

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:2002
ANSWERED ON:01.12.2009
INDEMNITY FOR INSURED CROPS
Lagadapati Shri Rajagopal

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether under the National Agricultural Insurance Scheme (NAIS), three levels of indemnity have been adopted for insured crop;
- (b) if so, the rationale behind the same;
- (c) whether several requests have been received by the Union Government from the States including Andhra Pradesh to have only one level of indemnity;
- (d) if so, the details thereof; and
- (e) the action taken by the Government in this regard?

Answer

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

(a) & (b): Yes, Madam. There are three levels of indemnity i.e. 90%, 80% and 60% corresponding to low risk, medium risk and high risk areas, available under National Agricultural Insurance Scheme (NAIS) for all the crops based on coefficient of Variation, which reflect the variability in the yield data of past 10 years of a crop in a notified area.

(c) to (e): Yes, Madam. During the course of implementation of the scheme some implementing States/ UTs including Andhra Pradesh have suggested one level of indemnity.

Keeping in view the suggestions of States/UTs and othe stake-holders, a Joint Group was constituted by the Government, to study the improvements required in the existing crop insurance schemes. The Group has reviewed the scheme and made important recommendations including that for indemnity levels. Based on these recommendations a proposal on Modified NAIS has been prepared.