

Agricultural Insurance

8.61 National Agricultural Insurance Scheme (NAIS) was introduced from Rabi 1999-2000 replacing the erstwhile Comprehensive Crop Insurance Scheme (CCIS). The main objective of the scheme is to protect the farmers against crop losses suffered on account of natural calamities, such as, drought, flood, hailstorm, cyclone, fire, pests and diseases.

8.62 The new scheme is now available to all the farmers - loanee and non-loanee - irrespective of their size of holding. It envisages coverage of all the food crops (cereals, millets and pulses), oilseeds and annual horticultural/commercial crops, in respect of which past yield data is available for adequate number of years. Among the annual commercial/horticultural crops – seven crops, namely, sugarcane, potato, cotton, ginger, onion, turmeric and chillies, are presently covered. All other annual horticultural and commercial crops will be placed under insurance cover in the third year subject to the condition of availability of past yield data.

8.63 The new scheme would operate on the basis of an Area Approach i.e. defined areas for each notified crop for widespread calamities and on an individual basis for localised calamities such as hailstorm, landslide, cyclone and flood. Individual based assessment in case of localised calamities would be implemented in limited areas, on experimental basis initially and, shall be extended in the light of operational experience gained. Under the new scheme, each participating State/UT is required to reach the level of Gram Panchayat as the unit of insurance in a period of three years.

8.64 The Government has also decided to set up an exclusive organisation for implementation of the new scheme in due course. Until such time as the new set up is created, the General Insurance Corporation of India (GIC) will continue to function as the Implementing Agency.

8.65 The premium rates for Bajra and Oilseeds are 3.5 per cent of sum insured or actuarial rates which ever is less while for Cereals, other Millets and Pulses, the premium rates are 2.5 per cent of sum insured or actuarial rates whichever is less. In the case

of commercial and horticultural crops, actuarial rates will be charged. Small and marginal farmers will be entitled to subsidy of 50 per cent of the premium charged from them to be shared equally by State/UT and Central Government. The subsidy in premium will be phased out over a period of five years.

8.66 During Rabi 1999-2000, 16 States/UTs - Assam, Goa, Gujarat, Himachal Pradesh, Kerala, Madhya Pradesh, Maharashtra, Orissa, Pondicherry, Andhra Pradesh, Bihar, Meghalaya, Uttar Pradesh, Karnataka, Andaman Nicobar Islands and Tamil Nadu, have joined the Scheme. Two more States – Sikkim and West Bengal have shown their willingness to join the scheme w.e.f. 2000-2001 season. Performance under the scheme is given in Table 8.27

Seed Crop Insurance

8.67 The Scheme for Seed Crop Insurance has been introduced for identified crops viz Paddy, Wheat, Maize, Jower, Bajra, Gram, Red Gram, Groundnut, Soyabean, Sunflower and Cotton in the states of Andhra Pradesh, Gujarat, Haryana, Karnataka, Madhya Pradesh, Maharashtra, Orissa, Punjab, Rajasthan and Uttar Pradesh with a view to strengthen confidence in the existing Seed Breeders/ Growers and to provide financial security to Seed Breeders/ Growers in the event of failure of Seed Crop, w.e.f Rabi 1999-2000 season. 'Breeder', 'Foundation' and 'Certified' Seeds of the crops of the Scheme covers all natural risks at the following stages:— (i) Failure of seed crop either in full or in part due to natural risk; (ii) Loss in expected raw

Performance of National Agriculture Scheme		
	Rabi 1999-2000	Kharif 2000 (upto 30.9.2000)
Farmers covered	5,84,239	57,72,063
Sum Insured (Rs. crore)	339	4872
Insurance Charges (Rs. crore)	5	140

seed yield; (iii) Loss of seed crop after harvest; (iv) At seed certification stage.

8.68 Sum Insured is equivalent to the average of preceding three/five years' Foundation and Certified seed yield of the identified unit area multiplied by 'Procurement Price' of the seed

crop variety prevailing in the previous season by National Seed Corporation/State Seed Corporations. The premium rates for the seeds of Wheat and Groundnut are 2 per cent of the sum insured, 2.5 per cent for Sunflower, 3 per cent for Paddy, 3.5 per cent for Jowar and 5 per cent for Gram, Red Gram, Cotton, Bajra, Soyabean, and Maize.

Livestock Insurance

8.69 Cattle insurance programme is being implemented by the General Insurance Corporation of India (GIC). Under the various Livestock Insurance Policies, cover is provided for the sum insured or the market value of the animal at the time of death whichever is less. Animals are insured upto 100 per cent of their market value normally. The progress in respect of number of cattle covered, premium collected

and claims paid since 1995-96 is listed in Table 8.28. The fall in number of animals insured in last three years is due to reduction in the number of low value animals such as sheep, calves and goats which at present constitute about 25 per cent of animals covered.

TABLE 8.28
Livestock Insurance

Year	No. of animals insured (million)	Premium collected (Rs. cr.)	Incurred claims amount (Rs. cr.)	Claims to premium ratio
1995-96	15.3	113.39	74.05	65
1996-97	14.7	122.54	74.83	61
1997-98	6.3	143.45	80.11	56
1998-99	7.9	152.02	126.08	83
1999-2000	9.8	137.14	114.28	83