

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:3704
ANSWERED ON:17.08.2010
SETTLEMENT OF CLAIMS UNDER NAIS
Balram Shri P.;Shetkar Shri Suresh Kumar

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the Government has received complaints that farmers covered under the National Agricultural Insurance Scheme (NAIS) have to wait for more than one year to receive their claims despite being declared drought hit;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the Government has received suggestions from experts and NGOs on measures to strengthen the said scheme; and
- (d) if so, the details thereof and the steps taken by the Government thereon?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF THE STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K.V. THOMAS)

(a) & (b): Sometimes, queries are received from the farmers for settlement of claims based on declaration of \drought/flood by State Governments. As per the provisions of the National Agricultural Insurance Scheme (NAIS), settlement of claims are not related to the declarations of drought/flood, but it is done solely on the basis of yield data submitted by the State Government arrived through requisite number of Crop Cutting Experiments (CCEs) within stipulated cut off dates. Normally, Agriculture Insurance Company of India Ltd.(AIC) which is the Implementing Agency of NAIS, processes the admissible claims within one month after the receipt of yield data from the concerned State Government. Claims if any, are paid immediately thereafter provided the share of funds of the Central and State Government have been received by the AIC.

However, sometimes, due to discrepancies in yield data, legal cases, etc. settlement of claims are delayed and requests from the States/farming community for early settlement of the claims are received. Under such circumstances the matters are promptly referred to the Implementing Agency (i.e. AIC) for taking urgent action and as far as possible, all the complaints are suitably addressed wherever feasible.

(c) & (d): Yes, Madam. The suggestions with respect to reduction in unit area of insurance, increase in indemnity level, broad-basis of calculation of threshold yield, early settlement of claims, pre-sowing/ planting risk etc. to strengthen the scheme have been received from various quarters of farming community and States from time to time. Based on the suggestions, a proposal on Modified National Agricultural Insurance Scheme (MNAIS) incorporating improvements with reference to the above mentioned suggestions has been prepared by Government.