

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:308
ANSWERED ON:25.11.2014
DEDUCTION OF PREMIUM OF NAIS
Saraswati Shri Sumedhanand

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether some amount from the loan being given to all the farmers through the Kisan Credit Card is deducted as premium of National Agricultural Insurance Scheme (NAIS);
- (b) if so, the details thereof;
- (c) whether a very meagre amount of insurance cover is received by the farmers in comparison to the actual loss of crops suffered by them with the deduction of this premium;
- (d) if so, whether the Government proposes to modify the structure of the scheme to ensure payment of compensation in sync with the amount of loss suffered by the farmers;
- (e) if so, the details thereof;
- (f) whether the crops damaged due to incidents of natural calamity such as minor incidents of hailstorms occurring in few villages have not been included in the insurance coverage; and
- (g) if so, the corrective steps being taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (DR. SANJEEV KUMAR BALYAN)

- (a) & (b): National Agricultural Insurance Scheme (NAIS) being compulsory for loanee farmers, the Banks are required to deduct the premium from the loan amount of farmers including Kisan Credit Card (KCC).
- (c): No, Madam. In fact, the experience has been that under NAIS the claims paid to farmers against crop loss are much more than the premium collected. As against the premium of Rs.10445.65 crore collected from farmers since inception of the scheme in the year 1999, the claims paid till Rabi 2013-14 (as on 20.11.2014) has been Rs.32860.84 crore. Whenever and wherever there is shortfall in yield as compared to threshold yield as per data provided by State Governments, the compensation as admissible under the scheme is paid to the farmers.
- (d) & (e): Government has recently revised the NAIS and introduced Modified National Agricultural Insurance Scheme (MNAIS) as one of the components of National Crop Insurance Programme (NCIP) which is comparatively more farmer's friendly. Further, improvement in existing Crop Insurance Schemes is a continuing process to ensure that farmers are compensated adequately when they suffer damage to their crops due to any non-preventable risks.
- (f) & (g): The crop insurance is presently based on area approach. However, with a view to ensure that farmers do not suffer, the unit area of insurance has been reduced to village/village Panchayat level under Modified NAIS. Further, a provision has also been made to settle claims in case of localized calamities like hailstorm etc. at individual basis.