025

First Edition



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1. Introduction

The National Crop and Livestock Insurance Scheme was approved by the 48th session of the fourth Lhengye Zhungtshog on 24th April 2025. The scheme will pilot 4 crops – rice, maize, potato and mandarin and 3 livestock commodities- piggery, poultry and cattle. The premium for crops will be 5.8 % per annum and for cattle 10% and piggery and poultry 6%. The premium will be on cost sharing basis of 50:50 between government and farmers.

The Operation Manual provides the framework for the implementation of National Crop and Livestock Insurance Scheme. The manual will be reviewed and revised based on pilot implementation.

2. Rationale

The Bhutanese farmers have been facing huge financial losses due to various calamities as a result of climate change related uncertain weather conditions, human wildlife conflict, pest and diseases. These calamities are discouraging farmers from engaging in agriculture farming thereby threatening their own livelihood and also the national food and nutrition security.

For instance, the incessant rainfall in October 2021 has affected more than 2,500 acres of paddy causing crop loss of about 2,400 MT in 17 dzongkhags. Between 1996 and 2021, outbreaks of 13 different notifiable animal diseases were reported across the country. More than 2100 livestock were killed by animal diseases within the period January to August 2023. 594 Yaks were killed by snow in 2022 while 117 Yaks were killed by wildlife depredation in the same year. The loss totaled to 711 yaks in 2022 amounting to the loss of Nu. 35.55 million. About 1,187 acres of cultivated land were damaged by natural calamities and wildlife depredation amounting to the crop loss of more than 1,154 MT in 2015. The National Impact Assessment Report on Electric Fencing, 2021 reports that farmers suffer crop loss between 19% to 43% annually due to wildlife damage despite guarding their fields for 3-4 months. Wildlife depredation caused crop production loss of around 516 MT in 2015 and 1319 MT in 2014 which is a loss of Nu. 22.7 million and Nu. 58.03 million respectively. 142 cattle were killed in the Trongsa Tiger incidences in 2021 and the compensation paid amounted to Nu. 93,120. However, the loss is estimated at Nu. 7.1 million.

The Integrated Agriculture and Livestock Census of Bhutan reports declining agricultural production every year due to these calamities. The main cereals productions in 2022 have decreased by 8 percent as compared to 2021 which is a decrease by 6319 MT (IALC 2022). The harvest areas have also been decreasing since 2020. The livestock sector reports similar trend where decrease of 14 percent in cattle population in 2022. The IALC 2022 also stated that there has been gradual decrease in cattle population since 2006.

Agriculture sector is an important sector contributing about 15 percent of GDP and about 40 % of those employed are in agriculture.

While government initiated various policies such as the Price Guarantee Scheme and Agri-Finance, such policy innovation becomes incomplete without a risk-hedging mechanisms. Without such policies, the likely-hood of farmers falling back into the poverty is significantly higher, thereby making other policies redundant in the absence of market-based risk-hedging instruments that would help farmers to get back on their feet right after their loss.

3. Potential impact of the scheme on crop and livestock production and economic growth

The insurance scheme serves as a vital safety net for farmers, offering financial protection against the unpredictable nature of crop failures and livestock losses. The implementation of an insurance scheme significantly mitigates the risks that farmers face in their agricultural endeavours, empowering them to invest in advanced technologies and improved farming practices without the fear of unforeseen losses. This financial security encourages a shift towards more innovative methods, which in turn boosts agricultural productivity. As productivity rises, the multiplier effect comes into play, creating a range of job opportunities in rural areas, not only for farm labourers but also in ancillary sectors such as processing, transportation, and retail.

By mitigating the financial impact of such adverse events, the scheme provides financial security to the farmers, which in turn fosters a more conducive environment for investment in sustainable agricultural practices and commercial farming. Furthermore, as the risks associated with agriculture and livestock diminish through this insurance coverage, farmers can maintain a more consistent agricultural output, which significantly contributes to increased food security and enhanced economic growth.

4. Objective of the Insurance Scheme

The National Crop and Livestock Insurance Scheme desires to meet the following broad objectives:

- To diversify the farmers risks in the event of crop failure and livestock losses due to the natural disasters, pests & diseases, and wildlife depredation;
- To develop market base risk-hedging mechanism to support other policy interventions to enhance productivity and livelihood in Agriculture sector in Bhutan.
- To encourage farmers/private enterprises in venturing into commercial agricultural farming with larger investment;
- To safeguard food security and food self-sufficiency through enhanced agricultural works and resilience; and
- To enhance and safeguard the harmonic coexistence between human and wildlife.

5. Coverage of the scheme

This national crop and livestock insurance scheme shall cover two broad insurance which are Crop insurance for prioritized crops and Livestock insurance for selected livestock. The details of the schemes are as provided below:

5.1. CROP INSURANCE

The Ministry of Agriculture and Livestock will implement the national crop insurance with the selected crops which are paddy, maize, potato and mandarin. Any addition of crops which are not covered under this scheme may be added upon annual review and assessments.

a. Perils covered

Damage of the prioritized crops due to the following perils shall be covered and it implies that any loss and damage caused beyond the mentioned perils is not covered:

i. Natural calamities [1]
ii. Landslide/rockslide;
iii. Pest & diseases;
iv. Forest fire (excluding damage to crops from burning of debris); and
v. Damage to crops by wild animals.

b. Insurance Period

The insurable period for the crop shall be from sowing till the harvest. However, for paddy, the post-harvest loss will be covered within 30 days from the date of harvest for the covered perils.

c. Sum Insured

Sum Insured (SI), shall be calculated as per national average yield per acre based on cost of production as calculated by the Ministry of Agriculture and Livestock from time to time, and the SI will differ based on the crop types. The farmers will be allowed to insure either 50 percent or 100 percent of the SI as per their choice. For 50% SI, the principle of under-insurance shall be applied for payouts.

For paddy nursery, if there is damage or loss due to the covered perils, the claim payout shall be 7.3% of the Sum Insured.

d. Insurable Unit

While the minimum insurable unit for cattle and piggery shall be one animal, it shall be 0.30 acres for crops and 50 birds for poultry. Enrollment shall be based on the registered land plot, and subdivisions within the same plot cultivating the same crop shall not be eligible for enrollment.

