REVISED

COMPARISON BETWEEN NATIONAL AGRICULTURAL INSURANCE SCHEME (NAIS), MODIFIED NAIS AND WBCIS

S. No.	PARAMETER	NAIS	MNAIS	WBCIS
1	Insurance Unit	Scheme provided for reduction of unit to Village Panchayat (VP)	Unit to be reduced to Village / Village Panchayat (VP) or other equivalent unit for all crops. States who are not able to implement are allowed to notify higher unit area (upto 15 vilalge/VP) for 3 years.	Depends on the availability of weather stations. Usually at tehsil / block level,
2	Data Requirement	Past yield data as well as actual yield data based on CCEs is required	Yield data as well as rainfall data required	Past 25 ï 30yrsô weather data required
3	Indemnity Level	(a) 60%, 70% & 80% based on Yield variability in the past 10 years measured in terms of Coefficient of Variation (CV) (b) Assigned at State level	(a) 80% & 90% Claim experience (as if) in the past 7 / 10 years measured in terms of ðloss costô (b) Assigned at District level	(a) Weather triggers beyond which claims becomes payable are set on the basis of past weather data and the correlation of weather parameters with the yield.

				(b) Assigned at Reference Unit Area (RUA) level
4	Premium	1.5 to 3.5% for food and oilseeds for normal coverage and actuarial premium for higher sum insured &/or indemnity level. Actuarial premium for annual commercial/ horticultural crops.	Actuarial premium.	Actuarial premium.
5	Government liabilities and sharing.	Premium subsidy of 10% for Small / Marginal farmers Claims beyond 100% of premium in case of normal coverage Food & Oil Seeds. In case of Annual Commercial/ Horticulture crops and higher coverage &/or indemnity level for Food & Oilseeds, actuarial premium rates are charged and claims are the responsibility of insurance company where actuarial premium is charged.	Actuarial premium rates. The premium subsidy by the government ranges from ǒZEROô to 75% depending on the premium slabs. Only upfront premium subsidy is provided and claims liability is on insurance companies. Premium subsidy is shared by Centre & State on 50:50 basis.	Actuarial premium rates. The premium subsidy by the government ranges from ǒZEROô to 50% depending on the premium slabs. Only upfront premium subsidy is provided and claims liability is on insurance companies. Premium subsidy is shared by Centre & State on 50:50 basis.

		In addition, Govt. also provide publicity expenses (100%), Administrative & Operational Expenses, bank service charges	The Government will act as óreinsurer of last resort for claims in excess of 500% claim ratio.	
6	Risks covered	Practically óall riskô insurance	ñAll riskô with added advantage of sowing failure cover.	Only parametric weather exigencies (like rainfall, temperature, humidity etc.) are covered.
7	Localized calamities	Provides for óindividual assessmentôof claims for localized calamities (hailstorm, landslide, flooding) in one or two areas on experimental basis	Individual farm assessment of claims in case of hailstorm and landslide for all areas / crops notified under the scheme.	Add on cover for hailstorm and cloud brust on individual basis
8	In-season settlement of claims	The claims are settled based on the final yield estimates submitted by States. There is no provision to provide for in-season / on-account settlement of claims	On-account settlement of claims upto 25% of likely claims is paid during the crop season based on composite index (weather data / crop health report / satellite imagery etc.)	Payouts are made usually within 45 days from end of risk period, subject to receipt of weather data and premium subsidy
9	Prevented / failed Sowing Risk	Presently not covered (covers risk only from sowing)	Prevented / Failed Sowing Risk to be covered with a benefit of upto 25% of sum	Prevented sowing risk to a good extent is correlated with rainfall cover

			insured being paid as claim, and the insurance cover gets terminated.	
10	Post Harvest losses	Presently not covered (as yield are estimated at harvest time)	Coverage is available upto 2 weeks for harvested crop lying in the field in ócut & spreadô condition, against specified perils of cyclone in coastal areas.	Post harvest losses not covered
11	Basis of Sum Insured	Loanee: Loan amount / value of TY / 150% value of AY Non-Loanee: value of TY / 150% value of AY	Loanee: Sanctioned Credit Limit / value of TY / 150% value of AY Non-Loanee: value of TY / 150% value of AY	Pre-defined sum insured based on cost of cultivation
12	Availing insurance	Only through Banks (RFIs) (though option was given but a rarely any non-loanee came direct)	Loanee: Banks Non-Loanee: Banks / Channel partners / Insurance Intermediaries / Direct	Loanee: Banks Non-Loanee: Banks / Channel partners / Insurance Intermediaries / Direct
13	Non-Loanee insurance vis-à-vis time of sowing the crop	Mostly after the crop is sown (within 30 days from	Can avail before sowing / planting (should there be	Can avail before sowing / planting

		sowing or cut-off date, whichever is earlier)	a change of crop, same to be intimated within 30 days from cut-off date, along with sowing certificate; excess premium can be refunded)	
14	Service Charge / Commission	2.5% of gross premium (i.e. flat rate premium) payable under the Scheme	Banks: 4% of gross premium payable under the Scheme Others: As decided by Insurer subject to IRDA capping	Banks: 4% of premium payable by farmers under the Scheme Others: As decided by Insurer subject to IRDA capping
15	Basis Risk	Basis risk is high as the insurance unit is rarely homogeneous.	Basis risk for localized calamities is reduced.	Basis risk is high due to poor density of weather stations. However, it can be minimized with increase in weather station network