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CO-OPERATION DEPARTMENT

RESOLUTION

The 29th November, 2011

Sub: Modified National Agricultural Insurance Scheme (MNAIS) – Implementation during Rabi 2011-12 Crop season for Paddy crop.

Government have been pleased to decide to implement the Modified National Agricultural Insurance Scheme (MNAIS), during Rabi 2011-12 Crop season for Paddy crop on Pilot basis.

1. Administrative Approval of the Government of India, Ministry of Agriculture for implementation of the Scheme has been communicated in their letter No. 13011/02/2008-Credit II (Pt) dated the 10th March, 2011. The Scheme shall be implemented by the Implementing Agencies in selected Gram Panchayats (GPs) of **2 districts namely Balasore and Bhadrak.**

2. Crop Covered under MNAIS:

During Rabi 2011-12, the notified crop for insurance under MNAIS is Paddy

3. Unit Area for Crop Insurance:

The unit area for crop insurance will be Gram Panchayat (GP) for Paddy crop. The details of the G.Ps covered as unit area of insurance is at **Annexure – I.**

3.1. The Agriculture Insurance Company of India (AIC), the ICICI Lombard GIC Ltd., the HDFC ERGO GIC Ltd. and the IFFCO TOKIO GIC Ltd. will be Implementing Agency (IA) for the Scheme as per details given below:—

Name of the Insurance Company	Name of the District	Name of the Block	Total No. of GPs
(1)	(2)	(3)	(4)
AIC of India Ltd.	Balasore	Soro, Simulia, Khaira, Oupada and Balasore.	65
	Bhadrak	Basudevapur	21
ICICI Lombard GIC Ltd.	Balasore	Bahanaga, Remuna and Nilagiri	56
	Bhadrak	Chandbali and Dhamnagar	25

(1)	(2)	(3)	(4)
HDFC ERGO GIC Ltd.	Balasore	Jaleswar and Bhogarai	59
	Bhadrak	Bhandari Phokhari, Banta, Tihidi and Bhadrak	25
IFFCO TOKIO GIC Ltd.	Balasore	Basta and Baliapal	49

4. Farmers Covered:

(a) On a compulsory basis: All farmers growing notified crops and having sanctioned credit limits for Seasonal Agricultural Operations (SAO) loans from Financial Institutions for the notified crop as on 31st December, 2011 i.e. Loanee Farmers.

The Branch Bank will apportion coverage of insurable crop, based on acreage mentioned in loan application or on the basis of actual area sown as declared by the farmer.

(b) On a voluntary basis: All other farmers (i.e., Non-Loanee farmers) growing notified crop who opt for the Scheme. These farmers could be:—

- (i) Individual owner-cultivator farmers
- (ii) Farmers enrolled under contract farming, directly or through promoters / organisers.
- (iii) Groups of farmers / societies serviced by Fertiliser Companies, Pesticide firms, Crop Growers associations, Self Help Groups (SHGs), Non-Governmental Organisations (NGOs), and Others.
- (iv) Corporate farms

For Crops and Areas where Modified National Agricultural Insurance Scheme (MNAIS) is implemented National Agricultural Insurance Scheme (NAIS) will not be available.

5. Sum Insured Limits:

LOANEE FARMERS:

(a) COMPULSORY COVERAGE:— The Sum Insured for individual farmer will be the product of farmer's 'area under cultivation' (in hectare) declared in loan application for that notified crop and maximum sanctioned credit limit per hectare as per Table 1 given below.

(b) ADDITIONAL COVERAGE:— If per hectare sanctioned credit limit for the crop is less than per hectare Value of Threshold Yield, the farmer can opt for the Additional Coverage up to value of TY as per Table-1. The farmer has to submit a Proposal Form in this regard in the Bank where Compulsory Coverage is done. The farmer has to mention the area proposed under additional coverage. Cut-off-Date of submission of Proposal Form applicable for Non-Loanee Farmers shall be applicable for the Loanee Farmers as well. If the per hectare Compulsory Coverage of Sum Insured is more than per hectare Value of Threshold Yield, no additional coverage will be available (with subsidy).

