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COOPERATION DEPARTMENT

RESOLUTION

The 21st June, 2010

**Subject:—**Weather Based Crop Insurance Scheme (WBCIS) – Implementation during the Kharif- 2010 Crop Season.

Government have been pleased to decide to implement the Weather Based Crop Insurance Scheme (WBCIS) on pilot basis for loanee and non-loanee farmers in nineteen (19) Blocks in three (3) Districts of the State during the Kharif – 2010 Crop Season. Administrative Approval of the Government of India, Ministry of Agriculture for implementation of the Scheme has been communicated in their letter No.13011/01/2008- Cr.II, dated the 3rd March, 2010. The Scheme shall be implemented by Agriculture Insurance Company of India Ltd. (AIC).

## 2. Weather Parameter

The Scheme shall compensate the insured farmers against the likelihood of financial loss on account of anticipated loss in crop yield resulting from adverse rainfall incidence such as deficit rainfall and excess rainfall.

## 3. Crop covered under WBCIS

During Kharif 2010, the crop notified is **PADDY**.

## 4. Farmers Covered

The Scheme is compulsory for loanee farmers and optional for Non-loanee farmers. Areas where Weather Based Crop Insurance Scheme (WBCIS) is implemented National Agricultural Insurance Scheme (NAIS) will not be available to loanee farmers. Non-loanee farmers can choose between NAIS or WBCIS.

## 5. Reference Unit Area for Crop Insurance

The Reference Unit Area for Crop insurance will be the following selected 19 Blocks of 3 Districts

Name of the Crop	Reference Unit Area (RUA)	
(1)	(2)	
Paddy	District	Blocks covered
	Nuapada	Nuapada, Boden, Sinapalli, Komna, Khariar
	Bolangir	Bangomunda, Titilagarh, Saintala, Muribahal, Tureikela, Khaprakhol, Belpada, Patnagarh
	Bargarh	Rajborasambar (Padampur), Paikamal, Jharbandh, Sohela, Bijepur, Gaisilet

## 6. Area under Cultivation

For loanee farmers the “Applied/Sanctioned Area (hect.) under cultivation” shall be strictly based on “area” mentioned in the Sanctioned Loan Application where as for non-loanee farmers “Declared Area (hect.) under cultivation” shall be based on “area” declared by him in the proposal form.

## 7. Sum Insured

The “pre-declared” limit of insurance coverage will be Rs.12000/- per hectare. The Sum insured for an individual farmer shall be the product of area cultivated (‘Applied/Sanctioned’ Area under cultivation for loanee farmers and ‘Declared’ Area under cultivation for non-loanee farmers for Paddy crop) in hectare and the “pre-declared” sum insured per hectare (Rs.12000/-).

Sum Insured of a farmer = Area under cultivation in hectare X Pre-declared Sum Insured per hectare.

The non-loanee farmers will have the option of insuring smaller amount but not less than 50% of maximum limit of ‘Sum Insured’.

## 8. Seasonality Discipline

**Non-loanee farmers**— The risk period shall commence from 01/07/2010 and cut-off date for entry in Scheme shall be 10/07/2010. Nodal Banks are required to submit the declaration to the Agriculture Insurance Company (AIC) of India by 26/07/2010.

**Loanee farmers**— The risk period shall commence from 01/07/2010 and cut-off date for entry in Scheme shall be 31/07/2010, i.e., loans application sanctioned upto

31/07/2010 shall be covered under the Scheme. Nodal Banks are required to submit the declaration to AIC by 31/08/2010.

**8.1. The details are as follows:**

Category	Risk Commencement	Cut-off date for providing Insurance Coverage	Cut-off date for submitting declaration to AIC by Bank
(1)	(2)	(3)	(4)
Non-loanee	01/07/2010	10/07/2010	26/07/2010
Loanee	01/07/2010	31/07/2010	31/08/2010

**9. Premium Rate**

Under the Scheme, Premium is calculated on actuarial basis but the insured farmer shall pay the normal rate of premium @ 2.50% (similar to National Agricultural Insurance Scheme) and the difference between the actuarial premium and normal premium will be subsidized by State Government and Central Government on 50:50 basis.

