

Online Appendix For:

Dynamics of Demand for Index Insurance:
Evidence from a Long-Run Field Experiment

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Appendix Table A1: Summary Statistics

	2006	2007	2008	2009	2010	2011	2012	2013	Pooled
Balanced Treatment Sample									
No. of households	405	649	649	989	989	989	989	989	6,648
<i>No. of households (Lagged)</i>		405	649	649	989	989	989	989	5,659
No. of villages	32	52	52	60	60	60	60	60	60
Take-up									
Average market price per policy (Rs.)	214	69	190	151	75	195	200	200	161
Average price paid per policy (Rs.) (if purchased)	104	70	140	58	21	62	63	63	59
Average price paid per policy/market price (if purchased) (%)	50	100	74	37	28	32	32	32	40
Purchase rate	0.18	0.39	0.20	0.16	0.56	0.45	0.47	0.56	0.40
No. of purchasers	74	251	131	157	556	448	468	558	2,643
<i>No. of purchasers (Lagged)</i>		74	251	131	157	556	448	468	2,085
No. of non-purchasers	331	398	518	832	433	541	521	431	4,005
<i>No. of non-purchasers (Lagged)</i>		331	398	518	832	433	541	521	3,574
Average policy units purchased (if purchased)	1.03	1.02	1.07	2.33	4.52	2.16	1.96	1.99	2.40
Re-purchasers	-	32	88	54	101	313	269	319	1,176
New purchasers	-	108	43	72	455	135	199	239	1,251
Quitters	-	42	163	77	56	243	179	149	909
Re-purchase rate (%)	-	43	35	41	64	56	60	68	53
New-purchase rate (%)	-	43	33	46	82	30	43	43	46
Quit rate (%)	-	57	65	59	36	44	40	32	47
Payouts									
Payout (yes/no)	0	0	38	64	353	64	341	-	860
Average payout (if purchased)	0	0	165	92	321	23	346	-	146
Average payout per policy (Rs.) (if purchased)	0	0	165	39	77	13	171	-	59
Average payout (if payout >= Rs. 1)	0	0	570	225	505	158	475	-	449
Average payout per policy (Rs.) (if payout >= Rs. 1)	0	0	570	96	121	93	234	-	182
Average number of people per village who received payouts (if village payout per policy >= Rs. 1)	0	0	10	12	29	11	15	-	17
Crop Loss									
Experienced crop loss (yes/no)	319	146	202	496	296	223	283	-	1,965
Average agricultural revenue lost due to crop loss (Rs.) (if payout >= Rs. 1)	0	0	2726	306	1856	421	1229	-	1423
Average agricultural revenue lost per village due to crop loss (Rs.) (if payout >= Rs. 1)	0	0	2400	225	1882	473	1292	-	1227

Notes: This table reports summary statistics for the sample studied in this paper. In 2010, although the premium per policy was INR 150, Nabard was subsidising the policies with a 'buy one get one free' offer. This makes the equivalent price per policy INR 75, and also explains the high number of policies purchased.

Appendix Table A2: Repurchasing Decisions Among Insurance Purchasers

	Pooled			Individual Fixed Effects		
	(1)	(2)	(3)	(4)	(5)	(6)
Village Payout per Policy in Previous Year (Rs. '000s)	0.864 *** (0.122)	0.805 *** (0.141)	0.692 *** (0.142)	0.504 *** (0.139)	0.592 *** (0.190)	0.513 ** (0.196)
Individual Payout Received Previous Year (Rs. '000s)		0.027 (0.048)	0.011 (0.046)		-0.037 (0.047)	-0.046 (0.046)
Number of Insurance Policies Bought Previous Year		0.016 (0.012)	0.019 (0.012)		0.012 (0.015)	0.014 (0.014)
Number of Households in Village who received a Payout Previous Year			0.003 * (0.002)			0.003 (0.002)
Revenue Lost Due to Crop Loss Previous Year (Rs. '0000s)			-0.002 (0.012)			-0.011 (0.016)
Mean Village Revenue Lost Due to Crop Loss Previous Year (Rs. '0000s)			0.067 * (0.034)			0.027 (0.049)
Constant	0.317 ** (0.134)	0.300 ** (0.133)	0.297 ** (0.133)	0.406 *** (0.129)	0.382 *** (0.132)	0.380 *** (0.132)
r ²	0.169	0.17	0.176	0.167	0.167	0.171
N	2085	2085	2085	2085	2085	2085

