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Insurance in fisheries sector underutilised: CMFRI

Insurance in the fisheries sector is under-utilised compared to other sub-sectors of agriculture in the country, says a new study. The sector has received little attention either at the Central or state levels, except for the presence of a few public insurance companies and cooperative bodies at the local level with limited scale of activity, says the study by the Central Marine Fisheries Research Institute (CMFRI).

Apart from accident risks of marine fishermen, other major risks like loss and damage to fishing vessels and gear and damage to coastal assets of fishermen are covered only at a limited scale across the country, including Kerala, it says.

Moreover, no insurance policy exists in the country for risks like large-scale decline in stock of fish species, damage of sea cages, loss of fish crops and damage to farm structures.

The study says accident risks of marine fishermen have a fair coverage in Kerala and Tamil Nadu, unlike other states. The study was conducted in the capture and culture sector in 14 fishing centres in Kerala, Tamil Nadu, Andhra Pradesh, Gujarat and Odisha and fish farmers in Kerala and Tamil Nadu.

A CMFRI release said information collected from insurance companies and government departments was also analysed. Exposing the 'pathetic situation' in the sector, it found that the provision for vessel insurance, gear insurance and coastal asset insurance was quite low, with only one case of gear insurance reported from Kerala.

A meagre 14 per cent of fishermen from Tamil Nadu reported enrolment to coastal asset insurance, the study says. Insurance coverage of income risks owing to decline of fish stocks and price risks due to market price fluctuations were not reported by any of the respondents of the survey.

The study by scientists from CMFRI also found that vessel insurance was minimal compared to accident insurance. It reveals that lack of awareness among the fishing community on the need and benefits of insurance scheme was one of the major reasons behind the situation.

The trust deficit between insurance companies and fishing community was another major reason for the low level adoption of insurance schemes, due to which private insurance companies were not interested in entering the fisheries sector.

High associated risks and high incidence of moral hazards were also cited as determinants that pull back companies from vigorously pursuing business in the sector.

In addition, there is a general discontent among fishermen and fish farmers about high insurance premium and unavailability of custom-made insurance products.