

Kshema General Insurance Limited

Claim Management Process

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Version	Author	Reviewer	Approver	Date of Approval
1.0	Claims Team	Legal & Compliance	CEO/COO	

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1. Objective

To lay down process to ensure easy and timely settlement of valid claims ruling out fraudulent claims thereby ensuring quality of claims settlement.

2. Scope

PMFBY, RWBCIS and Kshema products

3. Responsibility

Claims Head

4. Process Participation

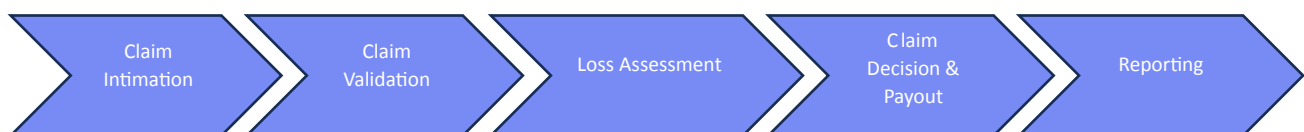
Farmers, Govt officers, Bank, CSC, NCIP, Agency, **Intermediary**, claims team, Finance team, call center, GIS team, **Legal representative** and any other direct stakeholder.

5. Regulatory References

Operating Guidelines – PMFBY/ RWBCIS and IRDAI (Protection of Policyholders' Interests) Regulations, 2017

6. Process

Customer	Input	Process Description	Output
Claimant/Insured	Claim information/ Claim documents	As below	Claim settlement/ Repudiation



7. Process Key steps

1. Claim Intimation:

Intimation of claims from farmers or through GIS/Monitoring team in the event of crop loss due to adverse condition

2. Claim Verification:

Validation of claim to establish whether farmer is insured and whether intimation received within the timeline as specified by the relevant regulatory guidelines from time to time.

3. Claim Assessment:

Case allocation to agency for detailed claim loss assessment

4. Claim Decision and payout

Decision on the claim based on loss assessment report

5. Reporting

Internal reporting on claim/loss ratio and reporting to external stakeholders like Govt and IRDAI

8. Process Steps Description

Sr. No	Process Step Activity	Control	Output	Customer	Responsibility
1	<u>Claim intimation-</u> Intimation of claims from farmers in the event of crop loss due to adverse condition				
1.1	Localized/Post harvest losses intimation of claim by Farmers /CSC/Banks/Joint Director of Agriculture	Toll Free , Crop Insurance App, Bank branch, local agriculture dept Email/google form	Claim intimation	Call Center/Claims team	Claims team
1.2	Prevented sowing/mid seasonal losses intimation of claim by Joint Director of Agriculture (govt Officers)	Email /letter notification	Claim intimation	Claims team	Claims team
2	<u>Claim Verification-</u> Validation of claim to establish whether farmer is insured and whether intimation received within the timeline as specified by the relevant regulatory guidelines from time to time				

2.1	Validate claim intimation details with the insured record	NCIP data and data in google form	Reconciled data (name, crop, survey number, sowing date, premium paid)	Claims team	Claims team
2.2	Validation of bank account number with passbook/cancelled cheque	Passbook/ Cancelled cheque/KYC	Validated policyholder account number (check for account number, account holder name with kyc, Bank name)	Claims team	Claims Head
2.3	Prevented sowing by Government – validate acreage in insurance unit and timeline of 15 days from the enrolment cut off date	Acreage in insurance unit (more than 75% if not sown in insurance unit) – GIS team 15 days timeline from cutoff date	Reconciled data	GIS team Claim teams	Claim teams
2.4	Mid-season losses by government - validate estimate yield in insurance unit and timeline for 15 days before the normal harvest date	Estimated yield in insurance unit (is less than 50% in insurance unit is) – GIS team 15 days before	Reconciled data	GIS team Claims team	Claims team

		normal harvest date			
2.5	Localized Risk (from farmers)– validate timeline of intimation and occurrence of localized risk	72 hrs from event occurred date Validation of localized risk	Reconcile data	Claims team GIS team	Claims team
2.6	Post Harvest loss (from farmers) - validate timeline of intimation and occurrence of inundation	72 hrs from event occurred date Validation of inundation	Reconcile data	Claims team GIS team	Claims team
3	Claim Assessment – Conduct field inspection and collect evidence for reports, prepare field inspection report and submit to field risk team				
3.1	Allocation of cases to agencies based on state/district for localized risk and post-harvest losses	Case allocated	Claim tracker	Surveyor Agencies	Claims team
3.2	CCE co-observation for yield assessment	CCE Co-observation	CCE report	Government officers, Surveyor and farmers	Claims team
3.3	Approval or Objection to be raised for CCE report (objection for any discrepancy/concern on the authenticity/correctness of the report)	GIS team to validate actual yield, if conducted other than manually	GIS Validation Report	Claims Team	Claims team