The details of Flat Rate of Premium, Actuarial rate of Premium under the WBCIS during Kharif 2010 are as follows:

Crop	Flat Rate of Premium	Actuarial Rate of Premium
(1)	(2)	(3)
Paddy	2.50%	10%

**10. Compensation (Pay-out)**

Pay-out shall arise in the event of Adverse Weather Incidence (AWI) which is equivalent to the deviation between Trigger Weather (pre-defined weather parameter computed by AIC for Paddy in the notified Reference Unit Area) and Actual Weather Data recorded at Reference Weather Station during specified time period. In case of Adverse Weather Incidence, all the insured farmers in the Reference Unit Area shall be deemed to have suffered the same level of AWI and the same proportion of crop loss and become eligible for the same rate of pay-outs. Block wise pay-out Term Sheets for 19 blocks are enclosed as per *Annexure-A*.

**10.1** The details of Reference Weather Station and Back up Weather Stations for collection of rainfall data are as follows:—

District	Block (Reference Unit Area)	Reference Weather Station (RWS)	Back-up Weather Station
(1)	(2)	(3)	(4)
<b>Bargarh</b>	Rajborasambar	IMD, Padampur	SRC, Padampur
	Paikamal	IMD, Paikamal	SRC, Paikamal
	Jharbandh	SRC, Jharbandh	Agriculture Dept./ AWS, Jharbandh
	Sohela	IMD, Sohela	SRC, Sohela
	Bijepur	IMD, Bijepur	SRC, Bijepur
	Gaisilet	SRC, Gaisilet	Agriculture Dept./AWS, Gaisilet
<b>Bolangir</b>	Patnagarh	IMD, Patnagarh	SRC, Patnagarh
	Belpada	SRC, Belpada	Agriculture Dept./ AWS, Belpada
	Khaprakhol	SRC, Khaprakhol	Agriculture Dept./AWS, Khaprakhol
	Tureikela	IMD, Tureikela	SRC, Tureikela
	Muribahal	SRC, Muribahal	Agriculture Dept./AWS, Muribahal
	Saintala	IMD, Belgaon	SRC, Saintala
	Titilagarh	IMD, Titilagarh	SRC, Titilagarh
	Bangomunda	SRC, Bangomunda	Agriculture Dept./AWS, Bangomunda
<b>Nuapada</b>	Komona	IMD, Komona	SRC, Komona
	Boden	SRC, Boden	Agriculture Dept./ AWS, Boden
	Nuapada	IMD, Nuapada	SRC, Nuapada
	Khariar	IMD, Khariar	SRC, Khariar
	Sinapalli	SRC, Sinapalli	Agriculture Dept./AWS, Sinapalli

## 11. Coverage Procedure

- (i) Insurance coverage of Non-Loanee farmers shall be through the existing network of financial Institution at the grassroots level. Loanee farmers shall be covered by Nodal banks of Financial Institutions.
- (ii) A service charge of 5% on the net premium amount remitted by the Nodal Bank shall be paid by AIC towards incidental management expenses incurred by them for servicing the Scheme.
- (iii) The detailed coverage procedure as laid down in the Operational Modalities of the Scheme shall be circulated by AIC.

**12. Pay-out Disbursement**

(i) Pay-outs would be made by AIC to the Banks within 45 days of receipt of actual rainfall data from Reference Weather Station.

(ii) Pay-outs to the insured farmer shall be automatically computed by the AIC on the basis of Actual Weather Data received and shall be credited to the Bank Account of the farmer covered under the Scheme through the concerned Nodal Bank/Financial Institution.

13. The Scheme shall be administered by the AIC who shall be responsible for payment of all eligible claims.

14. Other details, if required can be ascertained from District Central Co-operative Bank, Branches of the Commercial Banks and Regional Rural Banks (RRBs) functioning in areas notified by WBCIS and from the Regional Office of Agriculture Insurance Company of India Ltd., Bhubaneswar.

**ORDER**

Ordered that the Resolution be published in the *Orissa Gazette*.

By order of the Governor

U. P. SINGH

Commissioner-*cum*-Secretary to Government