[1] Natural calamities refer to severe destructive events caused by natural forces which are sudden, unpredictable and beyond human control.

e. Premium rate

The premium rate for crop insurance (paddy, maize, potato & mandarin) is **5.8 percent of the Sum Insured (SI).** The premium payable is available in schedule I.

f. Revision of premium rate

While in the case of a low payout record, the premium rate will be reduced, the premium may be increased if the loss ratio exceeds the actual premium collection. This will be reviewed on an annual basis.

g. Enrolment and premium collection process

i. The registration of interested farmers for the scheme will be done by the respective Chiwog Tshogpa and technically verified by the Gewog Agriculture Extension.

ii. The registration forms (Annex 1) shall be accompanied by copies of individual *Lag-thram* and lease agreement/LUC*,* if applicable.

iii. The respective Chiwog Tshogpa shall facilitate the collection of premiums from farmers and ensure direct digital deposit to the insurance companies, maintaining proper records of all transactions.

iv. The list of registered farmers with the total amount collected shall be submitted to the Gewog Agriculture Extension.

v. The risk coverage shall commence immediately from the day after the premium has been deposited to the insurance companies along with the submission of required documents.

vi. For paddy growers, the farmers shall inform the Gewog Agriculture Extension indicating the date of start of harvest at least 3 days prior to the harvest. This will be applicable only to those who are initially insured.

h. Claim process

i. A client shall submit the claim incidence to Chiwog Tshogpa or Gewog Agriculture Extension within 12 to 24 hours from the time of incidence for record and assessment.

ii. The Tshogpa/Gewog Agriculture Extension shall intimate claim incidence with time and date to the insurance companies within 12 to 24 hours from the time of receipt of report.

iii. The prescribed claim form (Annex 2) along with a joint assessment report shall be submitted to the insurance companies within 3 to 5 working days from the date of reporting through the fastest means of communication.

i. Claim assessment and verification

i. The joint assessment team shall be constituted to assess and verify loss and damage for claim purpose. The joint assessment team shall be led by the Gewog Agriculture Extension with the members consisting of a Representative from Insurance Company, Chiwog Tshogpa and Field Forestry Official in case of HWC.

ii. In absence of the Gewog Agriculture Extension official, the Dzongkhag Agriculture Officer shall depute a replacement to lead the assessment team on a priority basis.

iii. Upon receipt of the information on claim incidence, the joint assessment team shall assess and verify the loss and damage within 2 to 5 working days from the time of claim intimation.

iv. The joint assessment shall be carried out through the most efficient means agreed upon by the assessment team.

v. The joint assessment report shall be verified by the Gup or official delegated by the Gup, Mangmi or GAO, to facilitate the process during his/her absence from the office.

vi. The Gewog Agriculture Extension shall submit the scanned copy of joint assessment report (Annex 2) to the insurance companies along with the claim form as mentioned in section g (iii).

vii. The claim forms submitted to the insurance companies shall be verified within 3 working days from the date of receiving the claim forms.

j. Claim Payment

i. The claim payment shall be made as per the percentage damage reported and verified.

ii. If a second claim occurs for the partial claim, only the undamaged portion of SI will be eligible for the subsequent claims.

iii. The insurance companies shall pay an eligible claim amount directly to the insured's account **within 2 working days** after the completion of verifying the documents. The payment of claim shall be facilitated through most applicable means.

iv. The insurance companies shall intimate the claim payout information to the Gewog Agriculture Extension and the Gewog administration for record.

v. The Gewog Agriculture Extension shall sign the discharge voucher on behalf of the insured farmers upon confirmation with the clients.

k. Exception

The Turn-Around-Time for the claim process [2]mentioned above shall not be applicable during times of catastrophic events. [3]

l. Franchise Limit

Franchise limit of 1- 5% of the sum insured will be applied as per the following land acreage and number of trees for mandarin as a claim admissibility criterion for single incidence. However, any frequency of loss incurred within 72 hours by the perils prescribed under section 5.1 a (i&ii) will be considered as single loss for application of mentioned franchise limit for paddy, maize and potato:

i. *For 0-3 acres: 5 percent*
ii. *For above 3-7 acres: 4 percent*
iii. *For above 7-10 acres: 3.5 percent*
iv. *For above 10-15 acres: 3 percent*
v. *For above 15 to 100 and above: 1 percent*

The franchise limit for Mandarin will be as follows:

i. *Above 0.3 to 0.5 acres - 5 trees*
ii. *Above 0.5 to 1.5 acres- 8 trees*
iii. *Above 1.5 to 3 acres - 12 trees*
iv. *Above 3 to 5 acres - 15 trees*
v. *Above 5 to 10 ares - 17 trees*
vi. *Above 10 to 20 acres -20 trees*
vii. *Above 20 acres - 30 trees*

m. Exclusion

Crop loss, damage or failure due to the following reasons shall not be compensated:

i. Fire due to spark originating from engine exhaust and/or other hot machinery parts;
ii. Malicious, willful act or gross negligence of the Insured or any of his representative(s) or employee(s);
iii. Theft / clandestine sale of the insured crop;
iv. Intentional destruction of the insured crop;
v. Loss occurring prior to the commencement of risk;
vi. Loss caused by Riots, Strike, Malicious damage and Terrorism (RSMDT);
vii. Directly or indirectly connected with or traceable to war, invasion, act of foreign enemy, hostilities (Whether war be declared or not) civil war, rebellion, revolution, insurrection, mutiny, tumult, military or usurped power, seizure, capture, arrests, restraints and detainment of all kinds or any consequences thereof;

[2] The timeframe between claim intimation and payout

[3] Catastrophic events refer to large-scale incidents that cause severe and widespread losses by covered perils affecting a significant number of insured parties simultaneously.

viii. Loss occurring due to industrial pollution and/or toxic waste;
ix. In case of mandarin, orchards that are left unattended and already affected by pests and dieases, as verified by the competent technical authority;
x. The farmers not practicing recommended package of practices for pests and diseases management as verified by the competent technical authority;
xi. Any expenses incurred by an Insured Person but resulting in low productivity or yield; and
xii. Crop damage and loss posed because of the government's interventions and strategies.

5.2. LIVESTOCK INSURANCE

The Ministry of Agriculture and Livestock will roll-out the national livestock insurance with the selected livestock which are cattle, piggery and poultry. Any addition of livestock which are not covered under this scheme may be added upon annual review and assessments.

5.2.1. CATTLE INSURANCE

a. Scope of the cover

The Policy shall provide indemnity against the death or disablement of cattle[4] for the following:

1. Disease (inclusive of rinderpest, black quarter (BQ), hemorrhagic septicemia (HS), anthrax, Foot and Mouth Disease (FMD), theileriosis, lumpy skin disease (LSD)) contracted or occurring during the period of this policy as long as they are vaccinated as per the recommended vaccination regime, except for those animals either pregnant or sick during the annual vaccination schedule, as per record provided by competent authority.
2. Accident[5] and natural calamities.
3. Emergency slaughter of not more than 5 cattle upon advice of a certified/qualified para-veterinary or veterinary surgeon.
4. The death of the cattle due to attack by wild animals when within the range of 500 meters crow-flight dostance [6]from a barn or grazeland.
5. **Permanent Disablement:** [7]An animal getting permanently disabled as certified by the para-veterinary/veterinary due to diseases, accidents and wildlife attack within the insurance policy period will be compensated 75% of the SI.
6. Disabled cattle which have been compensated shall not be eligible for subsequent renewal of insurance coverage;
7. Death or disablement caused by covered perils during the course of traditional cattle migration within the specified locations as prescribed in the registration form.

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[4] Cattle include all Bulls, Bullocks, Cows, Heifers, Steers, Buffalos, Mithun, Yaks and *Zo, Zom* whether indigenous, cross-breed or exotic.

