

2) The Pradhan Mantri Fasal Bima Yojana must undergo a cost benefit Audit and be updated to allow for better crop insurance Coverage.

Examine.

Our Agriculture sector contributes only 16.9% of GDP but more than half of our population still depends on Agri sector for livelihood option.

In 2016, the "Pradhan Mantri Fasal Bima Yojana" introduced with involvement of insurance Companies to provide indemnities to farmers, who have crop losses in future. The Registration/Entitlement under this scheme increases but the farmers' distress also increases year by year.

Why need a cost benefit Audit" For PMFBY?

2) In recent heavy rains, damage to crops in haryana region, under the PMFBY scheme the

indemnity is really under estimation but the money is not transferred due to the losses not meet the demand of insurance Companies. Majority of insurance Companies only collect the Premiums without proper ground level estimation.

---

## 2) Regain Faith Among Farmers

The insurance Companies simply debited the "Premiums" from Farmers bank account, without direct contact with farmer and most of the insurance Companies don't have the branches in taluk level of rural areas.

### • Transparent System of "indemnity" transfer

---

Need a transparent and speedy transfer of indemnity with efficient analysis of crop losses using modern technologies like drones, GPs etc.

# Way Forward

- 1) "Removal of Cap of insurance scheme is a good move, now the farmers claim against full sum insured without any reduction, but poor capacity to deliver still persist, and take measures to overcome this issues is in hands of both central and state governments.
- 2) Reduce the premium rates to affordable by poor farmers.
- 3) Equal contribution of both state and central government needed, but only very few state governments paying their shares regularly. Mutual cooperation is essential for success of this initiative.

Cap insurance have history of 100 years, from 1920 to still today farmers distress remains in peak level. The crop insurance schemes must be updated according to needs of the Agri sector.