

ABSTRACT

Agriculture sector is exposed to a lot of calamities and this in turn affects the productivity of the country. Though the share of agriculture in the national income has been declining overtime a large number of people still depend upon agriculture for their livelihoods either directly or indirectly through forward and backward linkages. In India, It has undergone significant structural changes in the form of decrease in its share of GDP from 30% in 1990-1991 to 14.5% in 2010-2011 indicating a shift from the traditional agrarian economy towards a service dominated one. In order to protect the farmers from the disasters like drought, flood, cyclone, earthquake etc. farmer's agricultural insurance was introduced. The government had introduced NAIS (National Agriculture Insurance Scheme) to promote agriculture insurance. This Paper aims to offer an overview of the entire policy process, from the NAIS to the modified NAIS and beyond. It offers the stylized overview of the existing scheme the NAIS. It also provides the key elements for a strategy to increase in the penetration of agricultural insurance in the Indian states. The specific objectives are to (A) Find the variations of insurance coverage across states in India. (B) Identify the gaps in the provision of agricultural insurance. (C) Identify Impediments to increasing penetration and suggest how to remove those impediments. Using the data collected from the insurance company the study shows how the insurance scheme has been implemented and shows the working of the insurance company in general. The study on the whole tells about the need to promote agriculture scheme in a huge way and also the need for proper government intervention in these schemes.