Sri Lanka Journal of Agrarian Studies 4 (1), 1983, 11–22.

AGRICULTURAL INSURANCE IN SRI LANKA

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ABSTRACT

Successive Governments in Sri Lanka since Independence recognised the need for comprehensive measures to overcome the chronic problems endemic in peasant agriculture and took action in various ways to provide relief for small farmers who were subjected to severe hardships and impoverishment. Among the measures adopted were changes in tenurial conditions, guaranteed price schemes, subsidized agricultural input programmes, construction and improvement of irrigation systems and the expansion of institutional credit schemes.

Since one of the basic risks associated with peasant farming in Sri Lanka was the uncertainty of yields as a result of climatic and other factors, the possibility of protecting the capital laid out by the farmer and his efforts, and ensuring the stability of farmers' incomes also received special attention of the Government in the late 1950*s. As a result of this special concern, the services of a FAO Adviser were obtained for the purpose of advising on a scheme of agricultural insurance that would protect farmers against damage or loss to their crops resulting from the vagaries of nature and other hazards. This FAO Adviser, after a careful study of local conditions and problems, presented his report to the Government which was published as Sessional Paper XIV*–1957. *This report advocated the adoption of crop insurance on an experimental basis. Thus, Sri Lanka became the first country in South East Asia to adopt crop insurance as a strategy for providing relief to farmers who suffered loss or damage to their crops as a result of inclement weather, floods, droughts, pestilence, disease or damage by wild animals. It was first introduced in* 1958/59 *on an experimental basis in respect of paddy lands in selected districts and thereafter extended to other areas on the basis of the Crop Insurance Act No.* 13 *of* 1961. *Eventually, in* 1974 *this Crop Insurance Scheme was replaced by a more comprehensive compulsory scheme under the Agricultural Insurance Law No.* 27 *of* 1973. *Some aspects of these two schemes and the difficulties encountered in their implementation are discussed below.*

The Crop Insurance Scheme

The Crop Insurance Scheme was introduced into Sri Lanka with the 1958/59 *Maha* season as a pilot project and on an experimental basis. Its main objective was to carry out experimental schemes of crop insurance, commencing with paddy only, with a view to gaining experience in its working so that in course of time appropriate systems of such insurance could be evolved and established for the whole Island.

The insurance was to guarantee for producers of crops—paddy in the first instance–protection against average or normal physical losses from natural hazards beyond the control of the producers, in return for an annual contribution to be paid by them. Abnormal or extraordinary losses were, to the extent of their excess over the average or normal losses, still to be covered by insurance but the extra cost of such extraordinary losses was to be borne by the Government as part of its relief operations.

In fixing the aggregate area of experimentation as well as in allocating it to different parts of the Island the following three basic principles were observed:

(*a*) the aggregate pilot area was of the smallest scale possible consistent with a reasonable spread of risks and with its usefulness as an experimental measure.

(*b*) the aggregate area consisted of smaller areas typical of the whole Island as far as possible, leaving out excessively high risk districts or high risk divisions and tracts within districts, and

(*c*) the different areas had reasonably workable data to start the insurance and a fairly dependable administration.

On this basis, the pilot project was limited to cover approximately 25,000 acres of paddy in 6 districts, namely, *Hambantota, Anuradhapura, Colombo, Kegalle, Amparai* and *Batticaloa,* for a period of four years. The principles governing the operation of the project were that

(*a*) the insurance was an "all risk" insurance, in terms of which farmers were given protection against physical losses of crops resulting from all natural hazards, including pests and diseases, beyond their control.

(*b*) the insurance applied only against large-scale losses in quantity, that is, when the losses exceeded 30 per cent of the estimated or apprised long-term average yield. All losses in excess of this percentage were to be indemnified to the extent and in proportion to the full insurance amounts.

(*c*) the insurance was compulsory for all paddy growers, that is, all owner-cultivators, landlords, and tenants as defined in the Paddy Lands Act, in areas declared to be under insurance and were automatically brought within the scope and benefit of insurance.

(*d*) the insurable acerage and interest of each paddy grower was determined separately from acreage reports which he was required to submit at the beginning of insurance and thereafter when a change had occurred in the insurable acreage and interest already established.

(*e*) the actual amounts of insurance cover as well as the premium rates per acre were determined by districts, by revenue divisions and also, where necessary, by homogenous areas or tracts within a district.