Notes: Sample restricted to insurance purchasers from 2006-2012, with households entering and exiting the sample each year based on their insurance purchase decisions. The dependent variable is a dummy for purchasing insurance in current year. The sample consists of 882 households who purchased insurance at least once. All specifications include year dummies, dummies for when the household's village first entered the experiment, and the complete set of same-year and previous year's marketing variables as additional controls. The Fixed Effects specifications include individual fixed effects. Variation in the fixed effects specifications is provided by the 505 households who purchased insurance more than once and experienced variation in the payouts received. All specifications are OLS, and standard errors are clustered at village level. Columns 4 and 6 are equivalent to columns 1 and 2 of Table 1 in the main text.

Appendix Table A3: Purchase Decisions Among Insurance Non-Purchasers

	Pooled			Individual Fixed Effects		
	(1)	(2)	(3)	(4)	(5)	(6)
Village Payout per Policy in Previous Year (Rs. '000s)	0.411 *** (0.077)	0.359 *** (0.079)	0.342 *** (0.082)	0.255 ** (0.107)	0.209 * (0.105)	0.196 * (0.105)
Number of Households in Village Who Received a Payout Previous Year		0.003 * (0.002)	0.003 ** (0.002)		0.005 *** (0.002)	0.005 *** (0.002)
Revenue Lost Due to Crop Loss Previous Year (Rs. '0000s)			-0.005 (0.006)			-0.004 (0.011)
Mean Village Revenue Lost Due to Crop Loss Previous Year (Rs. '0000s)			0.066 ** (0.029)			0.063 (0.040)
Constant	-0.043 (0.063)	-0.043 (0.063)	-0.042 (0.063)	0.651 *** (0.093)	0.576 *** (0.081)	0.568 *** (0.082)
r2	0.182	0.185	0.186	0.187	0.195	0.196
N	3574	3574	3574	3574	3574	3574

Notes: Sample restricted to households who did not purchase insurance from 2006-2012, with households entering and exiting the sample each year based on their insurance purchase decisions. The dependent variable is a dummy for purchasing insurance in current year. The sample consists of 977 households, as 12 households purchased insurance in each year that it was available and are therefore excluded. All specifications include year dummies, dummies for when the household entered the sample, and the complete set of same-year and previous year's marketing variables as additional controls. The Fixed Effects specifications include household fixed effects. Variation in the fixed effects specifications is provided by the 515 households who did not purchase insurance more than once and experienced variation in the payouts received. All specifications are OLS, and standard errors are clustered at village level. Columns 4 and 6 of this table correspond to Columns 3 and 4 of Table 1 in the main text.