(c) EXTENDED COVERAGE:—

- (i) Extended Coverage is not available if the per hectare Compulsory Coverage Sum Insured is MORE than the 150% value of Average Yield.
- (ii) If the per hectare Compulsory Coverage Sum Insured is LESS than the 150% value of Average Yield, Extended Coverage is the difference between the 150% Value of Average Yield and Compulsory Coverage Sum Insured.

The Farmers can opt for Extended Coverage as per Table – 1 and have to mention the area proposed under Extended Coverage. Cut-off-Date of submission of Proposal Form applicable for Non-Loanee Farmers shall be applicable for the Loanee Farmers as well. Actuarial Premium Rates as per Premium Table is payable by the farmers for the Extended Coverage.

NON-LOANEE FARMERS:**(a) VOLUNTRARY COVERAGE:—**

Farmers desirous of joining the Scheme for a Notified Crop under Notified Region in a Crop Season and who are not covered as Loanee Farmers for the set of land and are eligible for coverage can fill up Proposal Form and within stipulated cut-off-date submit the proposal form along with the premium to nearest Bank Branch or Authorised channel partners or Insurance Intermediaries of the Insurance Company. Operating a Bank Account is essential.

(b) NORMAL COVERAGE:—

The Normal Coverage is the Value of Threshold Yield (TY) as per Table – 1. The farmer has to mention the area proposed under Normal Coverage in the Proposal Form.

(d) EXTENDED COVERAGE:—

Extended Coverage is the difference between the 150% Value of Average Yield and Value of Threshold Yield. The farmer has to mention in the proposal form, the area proposed under Extended Coverage. Actuarial Premium Rates as per Premium Table is payable by the farmers for the Extended Coverage.

Table- 1

Sl. No.	District	Sum- Insured (Rs. /Hect.)		
		Sanctioned Credit limit	Value of TY	Value of 150% AY
1	Balasore	32123	33436	62693
2	Bhadrak	32123	21049	39466

6. Seasonality Discipline:

A C T I V I T Y	DIFFERENT CUT OFF PERIOD/DATE
Loanee farmers -(Compulsory basis) -Loan sanctioned up to.	31st December, 2011
Cut-off date for receipt of Declarations of Loanee farmers covered on compulsory basis from Nodal Banks to IAs.	31st January, 2012
Non-loanee farmer :- Cut-off date for receipt of Proposals of Non-loanee farmers (Voluntary basis) by Bank.	31st December, 2011
Cut-off date for receipt of Declarations of Non-loanee farmers covered on Voluntary basis from Nodal Banks to IAs.	31st January, 2012
Cut-off date for receipt of yield data	16th August, 2012

7. Indemnity Level and Premium Rate:

Under the Scheme, Premium is calculated on actuarial basis but the insured farmer shall pay premium as per the following table—

Sl. No.	District	Indemnity Level in %	Actuarial Premium rate in %	Farmer premium to be collected in %
1	Balasore	90	4.0	2.40
2	Bhadrak	80	4.1	2.46

Premium subsidy:

Premium subsidy shall be available to the farmers up to Compulsory coverage or value of Threshold Yield, whichever is higher for loanee farmer and value of TY for Non-loanee farmers. The difference between the actuarial premium and farmers' premium will be subsidized by State Government and Central Government on 50:50 basis.

Sl. No.	District	Subsidy in %	State Share of subsidy in %	Centre Share of subsidy in %	Total Subsidy in %
1	Balasore	40	0.80	0.80	1.60
2	Bhadrak	40	0.82	0.82	1.64

8. Coverage Procedure:

(A) LOANEE FARMERS (COMPULSORY BASIS) :

The present Nodal Bank system under NAIS, will continue for MNAIS as well. For loanee farmers, the modalities will be the same as in the existing NAIS. All the Banks (including private sector Banks) where Crop loans are Sanctioned/Advanced for the Notified Crops in a Notified Insurance Unit (IU) for a Notified Crop Season, are required to be COMPULSORILY insured under MNAIS.

Bank branch will apportion coverage among insurable crops, based on acreage mentioned in loan application or on the basis of actual area sown as declared by the farmer.

Crop loans advanced against hypothecation of gold / ornaments are also eligible for compulsory, subject to insurability of crop and seasonality discipline.

In case of loanee farmer an amount value equal to the Compulsory Sum Insured as mentioned in Table – 1 above multiplied by the crop area shall have to be compulsory insured under the Scheme.

