

No. 13015/03/2016-Credit-II  
Government of India  
Ministry of Agriculture & Farmers Welfare  
Department of Agriculture, Cooperation & Farmers Welfare

Krishi Bhavan, New Delhi  
Dated the 23<sup>rd</sup> February, 2016

To

1. The Chief Secretary, Government of -----
2. Secretary, Ministry of Finance, Deptt. of Expenditure, North Block, New Delhi.
3. Secretary, Ministry of Finance, Deptt. of Financial Services, Insurance & Banking Divisions.
4. Executive Director, IRDA, Hyderabad (AP)
5. CGM, RPCD, RBI, Mumbai.
6. Managing Director, NABARD, Mumbai.
7. Deputy Director General, NSSO, R.K. Puram, New Delhi.
8. Director, IASRI, Pusa, New Delhi.
9. Director General, IMD, Lodhi Road, New Delhi.
10. Director, MNCFC, Pusa

**Subject: Administrative Approval for Implementation of Pradhan Mantri Fasal Bima Yojana (PMFBY), Restructured WBCIS, UPIS & CPIS - from Kharif 2016**

Sir,

I am directed to state that Ministry of Agriculture & Farmers Welfare, Department of Agriculture, Cooperation & Farmer Welfare has been implementing National Agricultural Insurance Scheme (NAIS) and three component schemes of National Crop Insurance Programme (NCIP) viz Weather Based Crop Insurance Scheme (WBCIS), Modified National Agricultural Insurance Scheme (MNAIS) and Coconut Palm Insurance Scheme (CPIS) as Central Sector Schemes to insulate the farming community against agricultural risks.

In order to make crop insurance simpler and cheaper for the farmers and to provide them with better insurance services, a Central Sector Scheme of **Pradhan Mantri Fasal Bima Yojana (PMFBY)** has been approved by the Government of India replacing NAIS and MNAIS. The salient modifications / changes which have been made over NAIS/MNAIS are (a) Share of farmer in actuarial premium has been rationalized for crops / areas through out the country & reduced to a lower level subject to a maximum ceiling of 2% of sum insured for Kharif foodgrains, pulses & oilseed crops, 1.50% for Rabi foodgrains, pulses & oilseed crops and 5% for Kharif & Rabi annual commercial / annual horticultural crops. (b) Provisions of capping on actuarial premium rates and reduction in sum insured have been removed. (c) The coverage of post-harvest losses has been extended throughout the country and unseasonal rains has been included. (d) besides hailstorm & landslide, Inundation has been included for

coverage under the localized risks. (e) One more Indemnity Level of 70% has been included and as such, three levels of Indemnity, viz., 70%, 80% & 90% will be available for high, moderate and low risk crops/areas under PMFBY. (f) Provision of selection of implementing agencies (insurance companies) through a transparent bidding process has been made on the basis of mixed-risk-area approach (i.e. cluster preferably of 15-20 districts).

NAIS and MNAIS has been discontinued/rolled back simultaneously from Kharif 2016 but WBCIS & CPIS shall continue. To make it affordable for the farmers, premium structure in WBCIS has also been revised and brought at par with PMFBY and approach for selection of Implementing Agencies and administration of scheme will be same as that of PMFBY. Based on above changes, the revised guidelines of WBCIS will be circulated shortly.

Besides, a Pilot Unified Package Insurance Scheme (UPIS) has also been approved by Govt. to cater to all insurance needs of the farmer including crop insurance, through one scheme. This scheme will be Piloted in 45 districts of the country from Kharif 2016 and States have already been requested to indicate the districts where the pilot UPIS would be implemented. Guidelines of Pilot UPIS are being sent separately. The details of the scheme have already been circulated and are available on the Department's website mentioned below.

Scheme and its Operational Guidelines of PMFBY have been uploaded on the department's website [www.agricoop.nic.in](http://www.agricoop.nic.in) & Crop Insurance Portal - [www.agri-insurance.gov.in](http://www.agri-insurance.gov.in).

PMFBY will come into force from Kharif 2016 in place of NAIS & MNAIS. WBCIS, UPIS & CPIS will also be implemented from Kharif 2016 season strictly as per revised Guidelines/Guidelines circulated/ to be circulated by this Department.

Loaning for the Kharif 2016 will start from 1<sup>st</sup> April, 2016. Loanee farmers will be covered on compulsory basis under PMFBY / WBCIS/UPIS to be notified by the States / UTs.

The private sector insurance companies empanelled by DAC&FW along with Agriculture Insurance Company of India (AIC) will be permitted to implement PMFBY/WBCIS/UPIS. However, CPIS will be implemented by AIC only.

All State/UTs are requested to take necessary action urgently and issue appropriate instructions to concerned Departments/agencies at State level and make adequate budget provision for implementation of PMFBY/WBCIS/UPIS/CPIS which is critical for successful implementation of the scheme.

Implementation of the above schemes will require close monitoring and periodic review at State and district levels. State Level Coordination Committee on Crop Insurance (SLCCCI) will be responsible for monitoring of the scheme along with insurance companies.

Receipt of this letter may kindly be acknowledged and action taken by the State Government may please be intimated to this Department urgently.


This issues with approval of the competent authority.

Yours faithfully,

(Dr. Ashish Kumar Bhutani)  
Joint Secretary to the Govt. of India

Copy to:

1. APC/Principal Secretary (Agri./Hort./Coop.), all State Government
2. CMD, Agriculture Insurance Company of India Ltd. (AIC),
3. MD & CEO, ICICI-Lombard General Insurance Company Ltd.,
4. MD, IFFCO-Tokio General Insurance Company Ltd.,
5. MD, Cholamadalam MS General Insurance Company Ltd.,
6. MD & CEO, HDFC-ERGO General Insurance Company Ltd.,
7. ED & CEO, Reliance General Insurance Company Ltd.,
8. MD & CEO, Future- Generali India Insurance Company Ltd.,
9. MD & CEO, Tata- AIG General Insurance Company Ltd
10. MD & CEO, Bajaj Allianz General Insurance Company Ltd.,
11. MD & CEO, SBI General Insurance Company Ltd.
12. MD & CEO, Universal Sompo General Insurance Company Ltd.

  
23/2/16  
(Dr. Ashish Kumar Bhutani)  
Joint Secretary to the Govt. of India

Copy for information to : Sr.PPS to Secretary (A&C) / PPS to AS&FA / PPS to AS (AD) / PPS to JS (C&C) / Dy. Secretary (Finance) / Dy. Secretary (Budget) / Pay & Account Officer, Under Secretary (Finance-III), Department of Agriculture, Cooperation & Farmers' Welfare, New Delhi.