

Regulatory Crop Insurance:

➤ **Description of the Activity:**

To mitigate the financial losses suffered by farmers due to damage and destruction of their crops resulting from various production risks including Natural calamity, State Government and Central Government has come up with a revised location and crop specific insurance scheme to be implemented in various States of the country.

The above scheme has replaced existing National Agricultural Insurance Scheme (NAIS) and Modified National Agricultural Insurance Scheme (MNAIS) WEF Kharif season 2016. PMFBY would be available to the farmers at very low rates of premium which would be maximum up to 1.5% for Rabi, up to 2% for Kharif for Food crops, Pulses and Oil seeds and up to 5% for Annual Horticulture / Commercial Crops. This scheme would provide insurance cover for all stages of the crop cycle to the farmers.

Salient Features of Pradhan Mantri Fasal Bima Yojana:

- Mandatory for all Loanee Farmers cultivating notified crop in notified location and Optional for Non-Loanee Farmers.
- Non-loanee farmers can also avail the benefit of this scheme as per applicable guidelines at all branches of the bank.
- Lowest Premium Rates: Farmers will have to pay a premium of only 2% to 5% of Sum Insured Amount or as per scheme applicability.
- In PMFBY, there will not be a cap on the premium and reduction of the sum insured.
- Promises to provide prompt and easy settlement of claims through the use of technology like GPS, smart phones, remote sensing and drones to access actual crop damage.
- The scheme also provides for coverage of post-harvest losses.
- Covers localised crop losses like hailstones.
- Increased time for change of crop name for insurance – up to 2 days prior to cut-off date for enrolment.
- More time for insured farmer to intimate individual claims – within 72 hours of calamity and directly on portal.

Benefits vis-à-vis earlier Crop Insurance Schemes:

- Post-Harvest Losses: Coverage is available from harvesting for those crops which are kept in “cut & spread” condition to dry in the field after harvesting.
- Yield Losses: Comprehensive risk insurance is provided to cover yield losses due to non-preventable risks.
- Prevented Sowing: In cases where farmers have incurred expenditure for sowing, but are prevented from sowing the insured crop due to adverse weather conditions, shall be eligible for indemnity claims.