The Nodal Branch, in turn, shall consolidate these statements from the bank branches / PACs under its jurisdiction into Month-wise, IU-wise, Crop-wise Declarations and forward the same to the Insurance Company along with a bank cheque / demand draft towards the insurance premium, in accordance with the cut-off-dates as specified in the Notification for that particular crop and season for Loanee farmers. For the declarations pertaining to Additional/Extended Sum Insured, the cut-off-dates as specified in the Notification for Non- Loanee farmers shall apply.

(B) PROCEDURE FOR COVERAGE OF NON-LOANEE FARMERS:

- (a) Non-loanee farmer has to operate an SB A/c in any Cooperative Bank/ Schedule Commercial Bank/Regional Rural Bank in his area.
- (b) The farmer has to submit the duly filled-in prescribed proposal form along with documents in support of his ownership of land and requisite premium at Bank Branch/PACs. If required by the Insurance Companies, the Farmer has to submit the Certificate of Sowing of the Insured Crop(s).
- (c) Apart from Banks, the Non-loanee farmer can also avail insurance through insurance intermediaries/ Authorised Agents of IAs.

9. Methods of indemnification:

The crop loss shall be assessed on the basis of following indemnification methods

(A) Wide Spread Calamities:

- (i) Based on actual yield furnished by State on basis of requisite No. of CCEs similar to NAIS. However, in case of severe calamity, an on-account payment up to 25% of the likely claim can be paid during the season;
- (ii) Prevented Sowing /Planting compensation up to 25% of the sum insured can be given if the State / SLCCCI (based on proxy indicators like weather data, area enumeration, satellite imagery, etc.) decides that majority of the area in the IU

could not be sown or the sowing failed. Once the IU is chosen for this benefit, the insurance cover cease to operate for the subsequent period of the season.

In case of near total loss situation during the season (i.e. at a stage of the crop cycle when complete input cost is not incurred), the losses will be paid based on 'graded scale' of payment.

On account payment to be implemented only if proxy indicators can be established and will be considered for payment, only if expected yield is less than 50% of normal yield.

(B) Localized Calamity:

(i) Localized Risks - Losses arising due to operation of landslide and hailstorm will be assessed at farm level, and the losses are settled;

(ii) loss / damage to harvested crop lying in 'cut & spread' condition by cyclonic rains in costal area for a period of 14 days from harvesting.

Claims paid for localized risks, post harvest losses and on account payment shall be adjusted with the claims payable on the basis of yield data, if any, at the end of the season.

10. The Nodal Banks shall be paid Service charge @ 2.50% of premium amount.

11. The Scheme shall be implemented by the IAs who shall be responsible for payment of all eligible claims.

12. MNAIS is exempted from service tax.

13. Nodal Bank has to submit the consolidated DD in favour of the respective Implementing Agency. The Implementing Agencies shall communicate the operational modalities for implementation of the scheme to the Nodal Banks / Bank Branches.

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 MNAIS and from the Implementing Agencies as mentioned at point No. 3.1.

