

**GOVERNMENT OF INDIA
MINISTRY OF HOME AFFAIRS**

**RAJYA SABHA
UNSTARRED QUESTION NO. 2954**

TO BE ANSWERED ON THE 26TH MARCH, 2025/ CHAITRA 5, 1947 (SAKA)

PERIL PARAMETRIC INSURANCE PRODUCT

2954 SHRI ASHOKRAO SHANKARRAO CHAVAN:

Will the Minister of HOME AFFAIRS be pleased to state:

(a) whether National Disaster Management Authority(NDMA) and Department of Financial Services on disaster risk reduction is working on introducing a single 'peril parametric insurance product' in the Indian market to mitigate the impact of losses from climatic change related events;

(b) if so, the details thereof;

(c) whether Government has finalized the framework for the insurance and, if so, the time by when it is likely to be done;

(d) whether Government has also asked the insurance companies to design products for economically vulnerable groups in disaster prone areas; and

(e) if so, the response of the insurance companies in this regard?

ANSWER

**MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS
(SHRI NITYANAND RAI)**

(a) to (e) The Prime Minister has enunciated ten-point agenda on Disaster Risk Reduction (DRR) during the Asian Ministerial Conference on Disaster Risk Reduction (AMCDRR) held in New Delhi in November 2016.

The all-inclusive agenda includes the following:-

“Risk coverage must include all, starting from poor households to SMEs to multi-national corporations to nation states.”

Fifteenth Finance Commission in its report has proposed four possible insurance interventions for further study by National Disaster Management Authority (NDMA) and other relevant ministries for their feasibility. These insurance interventions would provide an additional layer of protection to the people. These interventions do not seek to replace the existing public fund mechanisms but these are meant to supplement insurance mechanisms and reinforce protection to the people. These four interventions are:

- (a) National Insurance Scheme for Disaster-Related Deaths**
- (b) Synchronising Relief assistance with Crop Insurance**
- (c) Risk Pool for Infrastructure Protection and Recovery; and,**
- (d) Access to International Reinsurance for Outlier Hazard Events**

NDMA, along with Department of Financial Services, as per the recommendations of XV-FC, has been engaged with several national institutions like Insurance Regulatory and Development Authority of India(IRDAI), General Insurance Corporation of India (GIC Re) and Insurance Institute of India (III) as also multilateral institutions like Asian Development Bank, United Nations Development Programme and World Food Programme in this direction.
