

THE PRIME MINISTER

Decision No. 315/QĐ-TTg of March 1, 2011, on the pilot provision of agricultural insurance during 2011-2013

THE PRIME MINISTER

Pursuant to the December 25, 2001 Law on Organization of the Government;

Pursuant to the December 9, 2000 Law on Insurance Business;

Pursuant to the Government's Resolution No. 24/2008/NQ-CP of October 28, 2008, promulgating the Government's action program for the implementation of Resolution of the 7th plenum of the Xth Party Central Committee on agriculture, farmers and rural areas;

At the proposal of the Minister of Finance,

DECIDES:

Article 1. To provide agricultural insurance on a pilot basis during 2011-2013 with the following contents:

1. Objectives

To provide agricultural insurance on a pilot basis to help agricultural producers take the initiative in remedying and recovering from financial losses caused by natural disasters or epidemics, contributing to assuring social welfare in rural areas and promoting agricultural production.

2. State support levels and beneficiaries

a/ To support 100% of insurance premiums for poor farmer households and farmers that participate in agricultural insurance;

b/ To support 80% of insurance premiums for farmer households and farmers living just above the poverty line that participate in agricultural insurance;

c/ To support 60% of insurance premiums for other farmer households and farmers that participate in agricultural insurance;

d/ To support 20% of insurance premiums for agricultural production organizations that participate in agricultural insurance.

3. Funds and mechanisms for support provision

a/ The central budget shall provide 100% support for provinces which receive additional allocations from the central budget;

b/ The central budget shall provide 50% support for provinces which contribute less than 50% of their revenues into the central budget while the remaining 50% shall be allocated from local budgets;

c/ For other localities, support shall be provided from local budgets.

4. Support conditions:

To be eligible for support, organizations and individuals engaged in agricultural production must satisfy the following conditions:

a/ Having insured objects specified in Clause 5, Article 1 of this Decision;

b/ Having insured benefits;

c/ Participating in agricultural insurance and paying insurance premiums as required;

d/ Carrying out production, cultivation, husbandry, aquaculture and epidemic prevention activities according to regulations of the Ministry of Agriculture and Rural Development.

5. Objects insured and areas covered by the pilot insurance

a/ Paddy in Nam Dinh, Thai Binh, Nghe An, Ha Tinh, Binh Thuan, An Giang and Dong Thap;

b/ Buffaloes, cows, pigs and poultry in Bac Ninh, Nghe An, Dong Nai, Vinh Phuc, Hai Phong, Thanh Hoa, Binh Dinh and Binh Duong and Hanoi;

c/ "*Tra*" and "*basa*" catfish, black tiger shrimp and white-legged shrimp in Ben Tre, Soc Trang, Tra Vinh, Bac Lieu and Ca Mau.

6. In each province or city, it is possible to provide pilot agricultural insurance in all districts or a number of typical districts or communes which shall be selected according to the following principles:

a/ Selecting large-scale agricultural production areas which represent the whole province or city;

b/ Ensuring the balance among various areas within the province or city in order to facilitate the final review and evaluation of the implementation of the pilot insurance;

c/ Adhering to the principle that the majorities will compensate for the minorities;

d/ Complying with the State's agricultural and rural development policies.

7. Insured risks and indemnity

a/ Natural disasters such as storm, inundation, drought, deep cold, damaging cold,

frost and other natural disaster-related risks;

b/ Epidemics such as influenza, blue-ear and foot-and-mouth diseases, fish diseases, brown hopper, yellow stunt and rice ragged stunt and other diseases;

c/ Indemnity bases:

Insurance indemnity shall be paid according to current regulations or based on weather, disease or output data which are related to damages.

8. Conditions for insurance enterprises to provide agricultural insurance on a pilot basis

To be eligible for providing agricultural insurance on a pilot basis, insurance enterprises must satisfy the following conditions:

a/ Being engaged in non-life insurance;

b/ Satisfying payment requirements specified in the Law on Insurance Business;

c/ Having a system of companies, branches and transaction offices in localities in which agricultural insurance program is provided on a pilot basis;

d/ Having an agricultural insurance staff.

