

States float tenders for PM's mega crop insurance scheme

■ Firms will offer insurance for those crops for which yield data are available

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In a bid to roll out Pradhan Mantri Fasal Bima Yojana (PMFBY), several states, including Uttarakhand, West Bengal and Jharkhand, have floated tenders for empaneling insurance companies who would be implementing the Centre's mega crop insurance scheme from the next kharif season.

Agriculture ministry sources told *FE* that Andhra Pradesh, Bihar, Odisha and Haryana too are expected to float tenders shortly for empanelment of 10 private companies including ICICI-Lombard General Insurance, HDFC-ERGO General Insurance, IFFCO-Tokio General Insurance and SBI General Insurance, identified by the Centre for implementation of the mega scheme.

After the empanelment, the insurance company would offer crop insurance to those crops for which past yield data is available.

The agriculture ministry official said that during the next few weeks, more states would commence work for



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rolling out PMFBY and Weather Based Crop Insurance Scheme (WBCIS) whose premium have been brought at par with PMFBY.

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Officials said there is no upper limit on the government's subsidy for this scheme. "The provision of capping the premium rate, which existed in earlier schemes, and resulted in low claims being paid to farmers, has been done away with," an official said. The official said farmers will get claims against the full sum insured,

without any reduction.

Besides, because of delay in crop cutting exercise which was time consuming, the new crop insurance scheme would use of technology like smartphones for capturing and uploading data on crop cutting for fastening the claim payment exercise. Besides, remote sensing satellite would be used to reduce the number of crop cutting experiments.

For dealing with delay in settlement of compensation, the new crop insurance policy proposes immediate payment of 25% of the sum insured amount to farmers for crop damage.

"The expansion of the crop insurance scheme would depend on the number of farmers voluntarily opting for it. Lower premium rates might encourage more farmers to take up crop insurance," Ajay Vir Jakhur, chairman, Bharat Krishak Samaj, said.

From April 1, the government has discontinued the existing National Agricultural Insurance Scheme (NAIS) & Modified National Agricultural Insurance Scheme (MNAIS).

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