The Crop Insurance Act No. 13 of 1961 provided the necessary legislative authority for the operation of the scheme and also provided for the possibility of extending the insurance cover to certain valuable cash crops like chillies, cotton and tobacco (Ray 1971:12).

From the 1962/63 *maha* season, the Government decided to gradually extend the Scheme to cover the entire paddy acreage in Sri Lanka and brought another 65,000 acres in the five districts of *Kalutara, Kurunegala, Matara, Ratnapura* and *Vavuniya* under insurance. The Scheme was further extended with the 1963/64 *maha* season to cover another 200,000 acres in the five additional districts of *Badulla, Galle, Kandy, Jaffna* and *Trincomalee.* The total number of districts covered by the Scheme was then 16.

The Department of Agrarian Services was entrusted with the operation of the Scheme and provision was made for an advisory board which included a representative of the farmers and a person experienced in insurance matters. Cultivation Committees established under the Paddy Lands Act, and where Cultivation Committees were not available, Multi-Purpose Co-operative Societies were appointed as Insurance Agents at the field level.

All persons having interest in paddy lands in the areas specified by the Minister were automatically brought under the Scheme, and both owners and cultivators were included. The premia as well as indemnities were based on the respective shares of the crop, and insurance protection was offered against lack of water, drought, floods, disease, and other hazards.

An uniform premium rate of Rs. 6/- per acre was payable by the farmer. Since it was considered that indigent farmers might not be able to pay the premium in advance of cultivation, as was the normal insurance practice, he was granted the concession of paying it after the harvest, in cash to the Cultivation Committee or in the form of paddy to the Multi-Purpose Co-operative Society when deliveries were made under the guaranteed price scheme. The premium was not required to be paid for any insurable land that was not cultivated during a season, provided the Cultivation Committee or the Multi-Purpose Co-operative Society concerned had been duly informed. Provision also existed for the grant of a rebate on premium if there was no loss over a period. In case of damage to the crop, such damage had to be notified to the Cultivation Committee or the Multi-Purpose Co-operative Society concerned within a specified period of the occurrence of the damage. Indemnity, however, was payable only if the loss was such that the yield from the insurance unit was less than 70% of the acreage yield for that unit—an insurance unit being all the paddy lands within a Cultivation Committee area in which a person may have an interest. Only 15% of the coverage was payable for any loss at the early stage, 70% for the loss occurring before flowering, and 100% of the insurance cover where the loss occurred after flowering.

The insurance experience of the first six years, 1958/59 to 1963/64 was quite favourable, as the total amount of indemnity payments was less than the total amount or premium collection even though such collection fell far short of premia due and amounted to only about 35%. Perhaps, in no other country has the experience in the initial years of the comprehensive crop insurance been as favourable as in Sri Lanka. This, however, was largely due to the inauguration of the scheme on a limited and experimental basis and also due to the favourable weather conditions during this period.

In 1964/65, the total indemnity payments for both *maha* and *yala* crops amounted to nearly Rs. 1.4 million as against total premia due of Rs. 1.61 million, of which Rs. 460,200 or 30.3% were actually collected. In 1965–66, however, for the first time, indemnities paid out exceeded not only premia collected but even premia due. Even so, the total of premia collected almost doubled over the previous years for approximately the same gross insurable (*maha* and *yala*) area.

During the 1958/59 to 1965/66 period, the aggregate indemnity paid to farmers and the commissions paid out of premia receipts to the Insurance Agents amounted to Rs. 4.21 million as against the premia collection of nearly Rs. 2 million. If, however, all the premia payable had been collected (R. 5.12 million) not only could all the indemnity payments have been made without taxing Government funds, but there would also have been a surplus of Rs. 0.91 million for the reserve fund.

It is generally recognised that no insurance, much less an "All-Risk" crop insurance scheme, can be expected to balance itself each year through the equalization or premia collected and indemnities paid. It has essentially to balance itself over a longer period of 15 to 20 years. Till the 1965/66 financial year (i.e. in 8 years) the Government had incurred a total expenditure of Rs. 4.5 million (i.e. Rs. 3.31 million as grants and subsidies, and Rs. 1,186, 030 as administrative costs), or an yearly average of Rs. 562,000/-. On the other hand, during the same period, farmers had paid a total of Rs. 2 million as premia, i.e. for every Rs. 1.00 paid by the farmers, Government had paid an additional Rs. 2.25 If however, all the premia due from the farmers had been collected, no premium subsidy would have been required and the only cost to Government would have been the administrative costs.