Appendix Table A4: Effects of Previous Insurance Experience on Full Sample

	Pooled		Individual Fixed Effects		Pooled		Individual Fixed Effects	
	OLS	OLS	OLS	OLS	IV	IV	IV	IV
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Village Payout per Policy in Previous Year (Rs. '000s)	0.459 *** (0.079)	0.382 *** (0.083)	0.307 *** (0.092)	0.269 *** (0.092)	0.437 *** (0.079)	0.358 *** (0.082)	0.293 *** (0.092)	0.266 *** (0.092)
Individual Payout Received Previous Year (Rs. '000s)	0.102 ** (0.041)	0.078 * (0.039)	0.064 * (0.035)	0.045 (0.033)	0.096 (0.075)	0.047 (0.070)	0.114 (0.079)	0.09 (0.074)
Number of Insurance Policies Bought Previous Year	0.046 *** (0.007)	0.045 *** (0.007)	-0.013 (0.008)	-0.013 (0.008)	0.002 (0.010)	0.003 (0.010)	0.000 (0.010)	0.001 (0.010)
Number of Households in Village who received a Payout Previous Year		0.003 *** (0.001)		0.003 ** (0.001)		0.004 *** (0.001)		0.003 ** (0.001)
Revenue Lost Due to Crop Loss Previous Year (Rs. '0000s)		-0.005 (0.005)		-0.016 ** (0.008)		-0.005 (0.005)		-0.015 * (0.008)
Mean Village Revenue Lost Due to Crop Loss Previous Year (Rs. '0000s)		0.068 *** (0.024)		0.046 (0.034)		0.07 *** (0.025)		0.035 (0.031)
Constant	0.646 *** (0.061)	0.617 *** (0.059)	0.677 *** (0.061)	0.632 *** (0.061)	0.653 *** (0.046)	0.624 *** (0.047)		
Cragg-Donald F-Stat					30.549	30.048	26.242	25.899
r2	0.185	0.191	0.175	0.179	0.163	0.17	0.166	0.17
N	5659	5659	5659	5659	5659	5659	5659	5659

Notes: Regressions include balanced sample of 989 households. All specifications include year dummies, dummies for villages that entered the experiment in different years, and the complete set of same-year marketing variables as additional controls. The OLS specifications also include the first lag of marketing variables as controls. In the IV Specifications, "Payout Received Previous Year" and "Number of Insurance Policies Bought Previous Year" are instrumented with the full set of marketing variables lagged one year, and the marketing variables interacted with village insurance payouts. Errors clustered at village level. Columns 7 and 8 correspond to Columns 1 and 2 of Table 2 in the main text.