[5] Accident refers to sudden, unforeseen and unintended event beyond control of the insured that causes bodily injury, disablement and death of insured cattle, birds or pigs

[6] Crow flight distance refers to the straight-line distance between the settlement or herd location and the kill site, typically measured using GPS devices or digital measurement applications

[7] Permanent disablement refers to long term irreversible loss such as complete loss of eyesight, two limbs, permanent paralysis, damage to udder/more than 2 teats, and permanent infertility in breeding bulls and cows.

b. Insurable Age Group

Cattle between the age of 6 months to 12 years shall be accepted for insurance. Cover beyond the above age limit of 12 years shall be subject to loading of 10% on the premium of the preceding year and a certification by a qualified veterinary health professional for each subsequent year.

c. Sum Insured

The Sum Insured (SI) shall be calculated as per the average unit cost of production (CoP) as calculated by the Ministry of Agriculture and Livestock from time to time. The farmers will be allowed to insure either 50 percent or 100 percent of the SI as per their choice.

d. Premium Rate

The premium rate for the cattle insurance shall be 10 percent of the SI. While in the case of low past payouts, the premium rate will be reduced, the premium may be increased if the loss ratio exceeds the actual premium collection. This will be reviewed on an annual basis. The premium payable is available in schedule II.

e. Enrolment and premium collection process

i. The registration of interested farmers for the scheme will be done by the respective Chiwog Tshogpa and technically verified by the Gewog Livestock Extension.

ii. The registration forms (Annex 3) shall be accompanied by list of ear-tagged cattle.

iii. The respective Chiwog Tshogpa shall facilitate the collection of premiums from farmers and ensure direct digital deposit to the insurance companies, maintaining proper records of all transactions.

iv. The list of registered farmers with the total amount collected shall be submitted to the Gewog Livestock Extension.

v. The risk coverage shall commence immediately from the day after the premium has been deposited to the insurance companies along with the submission of required documents.

f. Claim process

i. A client shall submit the claim incidence to Chiwog Tshogpa or Gewog Livestock Extension within 6-12 hours from the time of incidence for record and assessment.

ii. The Tshogpa/Gewog Livestock Extension shall intimate claim incidence with time and date to the insurance companies within 6-12 hours from the time of receipt of report.

iii. The prescribed claim form (Annex 4) along with a joint assessment report shall be submitted to the insurance companies within 3 working days from the date of reporting through the fastest means of communication.

g. Claim assessment and verification

i. The joint assessment team shall be constituted to assess and verify loss and damage for claim purpose. The joint assessment team shall be led by the Gewog Livestock Extension with the members consisting of a Representative from Insurance Company, Chiwog Tshogpa and Field Forestry Official in case of HWC.

ii. Upon receipt of the information on claim incidence, the joint assessment team shall assess and verify the loss and damage within 2 to 5 working days from the time of claim intimation.

iii. The joint assessment shall be carried out through the most efficient means agreed upon by the assessment team.

iv. The joint assessment report (Annex 4) shall be verified by the Gup or official delegated by the Gup, Mangmi or GAO, to facilitate the process during his/her absence from the office.

v. The Gewog Livestock Extension shall submit the joint assessment report to the insurance companies along with the claim form as mentioned in section f (iii).

vi. The claim forms submitted to the insurance companies shall be verified within 3 working days from the date of receiving the claim forms.

h. Claim Payment

i. The claim payment shall be made as per the loss reported and verified.

ii. The insurance companies shall pay an eligible claim amount directly to the insured's account within 2 working days after completion of verifying the documents. The payment of claim shall be facilitated through most applicable means.

iii. The insurance companies shall intimate the claim payout information to the Gewog Livestock Extension and the Gewog administration for record.

iv. The Gewog Livestock Extension shall sign the discharge voucher on behalf of the insured farmers upon confirmation with the clients.

i. Franchise limit

The franchise limit for cattle insurance shall not be applicable for its payout shall be as per the sum insured.

j. Cattle identification

The Department of Livestock through the technical support of the National Dairy Development Centre (NDDC) will streamline the ear-tagging system with the National Dairy Information System (NDIS) and insured cattle(s) will be identified through ear-tagging system. The client will have to bear the minimal cost of the ear-tags.

5.2.2 POULTRY INSURANCE

a. Scope of Cover

The Policy shall provide indemnity against the death or disablement of birds[8] for the following:

1. Disease contracted or occurring during the period of this policy as long as they are vaccinated as per the recommended vaccination regime and other standard practices.
2. Accident and natural calamities.
3. The death of birds due to attack by wild animals
4. **Permanent Disablement:** Birds getting permanently disabled as certified by the para-veterinary/veterinary due to diseases, accidents or wildlife attack within the insurance policy period will be compensated 75% of the SI.
5. Disabled birds which have been compensated shall not be eligible for subsequent renewal of insurance coverage.

b. Sum Insured

The Sum Insured (SI) shall be calculated as per the average unit cost of production (CoP) as calculated by the Ministry of Agriculture and Livestock from time to time. The entire flock shall be insured and the farmers will be allowed to insure either 50 percent or 100 percent of the SI as per their choice. For 50% SI, the principle of under-insurance shall be applied for payouts.

c. Insurable Age Group

The insurable age group for layers shall be from one day to 100 weeks of age, while it shall be one day to 60 days for broilers.

d. Premium Rate

The premium for each layer shall be 6 percent of the SI while the premium rate for broilers shall be determined on short period scale as follows:

Period (Not Exceeding)	0-7days	8 days-30 days	31-45 days	46-60 days
Annual Rate (AR)	10% of AR[9]	25% of AR	35% of AR	50% of AR

The details of premium payable and SPS calculation is annexed as Schedule II.

[8] Birds refer to layers and broilers whether indigenous, cross-breed or exotic

[9] AR: Annual Rate of 6% (premium rate poultry)

e. Enrolment and premium collection process

i. The registration of interested farmers for the scheme will be done by the respective Chiwog Tshogpa and technically verified by the Gewog Livestock Extension.

ii. The registration forms (Annex 3) shall be accompanied by farm identification number.

iii. The enrolment for the insurance coverage shall be done for every flock batch.

iv. The respective Chiwog Tshogpa shall facilitate the collection of premiums from farmers and ensure direct digital deposit to the insurance companies, maintaining proper records of all transactions.

v. The list of registered farmers/farms with the total amount collected shall be submitted to the Gewog Livestock Extension.

vi. The risk coverage shall commence immediately from the day after the premium has been deposited to the insurance companies along with the submission of required documents.

f. Claim process

i. A client shall submit the claim incidence to Chiwog Tshogpa or Gewog Livestock Extension within 6-12 hours from the time of incidence for record and assessment.

ii. The Tshogpa/Gewog Livestock Extension shall intimate claim incidence with exact time and date to the insurance companies within 6-12 hours from the time of receipt of report.

iii. The prescribed claim form (Annex 5) along with a joint assessment report shall be submitted to the insurance companies within 3 working days from the date of reporting through the fastest means of communication.

g. Claim assessment and verification

i. The joint assessment team shall be constituted to assess and verify loss and damage for claim purpose. The joint assessment team shall be led by the Gewog Livestock Extension with the members consisting of a Representative from Insurance Company, Chiwog Tshogpa and Field Forestry Official in case of HWC.