The failure to collect the appropriate premia was partly due to the reluctance on the part of the farmers to pay, because of the novelty of the scheme and the lack of appreciation of its real benefit and value. There were some farmers, particularly in the low risk areas who did not accept a uniform premium rate in both high and low risk areas. There were others who contrived to get an extra service out of Government without making any payment at all. There was also the inadequacy of both legislative and institutional arrangements for enforcing the repayment.

Among the other major problems that militated against the successful implementation of the scheme were:—

(*a*) the absence of reliable and accurate data in relation to paddy lands and persons having interest in such lands,

(*b*) the frequent fragmentation of the insurance unit by the distribution of several plots of land held by one person in a specified area among his relatives in order to qualify for claim on the loss occurring on one single plot,

(*c*) false claims in respect of lands not cultivated and not reported to the Cultivation Committees, often with the connivance of the latter,

(*d*) corruption among some of the Cultivation Committee members themselves,

(*e*) undue delays in the making of indemnity payments,

(*f*) lack of knowledge and awareness on the part of farmers and others concerned in regard to the real nature and importance of crop insurance, and

(*g*) lack of adequate trained and competent staff both at the centre and at the field level to implement the Scheme properly.

Although all these, except the last one, could perhaps have been resolved through better institutional and administrative arrangements and proper progress control, no effective remedial measures were taken, and consequently, a valuable scheme for the benefit of the farmers failed to achieve the desired results.

Owing to the shortcomings of the Crop Insurance Scheme and its failure to achieve the desired results, a special committee was appointed in 1969 to review the situation and to recommend an effective and comprehensive scheme of crop insurance. This committee recommended the extension of the paddy insurance scheme on a compulsory basis throughout the Island in both seasons-*maha* and *yala*-with varying premia rates, depending on the risk factor and worked out on an actuarial basis. It also recommended that the premia rates should not exceed Rs. 30/- per acre and that the coverage of other crops and livestock should be made optional.

The Agricultural Insurance Scheme - 1974

The Agricultural Insurance Law No. 27 of 1973 embodied these recommendations and came into operation in April 1974, on which date the Crop Insurance Act No. 13 of 1961 stood repealed. The Agricultural Insurance Board, consisting of a Chairman appointed by the Minister of Agriculture and Lands, a nominee from the Ministry of Agriculture and Lands, the Director of Agriculture or his nominee, the Commissioner of Cooperative Development or his nominee, an officer from the People's Bank, Bank of Ceylon, and an officer of the Paddy Marketing Board, was also established to implement the Law.

In March 1975, a compulsory insurance scheme for paddy cultivation in the Island (consisting of approximately 2.2 million acres cultivated in 2 seasons) was inaugurated. The newly constituted Agricultural Productivity Committees (APC) were entrusted with the task of implementing the scheme at the Village Committee level which included the collection of premia, providing necessary facilities for reporting damages, assessment of damages and payment of indemnities received from the Board. In this task the APCs were assisted by the Cultivation Committee which covered a smaller area under each APC.

Damage rates and coverages were determined for different areas of the country on the basis of available statistics. The rates were originally determined on acreage harvested as against acreage sown, and consequently partial damage to crops harvested was not taken into consideration even though indemnities were paid for partial damage. The rates were later revised on the basis of information available on partial damage and choice was given to the APC to select one premium and coverage level among several, before the commencement of *maha* 1976/77 season. Premia rates in all districts were kept between Rs. 5/- and Rs. 30/- per acre per season, and payment was made by a farmer in terms of the shares he held (Senanayake 1978:3).

Under the direction of the APC, premia collected in each Cultivation Committee area were handled by an officer of the Cultivation Committee or a nominee of the APC. Information in regard to the premium to be paid by each farmer for each season in respect of each parcel of land owned or cultivated by him had to be recorded in the premia register prepared on the basis of information contained in the agricultural lands register which was to be maintained in terms of the Agricultural Lands Law No. 42 of 1973. The premia that were accordingly collected were credited to the bank account of the Agricultural Insurance Board, while the APC got a commission of 10% of the premia collected for itself and its collection agents.

