

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

RAJYA SABHA
UNSTARRED QUESTION NO. 2082
TO BE ANSWERED ON 13/12/2024

PREMIUM COLLECTED AND RETAINED BY INSURANCE COMPANIES UNDER PMFBY

2082. DR. SASMIT PATRA:

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

- (a) the total premium collected by insurance companies under Pradhan Mantri Fasal Bima Yojana (PMFBY);
- (b) the total premium disbursed by insurance companies under PMFBY;
- (c) the total number of claims received by insurance companies under PMFBY; and
- (d) the total premium retained by insurance companies under PMFBY after disbursing of all claims to farmers?

ANSWER

THE MINISTER OF STATE FOR AGRICULTURE AND FARMERS WELFARE
(SHRI RAMNATH THAKUR)

(a) to (d): The actuarial/bidded premium rates are charged under Pradhan Mantri Fasal Bima Yojana (PMFBY) and Restructured Weather Based Crop Insurance Scheme (RWBCIS) by implementing agencies. Extremely low premium rate across the country for the season is charged from the farmers, which is maximum 2% for Kharif crops, maximum 1.5% for Rabi crops and maximum 5% for commercial/horticultural crops. Further, some States like Assam, Andhra Pradesh, Chhattisgarh, Maharashtra, Odisha, Meghalaya, Puducherry etc. are paying farmers' share of premium, totally or partially also. Remaining part of actuarial premium is shared by the Central and State Government on 50:50 basis except North Eastern States (from Kharif 2020) and Himalayan States (from Kharif 2023) where it is shared in the ratio of 90:10.

Crop insurance is a major risk mitigation tool for the benefit of farmers. Insurance is all about spreading the risk over the period and over the area. 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 as per provision of scheme. Insurers save premium in good seasons/years and pay high claims, if any in bad years from the savings made in the good years.

Since inception of the scheme in 2016-17 till 2023-24, Rs. 32,454 crore have been collected as premium from farmers and claims of Rs. 1,66,920 crore have been paid to the farmers.