ii. Upon receipt of the information on claim incidence, the joint assessment team shall assess and verify the loss and damage within 2 to 5 working days from the time of claim intimation.

iii. The joint assessment shall be carried out through the most efficient means agreed upon by the assessment team.

iv. The joint assessment report shall be verified by the Gup or official delegated by the Gup, Mangmi or GAO, to facilitate the process during his/her absence from the office.

v. The Gewog Livestock Extension shall submit the joint assessment report to the insurance companies along with the claim form as mentioned in section f (iii).

vi. The claim forms submitted to the insurance companies shall be verified within 3 working days from the date of receiving the claim forms.

h. Claim Payment

i. The claim payment shall be made as per the loss reported and verified.

ii. The insurance companies shall pay an eligible claim amount directly to the insured's account within 2 working days from the receipt of complete documents. The payment of claim shall be facilitated through most applicable means.

iii. The insurance companies shall intimate the claim payout information to the Gewog Livestock Extension and the Gewog administration for record.

iv. The Gewog Livestock Extension shall sign the discharge voucher on behalf of the insured farmers upon confirmation with the clients.

i. Franchise Limit

The franchise limit of 1-5% for poultry insurance shall be as per the following flock size.

i. Between 1-500 birds: 5 percent
ii. For above 500-1500 birds: 4 percent
iii. For above 1500-3000 birds: 3 percent
iv. For above 3000-7000 birds: 1.8 percent
v. For above 7000-10000 birds: 1.5 percent
vi. For above 10000 birds: 1 percent.

5.2.3 PIGGERY INSURANCE

a. Scope of cover

The Policy shall provide indemnity against the death or disablement of pigs[10] for the following:

1. Disease contracted or occurring during the period of this policy as long as they are vaccinated as per the recommended vaccination regime and other standard practices.
2. Accident and natural calamities.
3. The death of pigs due to attack by wild animals
4. Emergency slaughter of not more than 5 pigs upon advice of a certified/qualified para-veterinary or veterinary surgeon.

[10] Pigs refers to both fatteners and breeders including native, cross-breed and exotic

5. **Permanent Disablement:** Pigs getting permanently disabled as certified by the para-veterinary/veterinary due to diseases, accidents or wildlife attack within the insurance policy period will be compensated 75% of the SI.
6. Disabled pigs which have been compensated shall not be eligible for subsequent renewal of insurance coverage.

b. Sum Insured

The Sum Insured (SI) shall be calculated as per the average unit cost of production (CoP) as calculated by the Ministry of Agriculture and Livestock from time to time. The farmers will be allowed to insure either 50 percent or 100 percent of the SI as per their choice.

c. Insurable Age

One day to six years of age for Breeder and one day to nine months for Fattener. The insurance for breeders can be done on an annual basis, and shall be renewed.

d. Premium

While the premium rate for breeder shall be charged at 6 percent of the SI, the premium rate for fattener shall be calculated on the basis of short period scale as follows:

Period (Not Exceeding)	0-4 Months	Above 4-6 Months	Above 6-7 Months	Above 7-8 Months	Exceeding 8 Months
Rate (Annual Rate)	60% of AR	75% of AR	80% of AR	85% of AR	Full Premium

The details of premium payable and SPS calculation is annexed as Schedule II.

e. Enrolment and premium collection process

i. The registration of interested farmers for the scheme will be done by the respective Chiwog Tshogpa and technically verified by the Gewog Livestock Extension.

ii. The registration forms (Annex 3) shall be accompanied by farm identification numbers, if a farm is registered along with the ear tag numbers of individual pig.

iii. The respective Chiwog Tshogpa shall facilitate the collection of premiums from farmers and ensure direct digital deposit to the insurance companies, maintaining proper records of all transactions.

iv. The list of registered farmers with the total amount collected shall be submitted to the Gewog Livestock Extension.

v. The risk coverage shall commence immediately from the day after the premium has been deposited to the insurance companies along with the submission of required documents.

f. Claim process

i. A client shall submit the claim incidence to Chiwog Tshogpa or Gewog Livestock Extension within 6-12 hours from the time of incidence for record and assessment.

ii. The Tshogpa/Gewog Livestock Extension shall intimate claim incidence with exact time and date to the insurance companies within 6-12 hours from the time of receipt of report.

iii. The prescribed claim form (Annex 4) along with a joint assessment report shall be submitted to the insurance companies within 3 working days from the date of reporting through the fastest means of communication.

g. Claim assessment and verification

i. The joint assessment team shall be constituted to assess and verify loss and damage for claim purpose. The joint assessment team shall be led by the Gewog Livestock Extension with the members consisting of a Representative from Insurance Company, Chiwog Tshogpa and Field Forestry Official in case of HWC.

ii. Upon receipt of the information on claim incidence, the joint assessment team shall assess and verify the loss and damage within 2 to 5 working days from the time of claim intimation.

iii. The joint assessment shall be carried out through the most efficient means agreed upon by the assessment team.

iv. The joint assessment report shall be verified by the Gup or official delegated by the Gup, Mangmi or GAO, to facilitate the process during his/her absence from the office.

v. The Gewog Livestock Extension shall submit the joint assessment report (Annex 4) to the insurance companies along with the claim form as mentioned in section f (iii).

vi. The claim forms submitted to the insurance companies shall be verified within 3 working days from the date of receiving the claim forms.

h. Claim Payment

i. The claim payment shall be made as per the loss reported and verified.

ii. The insurance companies shall pay an eligible claim amount directly to the insured's account within 2 working days from the receipt of complete documents. The payment of claim shall be facilitated through most applicable means.

iii. The insurance companies shall intimate the claim payout information to the Gewog Livestock Extension and the Gewog administration for record.

iv. The Gewog Livestock Extension shall sign the discharge voucher on behalf of the insured farmers upon confirmation with the clients.

i. Franchise limit

The franchise limit for piggery insurance shall not be applicable for its payout shall be as per the sum insured.

5.2.4 EXCLUSION FOR LIVESTOCK INSURANCE

The policy shall not cover the cost of death or loss of livestock due to the following reasons:

i. Loss incurred through malicious or willful injury or negligence, overloading, unskilful treatment;
ii. Loss caused by accidents and/or diseases contracted prior to the commencement of risk as certified by para veterinarian/veterinarian;
iii. Intentional slaughter of the animal;
iv. Theft or clandestine sale of the insured animal;
v. War, invasion, the act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection mutiny, tumult, military or usurped power or any consequences thereof or attempted threat;
vi. Any accident, loss destruction, damage or legal liability directly or indirectly caused by or contributed to by arising from nuclear weapons;
vii. Transport by land, air and sea;
viii. Death due to diseases contracted within 7 days of the date of commencement of the risk;
ix. Any kind of breeding, farrowing and calving risk;
x. Culling of cattle, poultry and piggery posing loss because of the government's intervention and strategies; and
xi. For diseases, farmers not practicing recommended animal health and farm biosecurity measures, upon verification by the competent technical authority.