A loss notification and indemnity computation register was maintained by all APCs for each Cultivation Committee area so that farmers could report damages to crops arising from the following seven insured causes, namely (*a*) excess of water, (*b*) lack of water, (*c*) floods, (*d*) drought, (*e*) pest, (*f*) diseases, and (*g*) wild animals and birds. The damage to crop was assessed on an eye estimate, about two weeks before harvest, by a committee comprising an APC representative, a CC representative and an experienced farmer of the area. A separate report on damage to crops in a tract or *yaya* was obtained from a committee headed by the Grama Sevaka and consisting of one representative each from the APC and CC. The report was on the basis of an eye estimate. It was originally intended that the total damage to crops indicated in the second report would be indemnified by sending the total amount of indemnity to the APC who would then indemnify the individual farmers in its area according to the first report. This procedure was however, abandoned in practice for two main reasons:—

(1) Absence of total participation in the insurance scheme in spite of provision for the compulsory insurance of all paddy lands, and

(2) Inability to make a fair assessment of both reports and the payment of indemnities thereafter.

Besides, there were many problems connected with the implementation of this agricultural insurance scheme, chief of which were the following:—

(1) The computation of damage rates was based on the statistics collected seasonally by the Department of Census & Statistics from Cultivation Committees, which was not altogether satisfactory.

(2) The districts and their subdivisions had been demarcated for general administrative purposes. As a result, information of damage and yield could not be related in a reasonable manner to areas which did not have uniform agro-climatic conditions.

(3) The insurance unit for the purpose of computing premia and indemnities was the Cultivation Committee area which was not demarcated on the basis of uniform agro-climatic conditions. The tract or *yaya* was a geographically compact unit with a fair degree of uniformity in yield and risk potential and a better unit for insurance purposes. The existence of around 60,000 *yayas* in the Island, however, necessarily meant that such a scheme could not be properly implemented without computerization.

(4) Eye estimation of damage to crop was not always firm and reasonable owing to the lack of recognized criteria for such estimation and the superficial nature of the exercise (an effort was being made to provide training for APC and CC representatives and farmers to improve their skills in this direction under the Sri Lanka–SIDA Technical Assistance Agreement).

(5) Insurance as a form of co-operation and mutual self-help ran counter to the tradition of subsidies which farmers had got used to over the last three decades. Statutory provision for the payment of premia by one million farmers was therefore of little practical value without a sustained and effective programme to popularise the Scheme and educate them on its advantages and benefits.

(6) The APC and the CC which were responsible for the implementation of the Scheme were themselves in their formative years and were unaccustomed to keeping proper office records, submitting reports, as required and on time, and adhering to acceptable systems and procedures.

(7) The lack of proper training and orientation and commitment of the government officials serving the agricultural sector handling credit, distribution of inputs, extension, planning agricultural development and helping rural institutions was also a serious drawback.

The Agricultural Insurance Board recognized these problems, and made certain fundamental changes in the administrative set-up in 1978 so as to facilitate the achievement of the desired goals. The proposed changes had special regard to the hazards of the compulsory insurance of nearly 2.2 million acres of paddy lands cultivated in two seasons by nearly one million farmers and included the establishment of a Board of Management at executive level besides the Agricultural Insurance Board at the Head Office, establishment of seven regional offices, appointment of Assistant Directors in charge of districts and the launching of special projects for the insurance of sugar cane, tobacco, cashew, cotton and subsidiary food crops. The Board also decided to get actively involved in the special area development projects such as *Mahaweli, Kaluganga, Gin Ganga, Uda Walawe* and the proposed *Kelani Ganga* and *Deduru Oya* diversion schemes.

The Board also decided that where the Cultivation Committee Agents had proved unsatisfactory, it would appoint its own premia collecting agents on a commission basis, and also provide APCs with full-time Field Assistants to maintain their records and engage in field supervision. It also decided to establish regional offices, manned by professionally qualified Accounts Officers, to supervise the work of their respective regions so as to ensure that all returns were sent in time and indemnity payments were made without delay. 50 Loss Adjusters trained by Swedish Experts were also posted to the districts and action was being taken to replace the eye-estimation method with crop cutting surveys. Meanwhile, under an agreement between Sri Lanka and Sweden, facilities were obtained for training officers in statistics, actuarial and insurance methods, farmer education, livestock insurance etc., and the services of experts and essential equipment from abroad were also obtained to ensure the effective and comprehensive implementation of the Agricultural Insurance Scheme.

