

**Proceedings of the meeting of State Level Purchase Committee (SLPC) held under the Chairmanship of Sh. Rakesh Kanwar IAS, Secretary (AH) to the Government of Himachal Pradesh on 28/02/2024 at 03:00 PM for finalization of Rate Contract of the Premium for Insurance of Large Animals.**

A meeting of the State Level Purchase Committee (SLPC) was held under the Chairmanship of Sh. Rakesh Kanwar IAS, Secretary (AH) to the Government of Himachal Pradesh on 28/02/2024 at 03:00 PM at the Secretariat, Shimla for finalization of for finalization of Rate Contract of the Premium for Insurance of Large Animals. The following members were present during the meeting:

1. Smt. Jagatamba Devi, Deputy Secretary, Animal Husbandry
2. Dr. Pradeep Kumar Sharma, Director, Animal Husbandry HP.
3. Dr. Avinash Sharma, Joint Director (S&W)-cum-Member Secretary, SLPC, Directorate of Animal Husbandry, Shimla.
4. Dr. Vivek Lamba, AD (CP), Directorate of Animal Husbandry, Shimla.
5. Dr. Ravinder Sharma, AD (S&W), Directorate of Animal Husbandry, Shimla.
6. Sh. Virender Thakur, AC(F&A) Finance(Pension)
7. Sh. Ravinder Kapoor, SO(Animal Husbandry)

At the outset the Director, Animal Husbandry welcomed the Chairman and participants He then sought permission from the Chair to initiate the meeting. After receiving a go ahead from the Chairman, the Director apprised the participants that Livestock rearing contributes more than 30% of the total agriculture-based income in the State of Himachal Pradesh. In the recent disaster which struck the State, more than 500 large animal deaths were reported. Similarly, more than 7000 deaths of Sheep and Goats were also reported across the state.

He informed that to mitigate the risks involved in livestock rearing, insurance of the animals plays a key role. The Govt. of India has also underlined the need of livestock insurance in the present scenario of climate change and is promoting the same under National Livestock Mission (NLM).

He further informed that the Insurance companies have limited interests so far as the Livestock Insurance is concerned due to the high risks involved in it. This became the primary reason for

backing out by the insurance companies at the field level in the previous years when, the procurement of goats was being made from the identified Rate Contract vendors under NLM and *Krishak Bakri Palan Yojna (KBPY)*. This remained one of the major reasons behind the partial implementation of both the State and Central schemes where distribution of livestock was involved. Subsequently, the department had to float a tender for small animal insurance which too had to be extended once due to want of bidding insurance companies. Finally, an agreement on small animal insurance could be signed with Hindustan Insurance Brokers Limited and associate insurance company after approval from SLPC on 07/10/2023 @ 11.40% premium for 3 years insurance per sheep/ goat (small animal). This agreement was signed on 04/01/2024.

Thereafter, the Joint Director (S&W)-cum-Member Secretary made reference to the government decision on dated 03/01/2024 over the utilization of unspent funds for the year 2020-21 under National Livestock Mission (NLM). He informed that funds to the tune of ₹650.00 Lakhs have been approved for Large Animal Insurance @ of 11.40% premium with an average estimated cost of ₹35,000/- per milch animal for three years, for 25,000 number of animals. This estimation was based on the premium rates approved by SLPC on 07/10/2023 in favour of HIBL for the insurance of small animals i.e., sheep and goat. He also informed that the upper ceiling of the Premium for 3 years large animal insurance has been fixed @ 11.50% by the Govt. of India under NLM guidelines issued by it for the hilly states/ regions of the country.

The Joint Director (S&W) then briefed the SLPC over the fact sheet which was provided along the memorandum and sequence of events whereupon The Hon'ble Minister of Animal Husbandry, Government of Himachal Pradesh has approved the Premium rate of 10.70% for 3 years insurance of large animals in favour of M/s Hindustan Insurance Brokers Limited (HIBL) and Agriculture Insurance Corporation of India Ltd. (AIC Ltd.) on 17/02/2024.

Thereupon, the Joint Director (S&W) presented a cost sheet over the Insurance of Large Animals with calculations on the Govt. share on two premium rates submitted by HIBL i.e., @ 11.40% initially and 10.70% thereafter, both for the Above Poverty Line (APL) and Below Poverty Line (BPL)/ SC/ ST beneficiaries. He informed that out of a total of 25000 animals, target of APL & BPL/SC/ST beneficiaries has been kept tentatively in a ratio of 70:30, i.e., 17500 & 7500 numbers respectively. He further informed that with the decreased rate



quoted by HIBL & AIC ₹25,72,500/- for the APL and ₹14,70,000/- for BPL shall be saved respectively for a total of 25,000 large animals. Therefore, there shall be a total saving of ₹40,42,500/- of the Govt. share by which anywhere in between 1500 to 2000 more animals can additionally be provided insurance cover, over and above the proposed target.

The Chairman observed that in recent disaster which struck the State there were reports of heavy livestock mortality. Keeping in view the massive losses faced by the livestock farmers, the state government issued a notification on 17/07/2023 where it has hiked the rates of compensation for milch animal from ₹37,500/- to ₹55,000/-. Similarly for sheep and goat the rates have been hiked from ₹4000/- to ₹6000/- per animal. Therefore, he said that insurance of animals shall go a long way in mitigating the livestock losses and maximum numbers may be included for the benefit of Livestock farmers and the nomads of the State. The Department should make sincere efforts in this direction. Moreover, he said the rates offered by HIBL & AIC are quite competitive as compared to the LI rates of small animals. The rates on which HIBL is working in the other hilly states/regions for large animal are too on a higher side when compared to the rates offered by it to the department. He further informed that this action shall also avoid further delays and promote early utilization of unspent balance funds lying with the department. It is because of this reason the Govt. of India is not sanctioning any new projects proposed by the State and it has directed that the previous unspent funds should be utilized first.

**Decision:** The SLPC concurs the approval provided by The Hon'ble Minister of Animal Husbandry, Government of Himachal Pradesh on Premium rate of 10.70% for 3 years insurance coverage of large animals in favour of M/s Hindustan Insurance Brokers Limited (HIBL) and Agriculture Insurance Corporation of India Ltd. (AIC Ltd.), in the larger public interest of the State.

The meeting ended with a vote of thanks to the Chair.



Director, Animal Husbandry  
Himachal Pradesh.



Secretary (AH) to the  
Government of Himachal Pradesh.