ORDER

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

By order of the Governor

Dr. MONA SHARMA

Commissioner-cum-Secretary to Government

Sl. No	District	Block	Gram Panchayat
(1)	(2)	(3)	(4)
1	Balasore	Balasore	Odangi, Olandasargan, Gopinathpur, Nagram, Buanla, Sindhia, Parikhi, Patrapada, Ranasahi, Srikona, Saragan, Hidigaon, Gududa, Genguti, Jatyadevkasaba, Padampur, Rasalpur, Sasanga, Kasipada, Kuradiha, Rasulpur, Srirampur, Srirampur, Haldipadia, Kasafal, Chhanua, Bahabalpur, Sartha (27).
		Remuna	Kalyanpur, Ganipur, Gududa, Tentulida, Durgadevi, Patripal, Badapal, Mndarpur, Kharid Mukhura, Naraharipur, Nuagan, Nuapadhi, Biruan, Remuna, Seragarh, Inchudi, Kuligan, Talapada, Tundara, Barusingh, Maharajpur, Srijanga, Kuruda, Chaskhanda, Nizampur, Mangalpur, Saraswatipur, Hripur (28).
		Basta	Purusottampur, Natakata, Bramhanda, Mukulish, Darada, Kulida, Inda, Sahada, Nabara, Putara, Naikudi, Singla, Routpada, Sadanadapur, Mathani, Gadapada, Baharda, Paunsakuli, Tadada, Chormara, Santoshpur, Raghunathpur (22).
		Bhograi	Kusuda, Kharidpipal, Nhara, Nchinda, Putina, Balim, Gopinathpur, Jayrampur, Bhograi, Rasolpur, Sultanpur, Kashaba, Kamarda, Gunasarth, Baunsiha, Mahagob, Dahunda, Analia, Deula, Dehurda, Mandarsahi, Kakhada, Geneibasan, Nimatpur, Bajitpur, Barbatia, Suhuria, Kanthibhaunri, Tukurihazir, Narayan Mohanty Padia, Sankhari, Sradhapur, Huguli (32).
		Baliapal	Asti, Aladiha, Kunduli, Kumbhari, Ghantua, Jagatipur, Jamukunda, Jambhirai, Dagara, Jambhirai, Dagara, DEvog, Deula, Chaumukh, Nikhira, Nuagan, Panchupali, Pratapur, Badas, Betagadia, Baniadiha, Balarampur, Balikuti, Baliapal, Bolang, Madhupura, Ratei, Srirampur, Bishnupur (27).
		Jaleswar	Raibania, Olmara, Kaliko, Kuard, Baradiha, Sradharbandha, Chamargan, Laxmannath, Mankidia, Kakhinapraharajpur, Sikharpur, Khudiamajhisahi, Khalina, Nmpo, Paschimbadd, Paikasida, Bartana, Biganbadia, Nchhimpur, Sogo, Gopimohanpur, Rajpur, Notua, Rayanramchandrapur, Aruha, Srirampur, Jaleswar NAC(27).

(1)	(2)	(3)	(4)
	Balasore	Nilagiri	Kanasa, Narsinghpur, R.K.Pur, K.C.Pur, Berhampur, Dharampur, Pithakata (7).
		Oupada	D.N.Pur, Iswarpur, Baunsabania, Fatepur, Badpokhari (5).
		Simulia	Andarai, Abajhuna, Kanheibindha, Kanchapada, Purusottampur, Jamujhadi, Chalunigan, Bari, Khirokona, Bati, Sabanga, Iswarpur, Muruna, Markona, Bauripada, Maitapur, Ada (17)
		Khaira	Badjaipur, Atara, Dungura, Manatri, Jhinkiria, Barada, Rapeya, Garsang (8).
		Soro	Anantapur, Gud, Mulising, Dahisada, Ndigan, Tentei, Pakhar, Soro NAC (8).
		Bahanaga	Talakurunia, Kuruda, Anjee, Sahaspur, Bishnupur, Baripada, Kharasahapur, Aruhadbad, Dandaharipur, Saud, Bahanaga, Patharpenha, CKochiakoili, Panapana, Chakajaganthpur, Gopalapur, Khantapada, Kalyani, Kasabajaypur, Avana (21).
2	Bhadrak	Bhadrak	Bandhagaon, Berhampur, Sahada, Sabarang, Charampa, Amapal, Bishnupurbindha (7).
		Tihidi	Bilana, Bodak, Talagopabindha, Kanapada, Saya, Sindol, Kolha, Bhatapada, Muhrampur, Mukundapur(10).
		Chandbali	Bhuinburti, Tentulidiha, Ghatapur, Madhapur, Bhatapada, Nalgunda, Motto, Aradi, Sundarpur, Nandapur (10).
		Basudevpur	Basudevpur NAC, Jagannath Prasad, Guagadia, K.Binyakpur, Ertal, Lunga, Sugo, Padmapur, Brahmnigaon, Barandua, Sudarsanpur, Eram, Artung, Kumarpur, Faganthpur, Pduuan, Adhuan, Chudamani, Nuagaon, Aruhan, Narasinghpur (21).
		Dhamnagar	Dhusuri, Bomkura, Raipur, Palasahi, Nadigaon, Hasanbad, Kothr, Bhatasahi, Kartasahi, Surali, Fatepur, Khadipada, Gobindpur, Kasimpur, Chudakuti (15).
		Bhaandari-pokhari	Ramachandrapur, Dhakinabad, Nirgundi, Rajendrapur, Tesingha(5).
		Bonth	Odanga, Todanga, Ganijang (3)