6. Government subsidy structure

- **i.** A flat 50% government subsidy on annual insurance premiums will be provided under the scheme.
- **ii.** This subsidy will apply uniformly to all eligible insured farmers
- **iii.** The remaining 50% of the premium will be contributed by the insured individual (farmer).
- **iv.** The 50% subsidy provision will remain fixed throughout the 13th Five-Year Plan (FYP) period.
- **v.** The premium subsidy shall not be provided to farmers who opt to insure their crops (Maize and Potato) again after having already received a total loss claim at the sowing stage.

7. Fund Flow and Disbursement of the Government's Share of Premium Subsidy

- i. The Government's share of premium subsidy budget will be provisioned with MoAL under the budget head 61.01-Capital Grants-Individual/Non-profit Organization, and the specific FIC assigned for the external resources mobilized;
- ii. MoAL will propose the subsidy budget annually during the budget formulation phase for the fiscal years of the 13 FYP period;
- iii. Upon approval of the budget, the funds shall be released to MoAL by the Department of Treasury and Accounts in line with Fund Release Guideline 2024; and
- iv. The verification of subsidy payments and disbursement will be carried out by MoAL.

Step	Description	Responsible Agency
Annual Budget Allocation	Ensure to propose annual budget for the Government's share of premium subsidy for National Crop and Livestock Insurance Scheme in the MoAL's budget.	Ministry of Agriculture and Livestock (MoAL)
Premium Collection	Collect 50% premium share from farmers at enrolment through gewogs/extensions[11] based on following cycle. **Paddy:** 15 days before sowing **Maize:** 15 days before sowing **Mandarin:** All year round **Potato:** 15 days before sowing **Cattle:** All year round **Poultry:** All year round **Piggery:** All year round	Insurance Companies
Submission of invoice for payment of government subsidy	Submit invoice for payment of government subsidy to MoAL within 30 working days after receiving the total registered list. The reconciliation of the payment shall be done twice in a year (December and June).	Insurance companies
Assessment and verification of subsidy payment	Assess and review the total government contribution to be paid to the insurance companies as per the invoice received within 30 working days.	Ministry of Agriculture and Livestock (MoAL)
Fund Disbursement	Release the approved subsidy budget directly to the insurance companies within 2 working days from the date of completing the verification.	Ministry of Agriculture and Livestock (MoAL)
Record Keeping	Maintain records of all transactions, enrolment, and claims for audit and accountability purpose.	MoAL & Insurance Companies
Monitoring and Reporting	Monitor and report on subsidy utilization, fund flow and implementation on periodic basis.	Ministry of Agriculture and Livestock (MoAL)

[11] Extension refers to gewog agriculture and livestock extension offices

8. Monitoring, Evaluation, and Reporting (M&E) Framework

Institution	Key Roles and Responsibilities in M&E	Reporting Frequency/ Tools
Ministry of Agriculture and Livestock (MoAL)	• Lead agency for overall M&E framework and coordination • Consolidate M&E reports from all implementing partners • Provide strategic direction and policy guidance • Coordinate periodic reviews, impact assessments, and evaluations • Prepare reports for submission to relevant counterpart agencies	• Quarterly progress reports • Bi-annual progress reports • Annual Progress Reports
Department of Agriculture & Department of Livestock	• Provide technical support for indicators and baseline data • Validate data on cost of production for crop/livestock SI calculation and claim payments • Recommend technical and operational adjustments based on M&E • Contribute to thematic and impact studies	• Quarterly Technical Reviews • Field Monitoring and Evaluation Reports
Insurance Companies	• Maintain records of enrolment, premiums, and claims • Submit quarterly operational and financial reports to MoAL • Ensure transparency in claim settlement processes • Facilitate audits and financial evaluations	• Quarterly Claim Reports • Annual Financial Statements
Gewog Administration (Local Government)	• Integrate scheme monitoring into Gewog development planning • Coordinate local M&E and support grievance redressal • Monitor progress and verify implementation data • Maintain field level data of enrolment and claims • Facilitate farmer awareness and community feedback	• Annual Reports • Local Grievance Logs
Gewog Agriculture and Livestock Extension Offices	• Collect field-level data and maintain enrolment and claim record • Conduct and verify crop/livestock damage assessments • Maintain and submit quarterly reports	• Quarterly Reports • Registration and claim Forms

9. Grievance Redressal Mechanism

Step	Description	Responsible Agency	Timeframe
1. Lodging of Grievance	Farmers submit complaints verbally or in writing (including digital platforms where available) regarding enrolment, assessments, claims.	Farmer / Beneficiary	As needed
2. Grievance to Gewog Administration	The case is submitted to the Gewog Administration, which facilitates a hearing or mediation with relevant parties.	Gewog Administration technically supported by agriculture, livestock and forestry officials.	Within 7 working days of receipt
3. Referral to Dzongkhag Administration	If the grievance remains unresolved, it is referred to the Dzongkhag Administration.	Dzongkhag Administration supported by Sector Offices (Agriculture/Livestock/Forestry)	Within 10 working days
4. Escalation to MoAL	Complex or unresolved cases are forwarded to the MoAL	MoAL	Within 10 working days
5. Final Resolution and Communication	The final decision is communicated to the complainant in writing. A record is maintained and used for future policy improvement.	Gewog/Dzongkhag/MoAL	Within 30 working days (cumulative)
6. Periodic Reporting & Review	Summary of grievances and actions taken are compiled and reviewed quarterly to improve service delivery and transparency.	Gewog/Dzongkhag/MoAL	Quarterly

ANNEX 1: CROP INSURANCE REGISTRATION FORM

Table A: Household details

1. Name of the farmer	2. Gender	3. CID Number	4. Thram Number	5. House Number
6. Village	**7. Gewog**	**8. Dungkhag**	**9. Dzongkhag**	**10. Mobile Number**

Farm land details:

1. Total land owned (Deci.):
2. Total land cultivated (Deci.):

Table B: Detail of the crops insured

Plot details (Name and ID)	Area (Acres)	Crop Cultivated	Expected Date of sowing	Expected Date of Harvest	Remarks

Table C: Summary of the crops insured

Total Area insured (Acr)	Crop type insured	Partial (50%) or full (100%) SI	Sum Insured (Nu.)	Total Premium (Nu.)	50% of the share (beneficiary) (Nu.)	Remarks

DECLARATION

I/We hereby declare that all the information furnished by me/us in this proposal form are true and correct to the best of my/our knowledge and belief. I/We agree that the Policy shall become voidable at the option of RICBL/BIL, in the event of any untrue or incorrect statement, misrepresentation, non-description or non-disclosure in any material particular in the proposal form/personal statement, declaration and connected documents, or any material information has been withheld by me/us or anyone acting on my/our behalf to obtain any benefit under this Policy.

Signed at…………………..…….. this…………………...…….day of…………………………

(Signature/Thumb print of the Farmer)
Name:
Place and Date:

Technically verified by: Gewog Agricultural Supervisor

Signature:
Name:
Place and Date:

Endorsed by: Gup/Mangmi/GAO/Officiating

Signature:
Name:
Place and Date:

Documents required:

1. Copy of CID
2. Copy of Lag-Thram
3. Copy of Lease agreement/LUC, if applicable

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ROYAL INSURANCE CORPORATION OF BHUTAN LTD.

