

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

RAJYA SABHA
STARRED QUESTION NO. 243
TO BE ANSWERED ON THE 11/08/2023

SETTLEMENT OF CLAIMS UNDER PMFBY

*243. SHRI HARBHAJAN SINGH:

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

- (a) whether Government is aware of the instances of farmers being harassed by insurance companies for settlement of claims under PM Fasal Bima Yojana (PMFBY);
- (b) if so, whether Government has received any complaints in this regard; and
- (c) the action taken for further streamlining PMFBY so that the intended beneficiaries are benefited ?

ANSWER

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

(a) to (c) : A Statement is laid on the Table of the House.

STATEMENT REFERRED TO PART (a) TO (c) OF RAJYA SABHA STARRED QUESTION NO. 243 REGARDING SETTLEMENT OF CLAIMS UNDER PMFBY ON 11/08/2023.

(a) to (c): Pradhan Mantri Fasal Bima Yojana (PMFBY) has been operational since Kharif 2016 and till 2022-23 (as on 30.06.2023), 4846 lakh farmer applications have been enrolled over an area of about 3497 lakh hectare insuring a sum of Rs. 14,45,978 crore. Against premium of Rs. 29,123 crore paid by farmers, claims of Rs. 1,40,599 crore have been paid to about 1457 lakh farmer applications.

The admissible claims under the Pradhan Mantri Fasal Bima Yojana (PMFBY) are generally paid by the concerned insurance companies within two months of completion of Crop Cutting Experiments (CCEs)/harvesting period and one month of notification for invoking the risks/perils of prevented sowing, mid-season adversity and post harvest losses subject to receipt of total share of premium subsidy from concerned Government within time. However, settlement of few claims in some States got delayed due to reasons like delayed transmission of yield data; late release of their share in premium subsidy, yield related disputes between insurance companies and States, non-receipt of account details of some farmers for transfer of claims to the bank account of eligible farmers and National Electronic Fund Transfer (NEFT) related issues, erroneous/incomplete entry of individual farmers data on National Crop Insurance Portal (NCIP), delay in remittance of farmers share of premium/non-remittance of farmers share of premium to concerned insurance company etc.

All major works 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.

Further, the PMFBY operational guidelines provide for stratified grievance redressal mechanism. At the initial level, for grievance redressal, each block & district have designated block/district level grievance redressal officer to respond to the grievances of Farmers, Banks, Insurance Companies etc. within 7 days of receipt of grievance. In case of dissatisfaction at block

level the matter can be brought before District Level Grievance Redressal Committee (DGRC) headed by the District Magistrate/Collector. In case of disagreement with the decision by any party at district level; the same is represented to the State Level Grievance Redressal Committee (SGRC) within 15 days from the decision of DGRC. SGRC is headed by Principal Secretary/Secretary of Nodal Department. The SGRC has to dispose the grievance within 15 days time of receipt of grievance. The decision of the Committee shall be accepted by all the parties.

In addition the PMFBY guidelines also provide for the resolution of yield disputes, between Insurance Companies and States through State Level Technical Advisory Committee (STAC) and in case it is unresolved at State level further escalation can be made before the Technical Advisory Committee (TAC) at Centre Level . Accordingly, yield disputes were referred by the Karnataka, Gujarat, Odisha (Kharif 2018), Maharashtra, Rajasthan (Kharif 2017 & Kharif 2018), Jammu & Kashmir (for yield calculation methodology for coverage of apple and saffron crop) Haryana (Kharif 2017), Chhatisgarh (Kharif 2017 – paddy/rice issue), Haryana for Cotton (Kharif-19 & 20), Odisha (Kharif-21) to the TAC and the matter was examined and resolved by using satellite data, yield data, weather data and other proxy data/indicators in consultation of Mahalanobis National Crop Forecast Centre (MNCFC) and the claims have been settled as per the decision of TAC.

The Department has taken various steps for further streamlining PMFBY. National Crop Insurance Portal (NCIP) has been developed for ensuring auto-administration, subsidy payment, co-ordination, transparency, dissemination of information and delivery of services including direct online enrollment of framers, uploading/obtaining individual insured famer's details for better monitoring and to ensure transfer of claim amount electronically to the individual farmer's Bank Account through Digicclaim module.

The scheme envisages use of improved technology in implementation of the scheme. Accordingly, various steps like capturing of yield data/Crop Cutting Experiments (CCEs) data through CCE-Agri App & uploading it on the NCIP, allowing insurance companies to witness the conduct of CCEs, integration of State land records with NCIP etc. have already been taken to improve timely settlement of the claims to farmers. Following technologies for Objective Crop Damage & Loss Assessment and transparency have recently been approved for implementation w.e.f. 2023-24 :

- YES-TECH (Yield Estimation System Based on Technology) for gradual migration to Remote-Sensing based yield estimation to help assess yields as well as fair and accurate Crop

Yield Estimation. This initiative has been launched for paddy & wheat crops from Kharif 2023 wherein 30% weightage to yield estimation will mandatorily be assigned to YES-TECH derived yield.

- WINDS (Weather Information Network and Data System) for Network of Automatic Weather Stations (AWS) & Automatic Rain-Gauges (ARG) for collecting hyper-local weather data at GP & Block level. This will be fed into a National unified network of AWS & ARG with interoperability & sharing of data in coordination with India Meteorological Department (IMD). WINDS will provide data not only for YES-TECH but also for effective drought & disaster management, accurate weather prediction and offering better parametric insurance products.
- CROPIC (Collection of Real-time photos and Observations of Crops) for Geo-tagged photographs for validation of sown Crop with Insured Crop and use of pictorial analytics for Objective Crop Damage Assessment & Crop Yield Estimation.

Department has been regularly monitoring the functioning of insurance companies, including timely settlement of claims through weekly video conferences of all stakeholders, one to one meeting as well as National Review Conferences. In order to rigorously monitor claim disbursement process an end to end module by the name of 'Digicclaim Module' has been operationalized for payment of claims from Kharif 2022 onwards. It involves integration of National Crop Insurance Portal (NCIP) with PFMS and accounting system of Insurance Companies to provide timely & transparent processing of all claims. Various innovative technologies are also adopted to increase the timeliness for flow of requisite information/data amongst stakeholders.

Started in 2020, Integration of Land Record with NCIP is now complete for Madhya Pradesh, Chhattisgarh, Andhra Pradesh, Maharashtra, Rajasthan, Karnataka, Odisha - 90% of the insured area is now being validated through e-land records of the states through land record integration.

Based on the experience gained, views of various stakeholders and with a view to ensure better transparency, accountability, timely payment of claims to the farmers and to make the scheme more farmer friendly, Government has periodically comprehensively revised the Operational Guidelines of the PMFBY to ensure that the eligible benefits under the scheme reach the farmers timely and transparently.
