

## Crop And Livestock Insurance

### Crop Insurance

40. Comprehensive Crop Insurance Scheme (CCIS) has been in operation in the country since Kharif 1985 as an instrument of risk management in agriculture and as a measure of providing relief to farmers whose crops are damaged due to natural calamities. The sum insured is equal to crop loan disbursed subject to a maximum of Rs. 10,000 per farmer. The premium is charged at the rate of 2 per cent for rice, wheat and millets and 1 per cent for pulses and oilseeds. Since inception of the Scheme in 1985, about 6.45 crore farmers have been covered up to rabi 1997-98 season. The total amount of claims paid was Rs. 1623 crore as against a premium collection of about Rs. 313 crore up to rabi, 1997-98 season. The Scheme is thus unviable. The losses incurred are met by the Government of India and the concerned state Governments in the ratio 2:1. The main drawback of the scheme is seen in the claims entertained for one single crop, namely, groundnut, because of which Gujarat state alone received Rs. 792 crores as claims compensation out of all India claims of Rs. 1623 crores. Thus one single crop (groundnut) in just one state (Gujarat) alone claimed 48.8 percent of total claims between 1985 to rabi 1997-98.

### Experimental Crop Insurance Scheme

41. An Experimental Crop Insurance Scheme was introduced by the Government of India during rabi 1997-98 season covering non-loanee small and marginal farmers growing specified crops in selected districts. The scheme could be implemented only in 14 districts of 5 States. The premium was totally subsidised. Premium

and claims both, were shared by Central and State Governments in the ratio of 4:1. About 4.78 lakh farmers were covered for a sum insured of Rs. 172 crore under the scheme during the rabi 1997-98 season. The total premium collected was Rs. 2.86 crore and against that, the claims amounted to around Rs. 39.78 crore. The Scheme has since been discontinued from kharif 1998 season. However, an expanded crop insurance scheme that will cover all farmers and more crops is under active consideration of the Government.

### Livestock Insurance

42. Under the Livestock Insurance Policy, cover is provided for the sum insured or the market value of the animal at the time of death whichever is less. Animals are normally insured upto 100 percent of their market value. The General Insurance Corporation of India (GIC) implements various cattle insurance programmes. The position regarding number of cattle covered, premium collected and claims paid since 1993-94 is listed in the Table 8.18.

**TABLE 8.18**  
**Livestock Insurance**

| Year     | No. of animals insured (million) | Premium collected (Rs. cr.) | Incurred claims amount (Rs. cr.) | Claims to premium ratio |
|----------|----------------------------------|-----------------------------|----------------------------------|-------------------------|
| 1993-94  | 17.7                             | 103.87                      | 63.71                            | 61                      |
| 1994-95  | 14.3                             | 106.87                      | 71.50                            | 67                      |
| 1995-96  | 15.0                             | 113.39                      | 74.05                            | 65                      |
| 1996-97  | 14.7                             | 122.54                      | 74.83                            | 61                      |
| 1997-98* | 16.5                             | 137.40                      | 93.32                            | 68                      |

\* Provisional