3.2	Survey of affected farm fields for loss assessment in case of localized or post-harvest peril	Loss Assessment	Loss Assessment report	Surveyor agencies/Govt off/farmer	Claims team
3.3	Submission of loss assessment report to claims team	QC check	Qualified loss assessment report	Claims team	Claims team
3.4	Claim calculation for the losses	NCIP portal (PMFBY/R WBCIS) and I-Agri app (Kshema products)	Claim payout amount	Claims team	Claims team
3.5	Reconciliation of claim calculation	Manual calculation of claim amount and upload data on NCIP and I-Agri app (Kshema products)	Reconciliation of system-based calculation and manual calculation (Maker and checker)	Claims team	Claims team
4	Claim Decision and payout – Decision on the claim based on loss/shortfall yield assessment report				
4.1	Claims Manager shall recommend decision on policies based on Loss Assessment report	Loss Assessment Report	Decision recommendation – approve or reject (rejection on the ground of fraud/not meeting the Policy terms and conditions)	Claims Manager	Claims team
4.2	Claims manager shall submit	Claims tracker	Approved claim	Finance team	Claims Head

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	recommendation to head of department for approval of approved claim intimation cases	(with recommendation for approval)			
4.3	Claims Head or designated representative from claims team to share approved claim data with amount (based on claim approval authority limit) with Finance team	Approval as per delegation of authority limit	Claim data with amount	Farmers	CFO
4.4	Finance team will validate operability of bank account before disbursing claim amount	Penny drop	Validated account number	Finance team	CFO
4.5	Claim amount disbursal to policyholders and confirmation to claims team	Payout reference number	Claim payout	Claims team	CFO
4.6	Communication to the policyholder regarding claim disbursal	SMS from NCIP / iAGRI app	Disbursed claim payout communication	Policyholder	Claims team
4.7	Communication to Bank, CSC and govt officers, Kshema Intermediaries regarding disbursement of claim	Automated email / SMS	Disbursed claim payout communication	Bank, CSC , govt officers, Kshema Intermediaries	Claims team
5	Reporting- Internal reporting on claim/loss ratio and reporting to external stakeholders like Govt and IRDAI				

5.1	Weekly internal reporting on different cuts (refer section 13 for details)	MIS	MIS communication	Claims team, Finance team, Senior Management	Claims Head
5.2	Weekly reporting to Government on claim settlement	MIS	MIS communication	State Govts	Claims Head
5.3	Quarterly/Annual reporting to IRDAI	MIS	MIS communication	IRDAI	Claims Head

9. Turn Around Time (TAT)

Description for PMFBY / RWBCIS product	TAT
Intimation of claim by farmers for localized and post-harvest adversity	Within 72 hrs from the occurrence of a peril
Appointment of Loss Assessor for localized and post-harvest adversity	48 hrs from receipt of claim intimation/information
Loss Assessment report from loss assessor for localized and post-harvest adversity	Within 10 days from the loss assessor appointment
Claim payout - Prevented sowing*	Within 30 days of the State's Notification invoking the event of the insured risk
Claim payout - Mid Season Adversity*	Within 30 days from the date of the invocation of mid-term adversity.
Claim payout - Localized*	15 days (subject to receipt of premium) from the time of receipt of loss assessment report
Claim payout - Post Harvest**	15 days (subject to receipt of premium) from the time of receipt of loss assessment report
Claim payout – Shortfall of yield**	Within 30 days from the date of final data approved in NCIP portal

Note:

*The pay-out under the cover would be disbursed by the Insurer only after the receipt of at least advance Government share of premium subsidy (**1 instalment of both State & Central Government**)

** The pay-out under the cover would be disbursed by the Insurer only after the receipt of **2nd Instalment of the Government share of premium subsidy** (both State & Central Government Share).

Description for Kshema products	TAT
Claims payout	120 hours

10. Sample size for Loss Assessment

Sample size for localized and post-harvest adversity as provided in table below:

Intimation (Cropped area under notified crop)	Survey
Less than 25%	All the intimations would be surveyed
>25% to <=50%	25% of the intimations would be surveyed
>50%	30% of the intimations would be surveyed

11. Loss Assessor – empanelment criteria

- The agencies having relevant field experience, financial and infrastructural strength, sufficient skilled manpower.
- Diploma in any subject with minimum 2 years of relevant experience or a degree in Agriculture and allied subjects with one year relevant experience in crop loss assessment
- Such agencies for carrying out the crop loss evaluation/assessment across the country
- Agencies having infrastructure/capacity to provide technical services like Drones/RST/mobile/web applications will be given priority.

