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States to roll out PM crop cover scheme soon

Bidding process apace to select insurance firms for Fasal Bima Yojana

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The Centre's flagship crop insurance scheme, Pradhan Mantri Fasal Bima Yojana, is likely to be rolled out in several parts of the country by next month as the bidding process for selecting insurance companies is over in at least ten States and a Union Territory and many others are in the midst of it.

All top insurance companies such as Tata AIG, Ifco Tokio, Reliance, Bajaj Allianz and ICICI Lombard have expressed interest in the new scheme and participated in the bidding process.

"We just held a review meeting with States and the response has

been very encouraging. Many have already finished bidding and evaluating, some are in the process, while others are preparing for it," Agriculture Secretary Shobhana K Pattanayak told *Businessline*.

Scheme notification

The Secretary said that States will notify the crop insurance scheme soon after the bidding process was over and the insurance companies identified.

The PMFBY insures farmers against the vagaries of nature at very low premium fixed at 2 per cent of the insured value for the kharif crop and 1.5 per cent for the rabi season.

"When the crop insurance scheme gets notified in States, farmers will start getting covered as soon as loans are sanctioned by banks," he said.

The Centre has asked all banks to compulsorily cover all farmers that take loans under the crop insurance scheme by deducting the premium.

"Banks have also been asked to provide insurance to all farmers who have not taken loans when such farmers approach them to enrol under the scheme," he said.

Premium share

The PMFBY, launched in January, stipulates that the premium charged by insurance companies over and above the token amount paid by farmers would be shared by the Centre and States in equal measure.



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Under the current insurance schemes for farmers, which would now be discontinued, the premium for farmers is much higher at 3.5 per cent to 8 per cent. States and Union Territories that have finished the bidding process and are in various stages

of evaluation include Andhra Pradesh, Chattisgarh, Himachal Pradesh, Jharkhand, Madhya Pradesh, Orissa, Telangana, Uttarakhand, West Bengal, Gujarat and Andaman & Nicobar Island.

State-wise details

The States where the bidding process is on include Karnataka, Maharashtra, Tripura, and Uttar Pradesh.

"Bihar, Haryana, Goa, Kerala, Rajasthan and Tamil Nadu have said that they are going to start the process soon," Pattanayak said.

The Agriculture Ministry will hold State-wise meetings with all stakeholders including the State governments, banks and insurance companies to oversee its publicity, enforcement drive and implementation.

Handwritten notes: "23/5" and "N 1/c News paper unit".