In spite of these measures, however, very little progress was made. Although insurance of all paddy lands was made compulsory by the Agricultural Insurance Law of 1973, the provisions of the law were never enforced because of practical difficulties. There were large numbers of farmers who did not accept the Scheme and the Board found it impossible to prosecute around 800,000 individual farmers every season for non-payment of their premia. Moreover, it was politically suicidal for any Government to permit such a step against the overwhelming majority of the small farmers in the country. As a result, the choice of insurance was left to the individual farmers, and what in practice happened was that there was a high rate of insurance from the high risk areas and a low rate of insurance from the low risk areas. Although initially, higher rates of premia were proposed for all areas, Members of Parliament who represented low risk areas protested against this and the Cabinet of Ministers decided in 1975 that the maximum premium chargeable should not exceed Rs. 30/– per acre. Since the Scheme was based on the insurance of the entire extent of paddy lands in the high risk, medium risk and low risk areas and since it was envisaged that the heavy liabilities in the high risk areas could be offset by the income from premia from low risk areas, the balancing of losses became impossible and the viability of the scheme itself was seriously impaired.

In order to minimize the adverse effects of the non-enforcement of compulsory insurance and the limitation of the premium rate artificially, a system of pro-rationing (i.e. the calculation of the total indemnities payable in a given area on the basis of the premia collected in that area) was introduced by the Agricultural Insurance Board but, this system had to be abandoned in 1978 owing to political pressures. Unfortuantely for the Board, soon after this abandonment, the paddy cultivation was disastrously affected by a cyclone, and the indemnity claimed by the eastern province alone for the 1978/79 *maha* season exceeded Rs. 4 million. The reserve fund of the Board which stood at Rs. 3.5 million was completely exhausted in meeting the indemnity claims for 1978/79 *maha* season and the position of the AIB became precarious. A request of the Minister of Agricultural Development and Research to the Cabinet for a 40% premium subsidy was referred to a sub-committee of development secretaries who were appointed to review the past operations of the Agricultural Insurance Scheme since the establishment of the AIB, to examine the premium rate structure, farmers' participation and indemnities paid, to examine the basis of revised premium rates and coverage for paddy, to explore the possibilities of providing agricultural insurance services to paddy farmers at a reasonable cost, to examine alternative measures for compensating paddy farmers against crop losses/failures, and to cover any other matters of relevance.

The study of the sub-committee in due course confirmed that

(*a*) although insurance of all paddy lands was made compulsory by the Agricultural Insurance Law of 1973 the provisions of the law were never enforced.

(*b*) there were practical difficulties in enforcing the law because large numbers of farmers did not accept the Scheme and it was not possible for the Board to prosecute almost 800,000 individual farmers every season for non-payment of premia.

(*c*) it was politically unwise for the Government to take such action against such a large percentage of the farming community of the country.

(*d*) since the Scheme was based on the insurance of the entire extent of paddy lands in the high risk areas and the off-setting of losses in high risk areas from income from premia from the low risk areas, the viability of the Scheme collapsed because farmers in the low risk areas did not join.

(*e*) the removal of the system of pro-rationing (i.e. the calculation of the total indemnities payable in a given area on the basis of the premia collected in that area) also contributed to the collapse of the Scheme and considerable hardship to the Board, and

(*f*) that the AIB's undertaking of the entire loss assessment through its own officials was impractical and involved both organizational and technical problems.

The sub-committee's recommendations to overcome these difficulties included the appointment of the Agricultural Service Centre as the implementation agency of agricultural insurance at village level which would collect the premia, assess the damage on an individual basis and make the payment from a block sum received from the AIB. It also recommended a rational system of incentives for village level officers and the ASC committee members participating in insurance work, and an incentive scheme for the non-claiment insured persons. In regard to technical matters, the sub-committee recommended among others, the maintenance of premium rates within Rs. 20/- in low risk areas and within Rs. 125/- in high risk areas, the limitation of coverage in a given area to the value of 75% of the standard yield, the relinking of bank loans and insurance coverage, and the linking of fertilizer subsidy with crop insurance.