12. Approval Authority Limits

Approval authority limits for claims is detailed as per table below:

Internal Designation	Authority Limit (Rs.) Batchwise	Authority Limit (Rs.) Individual
CEO & MD	Above 10 lacs	Above 5 lacs
Chief Operations Officer	Above 7 Lacs Up to 10 lacs	Above Rs 1 Lac to Rs 5 Lacs
Claims Head	Above 5 lacs Up to 7 lacs	Above Rs 50000 to Rs 1 Lac
Claim Manager	Up to 5 lacs	Up to Rs 50000

13. Governance Mechanism

The governance related to claims is managed and monitored as per table given below:

S. No	Governance Mechanism	Frequency	Responsibility
1	Claim intimation	Weekly	Claims Manager
2	Loss Assessment completed and pending claims	Weekly	Claims Manager
3	Claims approved and pending MIS	Weekly	Claims Manager
4	Monitoring of Claims TAT	Weekly	Claims Manager
4	Fraudulent Claims MIS	Weekly	Head Claims

14. Claims Committee

S. No	Member Name
1	Appointed Actuary
2	Claims Head
3	Chief Underwriting officer
4	Chief Risk Officer
5	Re-Insurance Head

- The role of Claims Committee is as follows:
 - Review and decide on payment exceeding authority limit
 - To review reconsideration/representation requests received from claimants
- In case of resignation or reconstitution of Claims Committee, following will apply
 - In case any member resigns, new member is recommended and approved by Committee.
 - Out of 5 members, a minimum of 3 member's approval is required for the quorum to be completed.
 - If Quorum not complete, majority of 2 member sign off would precede as final
 - Decision of majority is considered final.

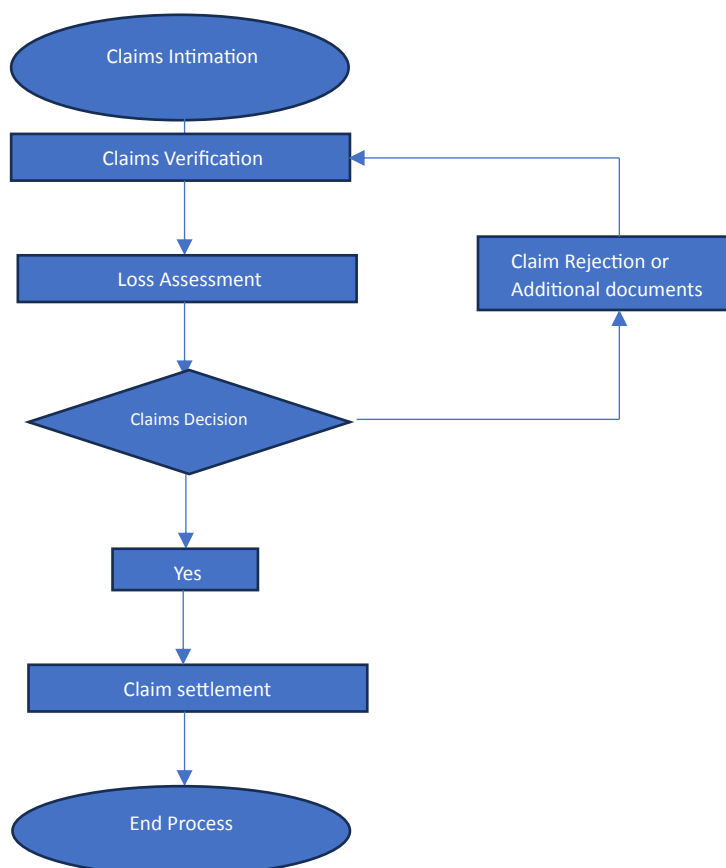
15. Key Risks

S.No.	Risks – Potential Failure Modes	Risk Types (process/Compliance/IT Risks)	Mitigation control (to address the risk)
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1	Claim intimation not processed by bank branch/CSC	Process Risk	Sensitisation to policyholders through IEC activities
2	Claim not registered by claims team	Process Risk	Random sample review by Risk Team
3	Incomplete document submission	Process Risk	Communications with claimant
4	Delay in assigning the case to surveyor	Process Risk	Dashboard monitoring and escalation
5	Delay / inaccurate report by Loss assessment agency	Process Risk	Dashboard monitoring and escalation App based submission of Report
6	Incorrect processing of claims	Process Risk	Maker and Checker process and reconciliation
7	Claim record not maintained adequately (including legal docs)	Process Risk	Digitisation of claim records
8	Claim payment without correct authorization	Process Risk	Maker and Checker process and reconciliation
9	Delayed / wrong claim settlement, Duplicate payments against same policy	Process Risk	Payout dashboards Maker and Checker process and reconciliation
10	Payments made to Unauthorised person	Process Risk	Maker and Checker process and reconciliation
11	Incorrect/delay in sending all communication to the claimant	Process Risk	Load testing to test performance of servers OTP based authentication
12	Incorrect Repudiation by Claims	Process Risk	Maker and Checker process
13	Non-recovery/under recovery or delay in recovery of amounts due from the reinsurers	Process Risk	Monitoring Credit rating of reinsurers Diversification of multiple reinsurers

			Cash flow management Monitoring Reinsurance payables and receivables
14	Incorrect reporting to govt/IRDAI	Process Risk	Maker and Checker process
15	Process not reviewed on annual basis/ Outdated process available for reference	Process Risk	Quarterly review of claim process

16. Process Flow Chart



17. Form and Templates

- Claim intimation form
- Loss Assessment form/checklist
- CCE Co-observation monitoring form
- Claim tracker



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0format.xlsx Assesment%20Claim%WITNESS%20FORM%

18. Review of Process

This Claim Management Manual shall be reviewed by the COO annually and modifications may be made thereto, within the parameters of the regulations issued by the Authority or as per business rules.