ANNEX 2: CROP INSURANCE ASSESSMENT CUM CLAIM FORM

(The issue of this form is not to be taken as an admission of liability. Please answer all the questions carefully)

A. Particulars of the Insured	
Name of the Insured Farmer	
Policy number	
Mobile Number	
Thram no	
Plot (name and ID)	
Village	
Chiwog	
Gewog	
Dzongkhag	

B. Claim Assessment/Verification

Crop Type	Total Area Insured (Acre)	Total Sum Insured (Nu)	Total Area/no. of trees loss/Damaged (Acre)	Total Production loss/damage (Kg)	Total Value Loss (Nu.)	Cause of Loss/Damage	Percentage claimed	Date and Time of Occurrence

Bank Details for issuance of claim payment

Name of account holder:
Account Number:
Name of the Bank:

Signature/Thumb Print of the claimant
Name:
Place and Date:

C. Claim Payable

1. Gross Assessed Amount (Nu.)	
2. Salvage Value, if any (Nu.)[1]	
3. Recommended Net Claim Payout (Nu.)	

We have checked and verified the above details and found them to be true and correct to the best of our knowledge. We recommend for settlement of the claim for ………………………… /- (Nu. ………………………………………………………… ….(In word) only and release the payment in favour of ……………………..…………………………………………………………………………………………

(OR)

The claim is to be declined (reason to be given)

……
…………………………………………………………………………………………….....

The claim assessed by:

RICB Official
Sign and Seal

Gewog Agriculture Supervisor/Dzongkhag Agriculture Officer
Sign and Seal

Gewog Tshogpa
Sign and Seal

Divisional Forestry Official (when relevant)
Sign and Seal

Verified by:

Gup/Mangmi/GAO/Officiating Gup
Sign and Seal

[1] The salvage value mentioned herein shall be decided or agreed upon mutual consent of the insured and insurer.

ANNEX 3: LIVESTOCK INSURANCE REGISTRATION FORM

Table A: Household details

1. Name of the farmer	2. Gender	3. CID Number	4. Thram Number	5. House Number
6. Village	7. Gewog	8. Dungkhag	9. Dzongkhag	10. Mobile Number

Livestock Details

1. Total cattle owned:
2. Total pigs owned:
3. Total flock(s) of poultry owned:

Table B: Type and category of cattle insured (Premium Rate 10%)

Cattle Type [1]	Breed Category	Age Category	Animal ID	Full/Partial (100%/50%) SI	Sum Insured (Nu.)	Total Premium (Nu.)	50% share (beneficiary) (Nu.)
Total (Nu.)							

Note: Attach additional form, if required.

Table C: Type **and category of pig insured (Premium Rate 6%)**

Pig Type [2]	Breed Category	Age Category	Animal ID	Duration of coverage (If Fattener)	Full/Partial (100%/50%) SI	Sum Insured (Nu.)	Total Premium (Nu.)	50% share (beneficiary) (Nu.)
	Total (Nu.)							

Note: Attach additional form, if required.

[1] Cattle Type includes cattle, yak, buffalo and zo-zom
[2] Pig Type includes Breeder and Fattener

Table C: Type and category of poultry insured (Premium Rate 6%)

Poultry Type[3]	Breed Category	Age Category	Flock ID	Duration of Coverage (If Broiler)	Full/Partial (100%/50%) SI	Sum Insured (Nu.)	Total Premium (Nu.)	50% share (beneficiary) (Nu.)
		Total (Nu.)						

Note: Attach additional form, if required.

DECLARATION

I/We hereby declare that all the information furnished by me/us in this proposal form are true and correct to the best of our knowledge and belief. I/We agree that the Policy shall become voidable at the option of RICBL/BIL, in the event of any untrue or incorrect statement, misrepresentation, non-description or non-disclosure in any material particular in the proposal form/personal statement, declaration and connected documents, or any material information has been withheld by me/us or anyone acting on my/our behalf to obtain any benefit under this Policy.

Signed at…………………..…….. this…………………...…….day of…………………………

(Signature/Thumb print of the Farmer)
Name:
Place and Date:

Technically verified by: Gewog Livestock In-Charge

Signature:
Name:
Place and Date:

Endorsed by: Gup/Mangmi/GAO/Officiating

Signature:
Name:
Place and Date:
Document required:

1. Copy of CID
2. Copy of Lag-Thram
3. Copy of Lease agreement, if applicable

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[3] Poultry Type includes Layers and Broilers

ANNEXURE 4: CATTLE/PIG INSURANCE ASSESSMENT CUM CLAIM FORM

(The issue or acceptance of this form is not to be construed as admission of liability on the part of the Company)

1. Insured Details

Name of the Insured Farmer	
Policy number	
Mobile Number	
Thram no	
Village	
Chiwog	
Gewog	
Dzongkhag	

Bank Details for issuance of claim payment

Name of account holder:
Account Number:
Name of the Bank:

Signature/Thumb Print of the claimant

Name:

Place and Date:

2. Claim Assessment/Verification

Animal ID	Breed Category	Sum Insured (Nu.)	Death or Disablement	Nature of Disablement	Assessed Claim Value (Nu.)	Cause of Death/Disablement	Salvage Value (Nu.)	Date of Incidents

3. Claim Payable

1. Assessed Gross Claim Value (Nu)	
2. Salvage Value (Nu)	
3. 75% of SI for Permanent Disablement (Nu.)	
4. Net Claim recommended (Nu)	

We have checked and verified the above details and found them to be true and correct to the best of our knowledge. We recommend for settlement of the claim for Nu. …………………./- (Nu. ………………………………………………………………………. (In word) only and release the payment in favour of …………………………………………………………………………………………

(OR)

The claim is to be declined (reason to be given)

………
……....

We have checked and verified the above details and found them to be true and correct to the best of our knowledge. We recommend for settlement of the claim for ………………………… /- (Nu. ……………………………………………………………… ….(In word) only and release the payment in favour of ……………………..…………………………………………………………………………………

(OR)

The claim is to be declined (reason to be given)

………
……....

The claim assessed by:

RICB Official
Sign and Seal

Gewog Livestock Supervisor/Dzongkhag Livestock Officer
Sign and Seal

Gewog Tshogpa
Sign and Seal

Divisional Forestry Official (when relevant)
Sign and Seal

Verified by:
Gup/Mangmi/GAO/Officiating Gup
Sign and Seal

ANNEXURE 5: POULTRY INSURANCE ASSESSMENT CUM CLAIM FORM

(The issue or acceptance of this form is not to be construed as admission of liability on the part of the Company)

1. **Insured Details**

Name of the Insured Farmer	
Policy number	
Mobile Number	
Thram no	
Village	
Chiwog	
Gewog	
Dzongkhag	

Bank Details for issuance of claim payment

Name of account holder:
Account Number:
Name of the Bank:

Signature/Thumb Print of the claimant

Name:

Place and Date:

2. **Claim Assessment/Verification**

Flock ID	Poultry Type	No. of birds insured	Sum Insured (Nu.)	Death or Disablement	Nos. Of Death/ Disablement	Nature of Disablement	Assessed Claim Value (Nu.)	Cause of Death/ Disablement	Salvage Value (Nu.)	Date of Incidents

3. Claim Payable

1. Assessed Gross Claim Value (Nu)	
2. Salvage Value (Nu)	
3. 75% of SI for Permanent Disablement (Nu.)	
4. Net Claim recommended (Nu)	

We have checked and verified the above details and found them to be true and correct to the best of our knowledge. We recommend for settlement of the claim for Nu. …………………./- (Nu. ………………………………………………………………………. (In word) only and release the payment in favour of ………………………………………………………………………………………………

(OR)

The claim is to be declined (reason to be given)

………
…….....