Appendix Table A5: Long Term Effect of Insurance Payouts

	Pooled		Individual Fixed Effects				Pooled		Individual Fixed Effects	
	OLS	OLS	OLS	OLS	OLS	OLS	IV	IV	IV	IV
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Village Payout per Policy in Previous Year (Rs. '000s)	0.504 *** (0.088)	0.337 *** (0.103)	0.369 *** (0.103)	0.614 *** (0.125)	0.509 *** (0.145)	0.394 ** (0.149)	0.479 *** (0.098)	0.338 *** (0.110)	0.567 *** (0.131)	0.469 *** (0.148)
Village Payout per Policy Two Years back (Rs. '000s)	0.343 *** (0.086)	0.141 (0.099)	0.094 (0.100)	0.52 *** (0.125)	0.423 *** (0.146)	0.235 (0.143)	0.234 ** (0.101)	0.059 (0.110)	0.374 *** (0.145)	0.280 * (0.168)
Village Payout per Policy Three Years back (Rs. '000s)	0.172 ** (0.066)	0.17 ** (0.078)	0.044 (0.077)	0.28 *** (0.089)	0.323 *** (0.096)	0.168 * (0.092)	0.087 (0.085)	0.133 (0.089)	0.175 * (0.100)	0.213 ** (0.101)
Number of Households in Village who received a Payout Previous Year		0.004 *** (0.001)	0.003 ** (0.001)		0.001 (0.001)	0.002 (0.001)		0.004 *** (0.001)		0.001 (0.001)
Number of Households in Village who received a Payout Two Years back		0.002 (0.001)	0.001 (0.001)		-0.001 (0.002)	0.001 (0.002)		0.001 (0.001)		0.000 (0.002)
Number of Households in Village who received a Payout Three Years back		-0.002 * (0.001)	-0.003 *** (0.001)		-0.003 ** (0.001)	-0.001 (0.002)		-0.003 ** (0.001)		-0.003 * (0.001)
Revenue Lost Due to Crop Loss Previous Year (Rs. '0000s)		-0.006 (0.011)	-0.008 (0.010)		-0.02 * (0.012)	-0.022 ** (0.009)		-0.008 (0.010)		-0.019 (0.012)
Revenue Lost Due to Crop Loss Two Years back (Rs. '0000s)		-0.005 (0.010)	-0.004 (0.011)		-0.021 (0.015)	-0.026 ** (0.013)		-0.006 (0.010)		-0.026 * (0.014)
Revenue Lost Due to Crop Loss Three Years back (Rs. '0000s)		0.006 (0.007)	0.007 (0.007)		-0.005 (0.011)	-0.013 (0.010)		0.007 (0.007)		-0.004 (0.011)
Mean Village Revenue Lost Due to Crop Loss Previous Year (Rs. '0000s)		0.082 ** (0.035)	0.062 * (0.035)		0.064 (0.065)	0.062 (0.053)		0.056 (0.034)		0.04 (0.055)
Mean Village Revenue Lost Due to Crop Loss Two Years back (Rs. '0000s)		0.046 (0.036)	0.036 (0.036)		0.034 (0.057)	0.045 (0.044)		0.044 (0.034)		0.025 (0.046)
Mean Village Revenue Lost Due to Crop Loss Three Years back (Rs. '0000s)		-0.029 (0.026)	-0.041 (0.025)		-0.046 (0.041)	-0.039 (0.038)		-0.035 (0.030)		-0.054 (0.038)
Number of Insurance Policies Bought Previous Year			0.048 *** (0.007)			-0.059 *** (0.007)	0.009 (0.010)	0.01 (0.010)	-0.01 (0.013)	-0.013 (0.012)
Number of Insurance Policies Bought Two Years back			0.01 (0.006)			-0.077 *** (0.008)	0.004 (0.009)	0.001 (0.009)	-0.013 (0.014)	-0.017 (0.014)
Number of Insurance Policies Bought Three Years back			0.004 (0.006)			-0.08 *** (0.009)	0.01 (0.010)	0.013 (0.009)	-0.008 (0.014)	-0.008 (0.014)
Individual Payout Received Previous Year (Rs. '000s)			0.056 (0.034)			0.02 (0.040)	0.036 (0.060)	0.006 (0.060)	0.106 (0.071)	0.094 (0.064)
Individual Payout Received Two Years back (Rs. '000s)			0.103 *** (0.035)			0.071 (0.054)	0.176 ** (0.073)	0.166 ** (0.076)	0.277 ** (0.118)	0.264 ** (0.112)
Individual Payout Received Three Years back (Rs. '000s)			0.122 *** (0.038)			0.113 * (0.059)	0.117 * (0.062)	0.08 (0.077)	0.257 *** (0.099)	0.244 *** (0.087)
Constant	0.5 *** (0.075)	0.502 *** (0.075)	0.503 *** (0.070)	0.264 *** (0.082)	0.289 *** (0.082)	0.377 *** (0.080)	0.602 *** (0.064)	0.636 *** (0.064)		
Cragg-Donald F-Stat							6.828	6.646	4.342	4.313
r2	0.156	0.166	0.204	0.193	0.201	0.276	0.168	0.174	0.158	0.173
N	3681	3681	3681	3681	3681	3681	3681	3681	3681	3681

Notes: Regressions include the portion of the sample for whom at least three years of history are available (3681=2*989+2*649+405). The main conclusion of Tables 1 and 2 in the main text remain robust when run on the same restricted sample. The primary specification is in Column 10, which corresponds to Figure 1 in the main text. In the IV Specifications, all three lags of "Payout Received" and "Number of Insurance Policies Bought" are instrumented with the full set of marketing variables lagged three years, and the marketing variables interacted with village-level payouts. All specifications include year dummies, dummies for villages that entered the experiment in different years, and the complete set of same-year marketing variables as additional controls. The OLS specifications also include three lags of marketing variables as controls. Errors clustered at village level.