The performance of the Agricultural Insurance Scheme was again reviewed in 1980, and the findings of the review team were again that the AIB was not geared to achieving its principal objectives, namely. (*a*) the promotion of agricultural production, (*b*) the stabilization of farm incomes, and (*c*) the undertaking of research necessary to promote agricultural insurance [1]. It was also found that the farmers had lost the confidence they had placed in the AIB and that their participation in the Scheme had consequently dropped drastically over the seasons. Moreover, the AIB had become a burden to the Government which directed that the AIB should implement a development plan to arrest this situation and make itself a financially viable institution.

This development plan which the AIB consequently introduced in 1981 *yala* season was evaluated two seasons later in 1982. It was found that the AIB had categorized all the ASCs into "permanent risk", "high risk", "medium risk", and "low risk" areas and that coverage levels and premia rates had been fixed on the basis of risk factors. None of the ASCs had however fallen into the "permanent risk", category because of the inability of the AIB to go down to the least possible unit, i.e., the *yaya*, for want of reliable agricultural insurance statistics below the ASC level. It was encouraging, however, that the AIB had since taken action to maintain data on coverage area-wise so that it would be possible in the future to exclude permanent risk coverage areas from insurance.

It was also revealed that the indemnification procedure adopted on the basis of the stage of loss had positively contributed to improve the finances of the Board and to keep the loss ratios at minimum levels. It was also recognised that it was in keeping with the principle that insurance covered only the cost of production up to the time of loss and not the expected income.

1 Evaluation Team: Report on the Development Plan of the Agricultural Insurance Board, Mimeo, 1982.

In the case of premia collection, the payment of a commission of 6% to COs, DOs and ASC clerks had encouraged them to spend more time on insurance work, while the stoppage of payment of a commission to lending agencies had not discouraged them in this work.

As regards loss assessment, the appointment of a committee, comprising representatives of the Board, the KVS and the CO of the area, to assess loss had not only increased the accuracy of the estimates but had also reduced bias and favouritism. At the same time, the decentralization of the payment of indemnities in the three districts of *Kandy*, *Kurunegala* and *Galle* had also been successful and had resulted in expeditious settlements.

Nevertheless, in order to be realistic, the success or failure of the insurance scheme should be evaluated in terms of the two most important factors, namely, (1) the percentages of farmer participation, and (2) the loss ratios. According to the district-wise percentages of participation in 1981 *yala* and 1981/82 *maha* seasons, along with the corresponding figures for 1980 *yala* and 1980/81 *maha* vide–Table I – it is seen that there is a sudden drop in farmer participation in 1981 *yala* season except in the districts of *Kalutara, Ratnapura, Trincomalee* and *Polonnaruwa*[1]. This drop in participation has, however, been attributed to four principal reasons:

(i) The loss of farmers' confidence in the AIB when they did not receive the anticipated indemnities as a result of the re-introduction of the proration of indemnities based on district-wise premia collection in 1980/81 *maha* season, of which they had received no prior intimation.

(ii) The reluctance of farmers to insure their crops because of the introduction of new coverage rules and premia rates which had resulted in the reduction of the coverage of certain ASCs while the corresponding premia rates had increased three to four times,

(iii) Failure of the AIB to take action against defaulters, and

(iv) Delays in the payment of indemnities.

Although farmer participation in 1981 *yala* had recorded a drop, 1981/82 *maha* season had recorded a relatively high percentage of participation in all the districts except *Galle, Matara* and *Kalutara*. Nevertheless, it must be conceded that the overall percentages of participation achieved for the whole Island in 1981 *yala* and 1981/82, *maha*, namely, 3.9% and 5.7% respectively are not satisfactory for a compulsory insurance scheme. Yet, it is hoped that this increasing trend in the percentages of participation would continue over the next few years and contribute to the stability and success of the Scheme.

As regards the loss ratios, the position district-wise since 1980 *yala* is presented in Table II. It will be noticed that there is a significant decrease in these ratios which is a desirable feature of an insurance scheme. While the decrease in the standard deviation of these ratios indicates that the differences between the districts are low, the decrease in the ratios themselves confirms that there has been a decrease in adverse selection during these two seasons. These trends are also encouraging, and it is hoped that, with appropriate attention and direction, the Insurance Scheme could be made a viable proposition and a real boon to farmers of this country.