We have checked and verified the above details and found them to be true and correct to the best of our knowledge. We recommend for settlement of the claim for ………………………… /- (Nu. ……………………………………………………………… ….(In word) only and release the payment in favour of ……………………..……………………………………………………………………………………

(OR)

The claim is to be declined (reason to be given)

………
……….....

The claim assessed by:

RICB Official
Sign and Seal

Gewog Livestock Supervisor/Dzongkhag Livestock Officer
Sign and Seal

Gewog Tshogpa
Sign and Seal

Divisional Forestry Official (when relevant)
Sign and Seal

Verified by:
Gup/Mangmi/GAO/Officiating Gup
Sign and Seal

Schedule I: Premium Payable calculation for Crops

Reference Table forpremium payable for an acre of Paddy (inclusive irrigated and upland)

National Average Cost of Production: Nu. 49/kg

S.N	Dzongkhag	Average yield/acre (kg)	SI/ac (Nu)	100% SI		50% SI	
				Total premium payable/ac (Nu)	50% beneficiary share/ac (Nu)	Total premium payable/ac (Nu)	50% beneficiary share/ac (Nu)
1	Bumthang	1600	78400	4547	2274	2274	1137
2	Chhukha	1800	88200	5116	2558	2558	1279
3	Dagana	1700	83300	4831	2416	2416	1208
4	Gasa	1500	73500	4263	2132	2132	1066
5	Haa	1300	63700	3695	1847	1847	924
6	Lhuentse	1600	78400	4547	2274	2274	1137
7	Mongar	1600	78400	4547	2274	2274	1137
8	Paro	2700	132300	7673	3837	3837	1918
9	Pema Gatshel	1800	88200	5116	2558	2558	1279
10	Punakha	2100	102900	5968	2984	2984	1492
11	Samdrup Jongkhar	1800	88200	5116	2558	2558	1279
12	Samtse	1500	73500	4263	2132	2132	1066
13	Sarpang	1500	73500	4263	2132	2132	1066
14	Thimphu	2200	107800	6252	3126	3126	1563
15	Trashigang	1800	88200	5116	2558	2558	1279
16	Trashi Yangtse	1900	93100	5400	2700	2700	1350
17	Trongsa	1700	83300	4831	2416	2416	1208
18	Tsirang	1500	73500	4263	2132	2132	1066
19	Wangdue Phodrang	2000	98000	5684	2842	2842	1421
20	Zhemgang	1600	78400	4547	2274	2274	1137

Reference Table for premium payable for an acre of Maize
National Average Cost of Production: Nu. 26/kg

S.N	Dzongkhag	Average yield/acre (kg)	SI/ac (kg)	100% SI		50% SI	
				Total premium payable/ac (Nu)	50% beneficiary share/ac (Nu)	Total premium payable/ac (Nu)	50% beneficiary share/ac (Nu)
1	Bumthang	700	18200	1056	528	528	264
2	Chhukha	1300	33800	1960	980	980	490
3	Dagana	1200	31200	1810	905	905	452
4	Gasa	1000	26000	1508	754	754	377
5	Haa	1600	41600	2413	1206	1206	603
6	Lhuentse	1700	44200	2564	1282	1282	641
7	Mongar	1400	36400	2111	1056	1056	528
8	Paro	2100	54600	3167	1583	1583	792
9	Pema Gatshel	1500	39000	2262	1131	1131	566
10	Punakha	1600	41600	2413	1206	1206	603
11	Samdrup Jongkhar	1200	31200	1810	905	905	452
12	Samtse	1400	36400	2111	1056	1056	528
13	Sarpang	1700	44200	2564	1282	1282	641
14	Thimphu	1400	36400	2111	1056	1056	528
15	Trashigang	2000	52000	3016	1508	1508	754
16	Trashi Yangtse	2200	57200	3318	1659	1659	829
17	Trongsa	1600	41600	2413	1206	1206	603
18	Tsirang	1100	28600	1659	829	829	415
19	Wangdue Phodrang	1700	44200	2564	1282	1282	641
20	Zhemgang	1200	31200	1810	905	905	452

Reference Table for premium payable for an acre of Potato

National Average Cost of Production: Nu. 21/kg

S.N	Dzongkhag	Average yield/acre (kg)	SI/ac (Nu)	For 100% SI		For 50% SI	
				Total premium payable/ac (Nu)	50% beneficiary share/ac (Nu)	Total premium payable/ac (Nu)	50% beneficiary share/ac (Nu)
1	Bumthang	7000	147000	8526	4263	4263	2132
2	Chhukha	6900	144900	8404	4202	4202	2101
3	Dagana	1600	33600	1949	974	974	487
4	Gasa	3700	77700	4507	2253	2253	1127
5	Haa	5800	121800	7064	3532	3532	1766
6	Lhuentse	2600	54600	3167	1583	1583	792
7	Mongar	3000	63000	3654	1827	1827	914
8	Paro	5900	123900	7186	3593	3593	1797
9	Pema Gatshel	3300	69300	4019	2010	2010	1005
10	Punakha	2500	52500	3045	1523	1523	761
11	Samdrup Jongkhar	1800	37800	2192	1096	1096	548
12	Samtse	1700	35700	2071	1035	1035	518
13	Sarpang	1800	37800	2192	1096	1096	548
14	Thimphu	6600	138600	8039	4019	4019	2010
15	Trashigang	4400	92400	5359	2680	2680	1340
16	Trashi Yangtse	4500	94500	5481	2741	2741	1370
17	Trongsa	4500	94500	5481	2741	2741	1370
18	Tsirang	2100	44100	2558	1279	1279	639
19	Wangdue Phodrang	6900	144900	8404	4202	4202	2101
20	Zhemgang	1800	37800	2192	1096	1096	548

Reference Table for premium payable for an acre of Mandarin (110 trees/acre)
National Average Cost of Production: Nu. 35/kg

