

No 13011/04/2004-Credit II  
• Government of India  
Ministry of Agriculture  
Department of Agriculture & Cooperation

Krishi Bhavan, New Delhi  
Dated the 11<sup>th</sup> August, 2010

To

1. The Secretary (Agriculture/Cooperation)/APC,  
Government of .....
2. Ministry of Finance, Deptt. of Financial Services, Insurance & Banking  
Divisions.
3. AIC, RBI, NABARD, NSSO, IASRI.

Subject - Administrative Approval for implementation of National Agricultural  
Insurance Scheme (NAIS) on existing pattern during Rabi 2010-11 -  
reg.

Sir,

I am directed to refer to the Department of Agriculture & Cooperation's letter of even number dated March 8, 2010 regarding administrative approval for implementation of National Agricultural Insurance Scheme (NAIS) during Kharif 2010 and to convey administrative approval of Government of India for continuation of scheme during Rabi 2010-11 on following terms and conditions :-

- ❖ Premium subsidy to small and marginal farmers to extent of 10% to be shared equally between the Central and concerned State Government.
- ❖ Administrative and Operational expenses to extent of 20% to be shared equally between Central and State Governments.
- ❖ Total publicity and bank service charges to be shared equally by Central and State Governments.
- ❖ Risk of Implementing Agency in meeting claims would be restricted to 100% of the premium in case of food and oilseeds crops and 150% for annual commercial/ horticultural crops.
- ❖ The existing premium rates i.e. flat rates for food and oilseeds crops and actuarial premium for annual commercial and horticultural crops, will be continued.
- ❖ As provided in the scheme, indemnity claims will be settled only on basis of yield data furnished by State Government based on requisite number of Crop Cutting Experiments (CCEs) conducted under General Crop Estimation Survey (GCES) and not on any other basis like Annavari/ Paisawari etc.

2. All State Governments/Union Territories, who wish to participate in the scheme, are requested to take appropriate action for implementation of scheme during Rabi 2010-11 strictly in accordance with guidelines circulated by this Department. Element of sharing of risk, nature of coverage, seasonality discipline, submission of declarations by lending agencies etc. will remain same i.e. as per provisions of the scheme. All State Governments and Union Territories are accordingly requested to make necessary arrangements for implementation of Scheme with required budgetary provisions. State Governments/UTs are also requested to issue appropriate instructions to concerned Departments/agencies, for effective implementation of the scheme.

3. The Government is considering to implement the Modified NAIS on pilot basis in 50 districts from Rabi 2010-11 season for which approval is still awaited. State Governments have already been requested vide d.o. letter No. 13011/2/2008-Credit II dated 7<sup>th</sup> & 29<sup>th</sup> July, 2010 to identify 5 districts for pilot Modified NAIS. The same may also be taken in to consideration while notifying the NAIS for Rabi 2010-11 season.

Yours faithfully,



(OM PARKASH)

Under Secretary to the Govt. of India