Article 2. Organization of implementation

1. The Ministry of Finance shall:

a/ Decide on insurance enterprises to provide agricultural insurance under this Decision;

b/ Approve insurance rules, premium floors, commission and indemnity levels;

c/ Guide financial mechanisms and support policies applicable to insurance enterprises providing agricultural insurance and provide supports (if any) according to its competence;

d/ Provide for dossiers, procedures and processes of agricultural insurance so as to ensure that support will be granted to eligible beneficiaries within the prescribed scope in the selected localities;

e/ Allocate central budget funds for the provision of supports and guide provincial-level People's Committees in implementing the policies on the provision of supports for agricultural insurance;

f/ Inspect and supervise the pilot provision of agricultural insurance under this Decision;

g/ Annually report to the Prime Minister on the pilot provision of agricultural insurance; review and evaluate of the pilot provision of agricultural insurance for reporting to the Prime Minister at the beginning of the fourth quarter of 2013.

2. The Ministry of Agriculture and Rural Development shall:

a/ Specify types of natural disasters and epidemics covered by agricultural insurance under Clause 7, Article 1 of this Decision;

b/ Coordinate with the Ministry of Finance in specifying dossiers, procedures and processes for provision of supports so as to ensure that support will be granted to eligible beneficiaries within the prescribed scope in the selected localities and in approving insurance rules, premiums and indemnity levels;

c/ Promulgate criteria of the scope of rice cultivation, livestock and poultry breeding and aquaculture to be insured;

d/ Promulgate standards on rice cultivation, livestock and poultry breeding and aquaculture

to be insured;

e/ Quarterly report on the results of agricultural insurance according to its competence and make proposals to the Ministry of Finance.

3. Provincial-level People's Committees shall:

a/ Establish local steering committees for agricultural insurance which will be headed by a deputy chairperson of the provincial-level People's Committee;

b/ Direct and organize the pilot provision of agricultural insurance; allocate funds (from the central and local budgets) for the provision of support; inspect and supervise the pilot provision of agricultural insurance in their localities;

c/ Coordinate with the Ministry of Finance in specifying dossiers, procedures and processes for provision of supports so as to ensure that support will be granted to eligible beneficiaries within the prescribed scope in the selected localities and in approving insurance rules, premiums and indemnity levels;

d/ Quarterly evaluate and report the results of agricultural insurance and make proposals to the Ministry of Finance and the Ministry of Agriculture and Rural Development.

4. Enterprises providing agricultural insurance shall:

a/ Provide agricultural insurance on a pilot basis under this Decision and the guidance of the Ministry of Finance and the Ministry of Agriculture and Rural Development;

b/ Coordinate with People's Committees at

all levels in relevant localities and the Ministry of Agriculture and Rural Development in expanding distribution networks and transaction systems so as to well serve the insured according to regulations;

Quarterly report the results of agricultural insurance and make proposals to the Ministry of Finance, the Ministry of Agriculture and Rural Development and provincial-level People's Committees of localities in which agricultural insurance is provided on a pilot basis.

5. The Vietnam National Re-Insurance Corporation shall undertake agricultural re-insurance under the guidance of the Ministry of Finance.

Article 3. Implementation provisions

1. This Decision takes effect on the date of its signing and applies from July 1, 2011, through the end of 2013.

2. The Ministry of Finance, the Ministry of Agriculture and Rural Development and concerned ministries and branches shall guide

the implementation of this Decision.

3. Ministers, heads of ministerial-level agencies, heads of government-attached agencies and chairpersons of provincial-level People's Committees of localities in which agricultural insurance is provided on a pilot basis shall implement this Decision.

Prime Minister
NGUYEN TAN DUNG