

GOVERNMENT OF INDIA
MINISTRY OF AGRICULTURE AND FARMERS WELFARE
DEPARTMENT OF AGRICULTURE, COOPERATION AND FARMERS WELFARE

LOK SABHA
UNSTARRED QUESTION NO.3573
TO BE ANSWERED ON THE 10TH DECEMBER, 2019

CROP INSURANCE AGAINST KCC

3573. SHRI RAJVEER DILER:

Will the Minister of AGRICULTURE AND FARMERS WELFARE कृषि एवं किसान कल्याण मंत्री be pleased to state:

- (a) whether consent of the farmers who took Kisan Credit Card Loans is not taken while extending crop insurance to them in the interest of private companies;
- (b) whether the Government proposes to give right of selection of insurance companies to farmers;
- (c) whether the Government proposes to direct insurance companies to issue policy bonds to farmers and to give information regarding benefit liability in written form in regional language;
- (d) whether the Government proposes to issue guidelines to companies, banks and State Government in this direction;
- (e) if so, the details thereof and the time by which the guidelines will be issued; and
- (f) if not, the reasons therefor?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री (SHRI NARENDRA SINGH TOMAR)

(a) & (b): The objective of launching the new yield based scheme namely Pradhan Mantri Fasal Bima Yojana (PMFBY) and a weather index based "Restructured Weather Based Crop Insurance Scheme (RWBCIS)" from Kharif 2016, is to provide a simple and affordable crop insurance product to ensure comprehensive risk cover for crops of farmers against all non-preventable natural risks from pre-sowing to post-harvest, to provide adequate claim amount and timely settlement of claims.

Crop insurance is a major risk mitigation tool for the benefit of farmers. Therefore, the scheme is made compulsory for the loanee farmers obtaining seasonal agricultural operations loans/KCC loans, for growing notified crops in notified areas and the scheme is voluntary for non-loanee farmers. Requests/representations have been received from various quarters including farmer organizations, States etc. to make the scheme voluntary/optional for all farmers. The revisions/improvements in the crop insurance schemes is a continuous process and decisions on suggestions/representations are taken from time to time after consultation with various stakeholders.

(c) to (f): Crop Insurance Schemes were earlier implemented on area approach basis and major coverage (over 95%) under these schemes was mandatory enrolment of loanee farmers. Consolidated declarations containing name of crop, number of farmers insured and premium collected, without any detail of individual farmer, were sent by the nodal offices of banks to insurance companies for enrolment. As such, receipt to individual farmers was not provided by the insurance companies/banks.

However, under Pradhan Mantri Fasal Bima Yojana (PMFBY), nodal bank system has been withdrawn and all bank branches directly submit the individual farmer-wise data on National Crop Insurance Portal (NCIP) from Kharif 2017. Following this change, financial institutions and insurance companies were instructed to provide “acknowledgement receipt” to all insured farmers. Now, “acknowledgement receipts” containing details of crop, premium, area insured, sum insured, details of insurance company, etc., are provided to all the Banks through NCIP for distribution to all the loanee farmers. In addition, Post Offices have also been engaged to distribute the acknowledgement receipt containing aforesaid details with brief of the scheme to insured loanee farmers from Kharif 2018 season onwards.

Further, from Kharif 2017, provision has been made to enable non-loanee farmers to enroll directly on the portal or through Common Service Centers (CSC) and to receive the acknowledgement receipt immediately on enrolment. Further, non-loanee farmers enrolling directly with insurance companies or their intermediaries, get the “acknowledgement receipts” immediately from them.

Further, the Government has reviewed the matter from time to time for improving the system. Towards this end, in addition, SMSs have also been provided to insured farmers from Kharif-2017 onwards on receipt of their data on portal from banks. An Android based Crop Insurance App has also been developed, through which farmers can track the status of their application, claims and also the crop damage report etc.