S.N	Dzongkhag	Average yield/tree (kg)	Total production/acre (kg)	SI/ac (Nu)	100% SI		50% SI	
					Total premium payable/ac (Nu)	50% beneficiary share/ac (Nu)	Total premium payable/ac (Nu)	50% beneficiary share/ac (Nu)
1	Bumthang	0	0	0	0	0	0	0
2	Chhukha	20	2200	77000	4466	2233	2233	1117
3	Dagana	27	2970	103950	6029	3015	3015	1507
4	Gasa	18	1980	69300	4019	2010	2010	1005
5	Haa	7	770	26950	1563	782	782	391
6	Lhuentse	31	3410	119350	6922	3461	3461	1731
7	Mongar	24	2640	92400	5359	2680	2680	1340
8	Paro	8	880	30800	1786	893	893	447
9	Pema Gatshel	11	1210	42350	2456	1228	1228	614
10	Punakha	23	2530	88550	5136	2568	2568	1284
11	Samdrup Jongkhar	20	2200	77000	4466	2233	2233	1117
12	Samtse	18	1980	69300	4019	2010	2010	1005
13	Sarpang	27	2970	103950	6029	3015	3015	1507
14	Thimphu	8	880	30800	1786	893	893	447
15	Trashigang	18	1980	69300	4019	2010	2010	1005
16	Trashi Yangtse	29	3190	111650	6476	3238	3238	1619
17	Trongsa	21	2310	80850	4689	2345	2345	1172
18	Tsirang	29	3190	111650	6476	3238	3238	1619
19	Wangdue Phodrang	17	1870	65450	3796	1898	1898	949
20	Zhemgang	22	2420	84700	4913	2456	2456	1228

Schedule II: Premium and SPS-based calculation for livestock insurance

Livestock category	Premium Rates	Remarks
Cattle	10%	
Piggery (Breeding)	6%	
Piggery (fattening)	6%	Applies SPS based on duration of insurance coverage (see Eg)
Poultry (Layer)	6%	
Poultry (Broiler)	6%	Applies SPS based on duration of insurance coverage (see Eg)

Livestock Type	Breed Category	Avg. Cost of Production (CoP) Nu.	Premium collection/ animal, if insures at full CoP (Nu.)	Premium collection/ animal, if insures at 50% CoP (Nu.)
Cattle Insurance				
Cattle	Jersey Pure	67402	6740	3370
	Jersey Cross	51450	5145	2573
	Pure Holstein Friesian	82689	8269	4134
	Holstein Friesian Cross	65772	6577	3289
	Pure Brown Swiss	81087	8109	4054
	Brown Swiss Cross	62199	6220	3110
	Mithun	63303	6330	3165
	Local cattle (Thraba-Thrabum)	23117	2312	1156
	Local Cattle breeds (Yangku-Yangkumin, etc.)	26987	2699	1349
Buffalo	Murrah	63148	6315	3157
	Nilli-Ravi	65772	6577	3289
	Local Buffalo	55828	5583	2791
Yak	Pure Yak	40482	4048	2024
Zo-Zom/Goleng	Yak Crosses (Zo/Zom)/Goleng	40482	4048	2024
Piggery				
Pig (Breeding stock)	Pig (Native pig breeds - Saphag, Domphak, Machay pig)	10765	646	323

	Pig (Commercial pig breeds-Large White, Landrace, Duroc)	18131	1088	544
Pig (Fattening stock)	Pig (Native pig breeds - Saphag, Domphak, Machay pig)	6949	*Refer SPS calculation below*	
	Pig (Commercial pig breeds-Large White, Landrace, Duroc)	11581	*Refer SPS calculation below*	
Poultry Insurance				
Dual purpose	Local poultry breeds	126	8	4
Layer	Layer (Exotic breeds)	224	13	7
Broiler	Broiler (Exotic breeds)	222	*Refer SPS calculation below*	

Short Period Scales (SPS) - Based Premium Calculation

Short Period Scales (SPS)-based premium calculation is applied based on the **duration of risk covered** for animals insured by the insurer. The Royal Government of Bhutan (RGoB) provides a **50% premium subsidy**, hence the farmer/owner pays only 50% of the calculated premium. The examples for a fattening pig and broiler bird below illustrate how the SPS method is applied.

1. SPS Calculation for Fattening Pigs

If a fattening pig is insured for a period less 8 months, the premium rate is applied as a percentage of the annual rate, based on the duration of risk coverage.

Example:

- Average cost of production (CoP) per fattener (commercial breed) = **Nu. 11,581/-**
- Annual Premium Rate (AR) = **6%**

Date of Insurance	Anticipated Date of Harvest (Coverage End Date)	Duration* covered (Months)	Period (Not Exceeding)	% of AR Applied	Premium Rate	Premium collection (Nu. 11,581 × rate)	50% Owner's Contribution (Nu.)
1-Nov-25	28-Feb-26	4 months	Up to 4 months	60 % of AR	3.60%	417	208
1-Nov-25	31-Mar-26	5 months	Up to 5 months	75 % of AR	4.50%	521	261
1-Nov-25	30-Apr-26	6 months	Up to 6 months	80 % of AR	4.80%	556	278
1-Nov-25	31-May-26	7 months	Up to 7 months	85 % of AR	5.10%	591	296
1-Nov-25	30-Jun-26	> 8 months	More than 8 months	100 % of AR	6.00%	695	348

* *The coverage duration should be determined based on the animal's age at the time of insurance and the remaining days anticipated to reach the harvest age*.

Example: If a pig is insured on 1 November 2025 and expected to be harvested by 30 April 2026 (6 months)**,** the premium rate = 4.8%**;** premium = Nu. 556**,** and the owner pays Nu. 278 and the remaining 50% will be borne by the RGoB.

2. SPS Calculation for Broiler Birds

A broiler bird is insured for a short period, the premium rate is applied as a percentage of the annual rate (i.e., 6%), depending on the duration of risk coverage.

Given:

- Average cost of production (CoP) per broiler bird = **Nu. 222/-**
- Annual Premium Rate (AR) = **6%**
- Flock size = **500 broiler birds**

Date of Insurance	Anticipated Harvest Date (Coverage end date)	Duration (Days)	Period (Not Exceeding)	% of AR Applied	Premium Rate (PR)	Total Premium (Nu. 222 × PR × Flock size)	Owner's Contribution (50%)
1-Nov-25	5-Nov-25	5 days	0 - 7 days	10 % of AR	0.60%	666	333
1-Nov-25	25-Nov-25	25 days	8 - 30 days	25 % of AR	1.50%	1665	833
1-Nov-25	15-Dec-25	45 days	31 - 45 days	35 % of AR	2.10%	2331	1166
1-Nov-25	31-Dec-25	60 days	46 - 60 days	50 % of AR	3.00%	3330	1665

* *The coverage duration should be determined based on the animal's age at the time of insurance and the remaining days anticipated to reach the harvest age*.

Example: If a broiler bird is insured on 1 November 2025 and expected to be harvested by 15 December 2025 (45 days), the premium rate = 2.1%, total premium = Nu. 5, and the owner pays Nu. 2.5 (50% share and the remaining 50% to be borne by the RGoB).

TECHNICAL WORKING GROUP

- Leki Choda, Sr. Planning Officer, PPD, MoAL (Team Lead)
- Choney Zangmo, Dy. Chief Agriculture Officer, DoA, MoAL
- Gyembo Tsheten, Sr. Livestock Production Officer, DoL, MoAL
- Phub Dorji, Sr. Forestry Officer, NCD, DoFPS, MoENR
- Yeshey Lotey, General Manager, Insurance Dept, BIL
- Sonam Dargay, Manager, General Insurance Division, RICBL