

.GOVERNMENT OF INDIA  
MINISTRY OF AGRICULTURE AND FARMERS WELFARE  
DEPARTMENT OF AGRICULTURE AND FARMERS WELFARE

**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 2746**  
TO BE ANSWERED ON 24/03/2023

**IRREGULARITIES BY INSURANCE COMPANIES**

2746. DR. SASMIT PATRA:

Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

- (a) whether Government has received any complaints regarding irregularities or inefficiencies of insurance companies relating to Pradhan Mantri Fasal Bima Yojana (PMFBY);
- (b) the steps Government has undertaken to redress these complaints/grievances;
- (c) the insurance premium retained by insurance companies after PMFBY payouts to affected farmers, the details thereof since inception of the PMFBY till date, year-wise and insurance company-wise; and
- (d) whether Government has considered removing the insurance companies and providing an assurance based model where Government directly pays the crop insurance payouts without insurance companies in the middle?

**ANSWER**

MINISTER OF AGRICULTURE AND FARMERS WELFARE  
(SHRI NARENDRA SINGH TOMAR)

(a) to (c) : All the major work relating to the assessment of crop yield/crop loss for calculation of admissible claims are being performed by the concerned State Government or Joint Committee of State Government officials and concerned insurance company. However, during implementation of the PMFBY, some complaints against insurance companies about non-payment and delayed payment of claims; under payment of claims on account of incorrect/delayed submission of insurance proposals by banks; discrepancy in yield data & consequent disputes between State Government and insurance companies, delay in providing State Government share of funds, non-deployment of sufficient personnel by insurance

companies etc., have been received in the past in the country. Most of the complaints have been suitably addressed.

To better resolve all the grievances/complaints within the scheme, a portal has been developed to handle all grievances from end to end. The Beta version of the portal was launched in Chhattisgarh on 21<sup>st</sup> July, 2022.

Crop insurance is a major risk mitigation tool for the benefit of farmers. Insurance is all about spreading the risk spatially & temporally. As per provisions of the PMFBY/RWBCIS, premium from farmers alongwith Central and State Government share in premium subsidy is paid to the concerned insurance company for acceptance of risk and payment of claims. Insurers save premium in good seasons/years and pay high claims, if any, in bad years from the savings made in the good years. Premium so collected by insurance companies spent on payment of claims. Insurers also have reinsurance cost and other administrative expenses in the range of 10 to 12% of gross premium. Company-wise details of gross premium collected by the insurance companies since its inception till 2021-22 are given in **Annexure**.

(d) : No such proposal is under consideration of the Government, at present.

**Details of gross premium collected by insurance companies since inception of the PMFBY till 2021-22 (as on 28.02.2023)**

Insurance Company	Gross Premium (Rs. in crores)					
	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
AIC	8033.72	7092.01	7390.66	14507.57	16394.30	15536.40
Bajaj Allianz	1479.33	1874.28	1711.77	2270.94	2508.47	2107.13
Chola MS	248.27	390.20	482.97	NI	NI	NI
Future Generali	180.57	NI	545.35	981.64	1032.26	921.94
HDFC Ergo	2648.27	1736.92	1819.29	2511.07	2424.94	2674.09
ICICI Lombard	2182.03	2225.78	2747.09	NI	NI	NI
IFFCO Tokio	1359.52	939.75	1946.52	2073.52	2486.87	1671.51
National	234.66	1540.02	676.01	248.75	4.59	7.18
New India	573.48	2437.67	1496.57	452.43	NI	NI
Oriental	6.77	431.24	2101.52	1869.28	54.03	NI
Reliance General	1173.88	1296.41	1855.43	2117.19	2672.39	3052.02
SBI General	396.71	986.78	1740.51	1972.35	1966.55	2210.87
Shriram General	170.95	NI	NI	NI	NI	NI
Tata AIG	426.16	435.62	1659.88	NI	NI	NI
United India	1993.81	1342.41	965.95	203.74	NI	NI
Universal Sompo	570.23	1358.51	1604.90	1493.55	1363.85	1368.37
<b>Grand Total</b>	<b>43356.75</b>	<b>48935.38</b>	<b>59375.22</b>	<b>64658.40</b>	<b>63398.33</b>	<b>60458.16</b>

NI : Not Implemented.

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