Appendix Table A6: Marketing Variables and Instruments

Marketing Variables/Instruments	Description	2006	2007	2008	2009	2010	2011	2012	2013
mrkt_allnegative	Negative Marketing Flyer	X							
mrkt_poslang	Positive Marketing Flyer	X							
mrkt_posimg	Positive Imagery Flyer	X							
discount	Fixed Price Discount		X	X					
discountsq	Fixed Price Discount Squared		X	X					
groupT	Group Promotion Flyer		X						
muslimT	Muslim Imagery Flyer		X						
hinduT	Hindu Imagery Flyer		X						
sewaT	Sewa Brand Stress Flyer		X						
peerT	Peer Group Flyer		X						
ppayT	Positive Payout Likelihood Flyer		X						
pframeT	Safety Frame Flyer		X						
vframeT	Vulnerability Frame Flyer		X						
rebate_50percentoff	Buy 1 get 1 50% Off			X					
rebate2_1free	Buy 2 Get 1 Free			X					
rebate3_1free	Buy 3 Get 1 Free			X					
flyer_hyv	HYV Complementarity Flyer			X					
assigned_risk_ws	Risk Worksheet			X		X			
flyer_hyv_exp	HYV Flyer and Risk Worksheet			X					
bdmperc	BDM Offer (as percentage of List Premium)				X	X	X	X	X
disc4game	BDM Game for 4 Policies				X	X	X	X	X
fourbdmperc	BDM Offer X Offered BDM for 4 Policies				X	X	X	X	X
bdmpercX2010	BDM Offer (as percentage of List Premium) X 2010					X			
disc4gameX2010	BDM Game for 4 Policies X 2010					X			
fourbdmpercX2010	BDM Offer X Offered BDM for 4 Policies X 2010					X			
assigned_video_test	Peer Group Video					X			
assigned_drought_flyer	Drought Flyer					X			
assigned_subsidies_flyer	Subsidies Flyer					X			
assigned_loan	BDM Game (Loan Bundling)					X			

Notes: This table lists all of the marketing variables and indicates the years in which they were implemented experimentally. A more detailed description of the marketing interventions can be found in the online appendix text. Interactions of BDM game and a 2010 dummy is due to the fact that the BDM game was played in 2010 for double the amount of policies as in other years, due to the NABARD subsidy.

A7. Additional Details of Marketing Treatments

Table A7 reports the household-level marketing variants that were implemented each year. This section elaborates. For more details on the 2007 experiments, see Cole et al. (2013). Since this paper is part of a larger project on rainfall insurance, some explanatory material and much additional analysis of these experiments and the insurance impacts is reserved for future work.

Flyers: Some participants received flyers with information about insurance as part of their marketing visits. These flyers incorporated the following manipulations.

Negative vs Positive Language/Imagery: Positive flyers described insurance as “providing protection and security” with information showing the maximum payout that would have been received under the policy in the previous decade. Negative flyers described insurance as helping “to avoid catastrophe and negative information” and showed the average payout that would have been received over the past decade.

Positive vs Average Information: Positive information flyers showed the maximum payout that would have been received under the policy in the previous decade. Average information flyers showed the average payout that would have been received over the past decade.

Drought versus Bounty: Bounty flyers showed farmers standing in front of a bountiful harvest, while drought flyers showed farmers in front of a drought-scorched field.

Subsidies: In 2010, Nabard was subsidizing the policies with a 'buy one get one free' offer. Households were told that due to this offer, the expected payout would exceed the list price of Rs. 150.

Group vs Individual: The group flyer emphasized the value of the policy for the purchaser’s family, while the individual flyer emphasized the value for the individual.

Religion (Hindu, Muslim, or Neutral): These flyers provided group identity cues. A photograph on the flyer depicted a farmer in front of a Hindu temple (Hindu Treatment), a mosque (Muslim Treatment), or a nondescript building. The farmer has a matching first name, which is characteristically Hindu, characteristically Muslim, or neither.

High-Yielding Varieties (HYV): HYV flyers explained that rainfall insurance might complement adoption of HYV seed varieties which are sensitive to extreme weather.

