



Beed Model of Crop Insurance

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- **Maharashtra has urged the central government for state-wide implementation of the 'Beed model' of the Pradhan Mantri Fasal Bima Yojana (PMFBY).** Located in the drought-prone Marathwada region, the district of Beed presents a challenge for any insurance company.
- During the 2020 kharif season, the state Agriculture Department decided to tweak the guidelines for the district. **The state-run Indian Agricultural Insurance Company implemented the scheme.**
- Under the new guidelines, the insurance company provided a cover of 110% of the premium collected, with caveats. **If the compensation exceeded the cover provided, the state government would pay the bridge amount.**
- **In a normal season where farmers report minimal losses, the state government is expected to get back money** that can form a corpus to fund the scheme for the following year.
- In the Beed model, the profit of the company is expected to reduce and the state government would access another source of funds. For farmers, however, this model does not have any direct benefit.

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