

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

**LOK SABHA**  
**UNSTARRED QUESTION NO.286**  
TO BE ANSWERED ON THE 19<sup>TH</sup> JULY, 2016

**CROP INSURANCE SCHEMES**

286. KUNWAR BHARATENDRA:

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) whether any deficiencies have been identified by the Government in implementation of the existing crop insurance schemes; and
- (d) if so, the corrective measures taken/ being taken for better implementation of these crop insurance schemes and make them more effective and fruitful?

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्रालय में राज्य मंत्री (SHRI SUDARSHAN BHAGAT)

(a) to (d): 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 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 current Kharif 2016 season. All the major issues enumerated above have been addressed in the PMFBY. Salient features of the scheme are **Annexed**.

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 from Kharif 2016 season.

**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 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).

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