



## RESEARCH PAPER

# Analysis of weather based crop insurance scheme claim payouts in Karnataka

H. Jeyanthi

ADRTC, Institute for Social and Economic Change (ISEC), Bangalore (Karnataka) India

(E-mail: [jeyanthih@isec.ac.in](mailto:jeyanthih@isec.ac.in))

**Abstract :** Weather being the major risk in agriculture, Weather Based Crop Insurance Scheme (WBCIS) was introduced in India to address this specific risk. Since weather index is an proxy for yield loss, there are chances that the index may not adequately reflect actual field loss and result in no and inadequate compensation when there is huge loss in field and higher outgo during normal agriculture production season. So, this study was done with the main objective of evaluating the performance of the scheme in terms of its ability to compensate the loss. The analyses of frequency of claims and claim ratio reveals good performance of WBCIS in paying claims. But severity and distribution of payouts reveals that claim paid were inadequate and very less and claim distribution is highly skewed towards lower claim per hectare. It suggests that redesigning WBCIS product in such a way that it is beneficial during bad years can help to improve the performance of the scheme in future.

**Key Words :** Crop insurance, Claim ratio

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