

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

**LOK SABHA**  
**UNSTARRED QUESTION NO. 748**  
TO BE ANSWERED ON THE 1<sup>ST</sup> MARCH, 2016

**REVIEW OF CROP INSURANCE SCHEMES**

748. PROF. SAUGATA ROY:

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

- (a) whether the Government has recently reviewed the various Crop Insurance Schemes implemented for the benefit of the farmers in the country;
- (b) if so, the outcome thereof, Scheme-wise;
- (c) the deficiencies identified in various schemes and corrective measures taken/proposed to be taken by the Government for proper implementation of the schemes; and
- (d) the details of premium collected from the farmers in each State/UT under various crop insurance schemes during the last one year?

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्रालय में राज्य मंत्री (SHRI MOHANBHAI KUNDARIYA)

(a) to (c): Yes Madam. Government has recently reviewed the existing crop insurance schemes in consultation with various stakeholders including States, farmer organisations, insurance companies etc. The major issues identified in the existing crop insurance schemes were high premium rates to be paid by farmers, different premium rates in neighbouring districts, capping on premium resulting in reduction in sum insured and lesser claims for farmers, delay in settlement of claims, less use of improved technologies etc. Based on the discussions held with stakeholders, Government of India has recently approved Pradhan Mantri Fasal Bima Yojana (PMFBY) which would replace the existing schemes of National Agricultural Insurance Scheme (NAIS) & Modified National Agricultural Insurance Scheme (MNAIS) from ensuing Kharif 2016 season. All the major issues enumerated above have been addressed in the PMFBY. Salient features of the scheme are at **Annexure-I**.

Premium rates payable by farmers, selection of insurance company & administrative and operational structure of Weather Based Crop Insurance Scheme (WBCIS) have also been rationalized and brought at par with PMFBY.

(d): State-wise details of premium collected from farmers during last one year (i.e. 2014-15) under various crops insurance schemes is at **Annexure-II**.

**Salient Features of PMFBY**

- i) Provide comprehensive insurance coverage against crop loss on account of non-preventable natural risks, thus helping in stabilising the income of the farmers and encourage them for adoption of innovative practices.
- ii) Increase the risks coverage of Crop cycle – pre-sowing to post-harvest losses.
- iii) Area approach for settlement of claims for widespread damage. Notified Insurance unit has been reduced to Vilalge/Village Panchayat for major crops
- iv) Uniform maximum premium of only 2%, 1.5% and 5% to be paid by farmers for all Kharif crops, Rabi Crops and Commercial/ horticultural crops respectively.
- v) The difference between premium and the rate of Insurance charges payable by farmers shall be shared equally by the Centre and State.
- vi) Uniform seasonality discipline & Sum Insured for both loanee & non-loanee farmers
- vii) Removal of provision of capping on premium and reduction of sum insured to facilitate farmers to get claim against full sum insured without any reduction.
- viii) Inundation has been incorporated as a localized calamity in addition to hailstorm and landslide for individual farm level assessment.
- ix) Provision of for individual farm level assessment for Post harvest losses against the cyclone & unseasonal rains for the crops kept in the field to dry throughout the country.
- x) Provision of claims upto 25% of sum insured for prevented sowing.
- xi) “On-account” payment upto 25% of sum insured for mid season adversity, if the crop damage will be reported more than 50%. Remaining claims based on Crop Cutting Experiments (CCEs) data.
- xii) For more effective implementation, a cluster approach will be adopted under which a group of districts with variable risk profile will be allotted to an insurance company through bidding for a longer duration upto 3 years.
- xiii) Use of Remote Sensing Technology, Smartphones & Drones for quick estimation of crop losses to ensure early settlement of claims.
- xiv) Crop Insurance Portal has been launched. This will be used extensively for ensuring better administration, co-ordination, transparency and dissemination of information.
- xv) Focused attention on increasing awareness about the schemes among all stakeholders and appropriate provisioning of resources for the same.
- xvi) The claim amount will be credited electronically to the individual Insured Bank Account
- xvii) Adequate publicity in all the villages of the notified districts/ areas
- xviii) Premium rates under Weather Based Crop Insurance Scheme (WBCIS) have also been reduced and brought at par with new scheme. Further, capping on Actuarial premium and reduction in sum insured has been removed in this scheme also.

**Annexure-II**

**State-wise details of premium collected from farmers During Last one year (i.e. 2014-15)**

2014-15		
ALL COMPANIES		
WBCIS		
Sl. No	State / UT	Farmers' Premium (Rs. Lakh)
1	Andhra Pradesh	2451.29
2	Assam	376.92
3	Bihar	19133.33
4	Chhattisgarh	16756.49
5	Haryana	1.71
6	Himachal Pradesh	1865.88
7	Jammu & Kashmir	23.06
8	Jharkhand	1973.84
9	Karnataka	5828.42
10	Kerala	186.23
11	Madhya Pradesh	3420.37
12	Maharashtra	13585.31
13	Rajasthan	24062.69
14	Telangana	1015.80
15	Uttar Pradesh	2453.56
16	Uttarakhand	692.38
17	West Bengal	31.23
	Total	93858.51

MNAIS		
Sl. No	State / UT	Farmers' Premium (Rs. Lakh)
1	Andhra Pradesh	5140.79
2	Andaman & Nicobar	0.00
3	Bihar	3034.83
4	Goa	0.52
5	Jharkhand	397.44
6	Karnataka	8672.82
7	Kerala	207.26
8	Rajasthan	14971.61
9	Tamil Nadu	664.64
10	Telangana	9162.39
11	Uttar Pradesh	15556.49
12	Uttarakhand	248.32
13	West Bengal	3558.99
	Total	61616.12

NAIS		
Sl. No	State / UT	Farmers' Premium (Rs. Lakh)
1	Andhra Pradesh	682.11
2	Assam	243.91
3	Bihar	8064.98
4	Chhattisgarh	482.02
5	Gujarat	17375.47
6	Himachal Pradesh	150.86
7	Jharkhand	324.50
8	Madhya Pradesh	44894.81
9	Maharashtra	16568.51
10	Manipur	41.45
11	Meghalaya	21.68
12	Orissa	13133.32
13	Sikkim	0.45
14	Tamil Nadu	3203.35
15	Telangana	3047.52
16	Tripura	1.46
17	West Bengal	7251.70
18	Puducherry	6.61
	Total	115494.71

ALL SCHEMES COMBINED ALL COMPANIES		
Sl. No	State / UT	Farmers' Premium (Rs. Lakh)
1	Andhra Pradesh	8274.18
2	Assam	620.83
3	Bihar	30233.13
4	Chhattisgarh	16756.49
5	Haryana	1.71
6	Himachal Pradesh	2016.74
7	Jammu & Kashmir	23.06
8	Jharkhand	2371.29
9	Karnataka	14501.24
10	Kerala	393.50
11	Madhya Pradesh	48315.18
12	Maharashtra	30153.82
13	Rajasthan	39034.30
14	Telangana	13225.71

15	Uttar Pradesh	18010.05
16	Uttarakhand	940.70
17	West Bengal	10841.92
18	Andaman & Nicobar	0.00
19	Goa	0.52
20	Tamil Nadu	3867.99
21	Chhattisgarh	482.02
22	Gujarat	17375.47
23	Jharkhand	324.50
24	Manipur	41.45
25	Meghalaya	21.68
26	Orissa	13133.32
27	Sikkim	0.45
28	Tripura	1.46
29	Puducherry	6.61
	Total	270969.34

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