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PSU insurers go slow with crop insurance

MADHUSUDAN SAHOO
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Major general insurers, especially public sector players, are learnt to be shying away from insuring their crops through the Pradhan Mantri Fasal Bima Yojana, or PMFBY, scheme. They feel the current crop insurance scheme is not lucrative enough for them to focus on it.

However, a few private players have been looking at the scheme for widening their market reach. For

instance, Bajaj Allianz General Insurance Company has increased its presence in the segment and has gone ahead of its peers. Its exposure to the sector currently stands at Rs 1,700 crore.

"All the major players, who are active on the non-life insurance space in the country, have reportedly reduced their exposure to the crop insurance, as they don't find the PMFBY scheme lucrative any more in its revised form. Therefore, they are slightly

pushing away from this scheme to avoid losses," a senior official of a public sector general insurance company told *Financial Chronicle* on condition of anonymity.

Data with sector regulator Irdai shows private insurer's exposure to crop insurance stands at Rs 1,615 crore for HDFC ERGO, Rs 1,605 crore for Reliance General Insurance, Rs 1,370 crore for SBI General Insurance and Rs 843 crore for Iffco Tokio. In contrast, the

exposure of the largest state-run non-life insurer, New India Assurance, is Rs 675 crore.

Ashish Agarwal, head-agri business & CSC, Bajaj Allianz General Insurance, said the firm has been participating in the PMFBY scheme from its launch in 2016. "We have been authorised to enrol farmers under the PMFBY by the governments of Chhattisgarh, Haryana, Karnataka, Maharashtra and Rajasthan during the kharif 2020 season."