Risk Exposure Worksheet: In this treatment, households were told about the relationship between the size of landholding and amount of insurance coverage. The flyer included a worksheet section, where SEWA’s insurance representative worked through simple calculations with the household, in order to recommend the number of units of insurance coverage to buy.

Videos: Some participants were shown videos with information about insurance as part of their marketing visits. These videos had the following manipulations.

SEWA Brand: In the “Strong SEWA brand” treatment, videos emphasized that the product was marketed and endorsed by SEWA.

Peer/Authority Figure: In the peer treatment, a product endorsement was delivered by a local farmer, while in the authority treatment it was delivered by a teacher.

Payout (“2/10” vs “8/10”): In the “2/10” treatment, households were told “the product *would* have paid out in approximately 2 of the previous 10 years”. In the “8/10” frame they were told that the product *would not* have paid out in approximately 8 of the previous 10 years.

Safety or Vulnerability: The “Safety” treatment described the benefits of insurance in terms of it being something that will protect the household and ensure prosperity. The “Vulnerability” treatment warned the household of the difficulties it may face if it does not have insurance and a drought occurs.

Peer(s) Video: In this treatment, households were shown interviews of farmers in the study who purchased weather insurance in previous years and were happy with the product.

Fixed Price Discounts: Here, households were randomly assigned fixed price discount(s) of either Rs. 5, 15, 30, 60 or 90 on purchase of an insurance policy. These were delivered through a coupon or scratch card.

Discounts for Higher Coverage: This treatment offered discounts for purchasing multiple policies. The discounts were: buy 2 get one free, buy 3 get one free, or buy 2 one get the second 50% off.

Willingness to Pay / BDM: We used an incentive-compatible Becker-DeGroot-Marschak mechanism to measure respondents’ willingness to pay (WTP) for insurance policies. Households were randomly assigned to report their maximum WTP for one policy or for a bundle of four policies. Once this “bid” is recorded, the BDM offer price is revealed. If the offer price turns out to be less than the respondent’s bid, the respondent is expected to purchase the policy at the revealed offer price. If the offer turns out to be more than the bid, the respondent doesn’t get a chance to purchase the policy at the offer price. Purchases at full price were permitted at any time. In 2010, some households were randomly assigned BDM incentive-compatible elicitation with premium payment due in November (i.e., the insurance premium could be borrowed).

A8. Sample Insurance Policy Termsheets

Index-based rainfall insurance policy marketed by SEWA in Sanand taluka of Ahmadabad district in 2012; Insurer - AIC:

RAINFALL INDEXED CROP INSURANCE (KHARIF 2012)

TERM SHEET

State: **GUJ**

District: **Ahmadabad**

Block: **Sanand**

Crop: Generic	Reference Weather Station:	Unit: HECTARE
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1. DEFICIT RAINFALL

1 A.	RAINFALL VOLUME	PHASE - I		PHASE - II		PHASE - III	
		16-Jun to 15-Jul		16-Jul to 20-Aug		21-Aug to 30-Sep	
	PERIOD	Aggregate of rainfall over respective Phases					
	INDEX						
	STRIKE I (<)	60 mm		100 mm		30 mm	
	STRIKE II (<)	25 mm		50 mm		10 mm	
	EXIT	0		0		0	
	RATE I (Rs./ mm)	2.5		2		3	
	RATE II (Rs./ mm)	10.50		6.00		19.00	
	MAXIMUM PAYOUT (Rs.)	350		400		250	
TOTAL MAXIMUM PAYOUT (Rs.)		1000					

Note: In case of Deficit cover, Daily maximum rainfall is capped at **60** mm and if the rainfall in a day is less than **2.5** mm, then that will be not counted in rainfall volume under this cover.

1 B.	RAINFALL DISTRIBUTION (Multiple Payouts)	1-Jul to 31-Aug					
		Number of days in a spell of Consecutive dry days					
	STRIKE (=>)	20	25	28	30	35	
	PAYOUT (Rs.)	40	70	120	300	500	
TOTAL PAYOUT (Rs.)		500					

Note: A day with rainf **2.5** mm will be considered as a dry day.

