

**GOVERNMENT OF INDIA  
AGRICULTURE  
LOK SABHA**

UNSTARRED QUESTION NO:32  
ANSWERED ON:22.02.2011  
NATIONAL AGRICULTURAL INSURANCE SCHEME  
Mani Shri Jose K.

**Will the Minister of AGRICULTURE be pleased to state:**

- (a) the details of the crops included under the National Agricultural Insurance Scheme (NAIS) and the norms of payments thereunder;
- (b) whether the Government proposes to modify the NAIS;
- (c) if so, the details thereof; and
- (d) the extent to which the farmers are likely to be benefited under the modified NAIS alongwith the likely additional financial liability on the Government as a result thereof during the current financial year?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI ARUN YADAV)

(a): NAIS covers all food crops (cereals, millets & pulses), oilseeds and annual commercial/horticultural crops, in respect of which past yield data is available for adequate number of years. As per provisions of NAIS, implementing States notify unit area of insurance for various Kharif and Rabi crops. If actual yield of the unit area falls short from the threshold/guaranteed yield then, insured farmers become eligible for claims equal to value of the shortfall in yield from the threshold yield.

(b) & (c): Government of India has already approved the Modified NAIS for implementation on pilot basis in 50 districts from Rabi 2010-11 for remaining period of 11th Plan. Structure of Modified NAIS is more farmer friendly because of incorporation of various improvements such as (i) actuarial premium with subsidy in premium ranging 40% to 75% to farmers (ii) Unit area of insurance reduced to village panchayat level for major crops (iii) coverage of prevented sowing/planting risk (iv) coverage of post harvest losses due to cyclone in coastal areas (v) on account payment up to 25% advance of likely claims as immediate relief (vi) more proficient basis for calculation of threshold yield (vii) minimum indemnity level of 70% instead of 60% etc.

(d): Due to the inclusion of the above improved features, farmers are expected to be benefited on account of coverage of additional risks, more precise assessment of claims and advance/timely payment of claims. As per provisions of the Scheme, NAIS is withdrawn from those areas where Modified NAIS is implemented. In Rabi 2010-11, 12 States have notified implementation of Modified NAIS in 34 districts. An amount of Rs.25 crore has been released to implementing agencies against the committed liability of Government of India for upfront premium subsidy to the farmers. Under Modified NAIS, settlement of claims is the responsibility of the insurance companies.