

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

LOK SABHA
UNSTARRED QUESTION NO.1608
 TO BE ANSWERED ON THE 3RD MAY, 2016

IMPLEMENTATION OF CROP INSURANCE SCHEME

1608. SHRI CHANDRA PRAKASH JOSHI:
 SHRI P.K. BIJU:

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

- (a) whether many hurdles have surfaced in the implementation of crop insurance scheme, if so, the details thereof and the corrective action taken thereon;
- (b) whether the Government is aware that some insurance companies are involved in frauds against the farmers in the name of crop insurance across the country;
- (c) if so, the details thereof along with the corrective steps taken by the Government in this regard;
- (d) whether the Government is considering to make a new law to protect the farmers from these insurance companies; and
- (e) if so, the details thereof along with the steps taken by the Government to implement these crop insurances schemes properly in the entire country?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

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

(a): Yes, Madam. 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. After detailed discussion with various stakeholder, Government of India has recently approved Pradhan Mantri Fasal Bima Yojana (PMFBY) which replaced the existing schemes of National Agricultural Insurance Scheme (NAIS) & Modified National Agricultural Insurance Scheme (MNAIS) from ensuing Kharif 2016 season. Premium rates under Weather Based Crop Insurance Scheme (WBCIS) have also been reduced and brought at par with PMFBY scheme. Salient features of PMFBY are **annexed**.

In addition, a Unified Package Insurance Scheme (UPIS) has also been approved for implementation on pilot basis in selected 45 districts of the country from ensuing Kharif 2016 season to cover the other assets/activities like machinery, life, accident, house, student-safety, besides crops of the farmers.

(b) & (c): No, Madam. However, some complaints about non-payment and delayed payment of claims; under payment of claims on account of incorrect/delayed submission of insurance proposals by banks; unrealistic assessment of crop loss due to large unit area of insurance; delay in providing Government share of funds etc., have been received in the past. State Level Coordination Committees on Crop Insurance (SLCCCI) have been overseeing & monitoring the implementation of the scheme.

(d) : No Madam.

(e): In view of (d) above, question of details does not arise. However, Government has taken various steps like regular review of the crop insurance scheme, introduction of a new simplified and easily understandable – Pradhan Mantri Fasal Bima Yojana for farmers and other stakeholders; use of advanced technology including Smartphone app for conduction & transmission of data/information of Crop Cutting Experiments (CCEs), use of Drones for estimation of crop losses, development of crop insurance portal for better administration, coordination and transparency between various stakeholders, special awareness & capacity development programmes etc. for proper implementation of the schemes.

Salient Features of PMFBY

- i) Provide comprehensive insurance coverage against crop loss on account of non-preventable natural risks, thus helping in stabilizing the income of the farmers and encourage them for adoption of innovative practices.
- ii) Increase the risk 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 Village/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 provided as subsidy and shared equally by the Centre and State.
- vi) Uniform seasonality discipline & Sum Insured for both loanee & non-loanee farmers
- vii) Removal of the 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 individual farm level assessment for Post harvest losses against the cyclonic & unseasonal rains for the crops kept in the field for drying upto a period of 14 days, 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 is reported more than 50% in the insurance unit. 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 farmer's 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.
- xix) In addition, a Unified Package Insurance Scheme (UPIS) has also been approved for implementation on pilot basis in 45 districts of the country from Kharif 2016 season to cover the other assets/activities like machinery, life, accident, house and student-safety for farmers alongwith their notified crops (under PMFBY/ Weather Based Crop Insurance Scheme - WBCIS).