1 Evaluation Team: Report on the Development Plan of the Agricultural Insurance Board, Mimeo, 1982.

Table 1 Percentages of Farmer Participation

District			*YALA* 80	*MAHA* 80/81	*YALA* 81	*MAHA* 81/82
Colombo	...	...	1.80	1.20	0.60	1.00
Gampaha	...	...	1.80	1.70	0.42	2.00
Kalutara	...	...	3.00	1.10	1.38	0.50
Kandy	...	...	12.80	12.20	7.36	7.00
Matale	...	...	6.00	7.10	3.64	5.30
Nuwara Eliya	...	...	6.50	15.30	0.54	1.50
Galle	...	...	8.00	5.30	1.48	0.80
Matara	...	...	3.10	2.20	0.96	0.70
Hambantota	...	...	9.60	5.60	4.39	6.00
Jaffna	...	...	32.90	1.30	0.00	0.80
Mannar	...	...	0.00	25.40	0.00	16.30
Vavuniya	...	...	0.00	0.93	0.00	9.00
Mulativu	...	...	0.00	1.00	0.00	1.10
Batticaloa	...	...	4.50	3.00	1.43	2.00
Ampara	...	...	3.30	2.40	1.08	2.10
Trincomalee	...	...	4.30	3.30	3.37	3.60
Kurunegala	...	...	6.90	4.10	2.64	5.00
Puttalam	...	...	4.90	3.30	1.29	3.00
Anuradhapura	...	...	14.40	19.80	8.25	13.80
Polonnaruwa	...	...	8.00	10.00	12.15	17.00
Badulla	...	...	7.00	18.00	0.91	1.00
Moneragala	...	...	5.00	6.00	3.00	5.40
Ratnapura	...	...	5.30	3.50	3.91	5.00
Kegalle	...	...	27.70	8.70	7.48	3.20
Sri Lanka	...	...	7.10	6.00	3.81	5.74
Mean	...	...	7.36	6.76	2.76	4.71
Variance	...	...	61.05	43.58	9.57	22.40
Std. Deviation	...	...	7.98	6.74	3.16	4.83

Source: Evaluation Team Report 1982

Table II

Loss Ratios — **Indemnities Payable** / Premia Collected

District			*Yala* 80	*Maha* 80/81	*Yala* 81	*Maha* 81/82
Colombo	...	...	2.24	2.99	1.46	0.81
Gampaha	...	...	1.63	0.91	0.99	0.19
Kalutara	...	...	3.71	1.77	1.37	*
Kandy	...	...	1.68	1.81	0.50	0.55
Matale	...	...	4.87	1.07	2.13	0.81
Nuwara Eliya	...	...	3.22	1.72	0.54	0.71
Galle	...	...	2.08	2.18	1'04	—
Matara	...	...	2.22	1.16	0.26	0.34
Hambantota	...	...	2.37	0.06	0.01	0.28
Jaffna	...	...	0.05	3.24	—	0.85
Mannar	...	...	—	2.27	*	*
Vavuniya	...	...	—	4.66	—	0.30
Mullativu	...	...	—	0.42	—	0.09
Batticaloa	...	...	1.08	1.73	1.68	0.78
Ampara	...	...	2.29	1.70	1.35	1.30
Trincomalee	...	...	1.22	2.69	0.40	0.61
Kurunegala	...	...	2.21	0.54	0.86	1.53
Puttalam	...	...	3.18	1.15	2.40	2.10
Anuradhapura	...	...	1.52	1.64	0.70	1.69
Polonnaruwa	...	...	0.74	0.63	0.26	0.29
Badulla	...	...	3.12	2.07	0.08	0.30
Moneragala	...	...	0.93	0.73	0.03	0.26
Ratnapura	...	...	1.37	0.80	0.17	0.40
Kegalle	...	...	2.27	0.78	0.85	0.77
Sri Lanka	...	...	1.54	1.48	0.52	—
Mean	...	...	2.095	1.613	0.854	0.712
Variance	...	...	1.162	1.056	0.463	0.275
Std. Deviation	...	...	1.105	1.050	0.698	0.538

* Not Available

Source: Evaluation Team Report 1982

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