2.

EXCESS RAINFALL (Single Payout)	PHASE - I					
	15-Jul to 15-Sep		consecutive day's cumulative rainfall in respective Phases			
	PERIOD					
	INDEX	Maximum of	7			
	STRIKE (>)	375 mm				
	EXIT	575 mm				
	RATE (Rs/mm)	2.50				
	MAXIMUM PAYOUT (Rs)	500				
TOTAL PAYOUT (Rs.)		500				
SUM INSURED (Rs.)		2000				
PREMIUM WITH S. TAX (Rs.)		200				
PREMIUM %		10.00%				

Note: Fra **50** shall be applicable, i.e., total claims of less than Rs. **50** shall not be paid.

Index-based rainfall insurance policy marketed by SEWA in Umreth taluka of Anand district in 2009; Insurer – AIC:

Agriculture Insurance Company of India Ltd.

RAINFALL BASED CROP INSURANCE (KHARIF 2009)

TERM SHEET

State: **GUJARAT**

District: **ANAND**

Tehsil: **UMRETH**

Crop: Reference Weather Station: **To be Confirmed (Tehsil)** Unit: **PER ACRE**

1. DEFICIT RAINFALL

		PHASE - I		PHASE - II	
1 A. RAINFALL VOLUME	PERIOD	11-Jun	to 31-Jul	1-Aug	to 30-Sep
	TRIGGER (<)	130	mm	120	mm
	EXIT	20	mm	20	mm
	RATE (Rs./ mm)	4.5		5	
	Max. Payout (Rs.)	500		500	
TOTAL PAYOUT (Rs.)		1000			

Note: Daily rainfall under Deficeit Cover is capped at 60 mm.

2. EXCESS RAINFALL (Multiple events)

		PHASE - I	
EXCESS RAINFALL (Multiple events)	PERIOD	1-Sep	to 31-Oct
	DAILY RAINFALL TRIGGER (>)	100	mm
	EXIT (mm)	250	mm
	Payout (Rs. / mm)	3.3	
	Max. Payout	500	
TOTAL PAYOUT (Rs.)		500	
TOTAL SUM INSURED (Rs.)		1500	
Premium With ST (Rs.)		140	
PREMIUM %		9.33%	

Index-based rainfall insurance policy marketed by SEWA in Patan district in 2006; Insurer - ICICI:

TERMSHEET FOR WEATHER INDEX INSURANCE

Product Reference	PT06
Crops	Any crop in the district
Reference Weather Station	Patan
Index	Aggregate rainfall during the cover phases in mm. If rainfall on a day is < 2 mm it is not counted in the aggregate rainfall If rainfall on a day is > 60 mm it is not counted in the aggregate rainfall Above condition applicable only for deficit rainfall cover and not for excess rainfall cover
Definition of Day 1	Calendar day in the month of June 2006 when cumulative rainfall for the If above condition is not met in June, Policy invariably starts on June 25
Policy Duration	110 days

Cover Phase	I	II	III
Duration	35 days	35 days	40 days
PUT			
Strike (mm) <	100	75	-
Exit (mm) <	10	5	-
Notional (Rs / mm)	5.00	5.00	-
Policy Limit (Rs)	500	500	-
CALL			
Strike (mm) >	-	-	550
Exit (mm) >	-	-	650
Notional (Rs / mm)	-	-	5.00
Policy Limit (Rs)	-	-	500
Observed Index	0		
Claims Payable	500	500	500

Data Source	NCMSL
Settlement Date	Thirty days after the data release by NCMSL and verified by Insurer.

- The quantity of rainfall received on Day 1 is divided into two parts: Policy Activation Rainfall and Index Rainfall. Policy Activation Rainfall is the quantity of rainfall that contributes towards the requirement of first 50 mm rainfall condition and In