

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

RAJYA SABHA
UNSTARRED QUESTION NO-2260
TO BE ANSWERED ON 08/08/2025

SETTLEMENT OF CLAIMS UNDER PMFBY

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

- (a) whether insurance companies under Pradhan Mantri Fasal Bima Yojana (PMFBY) pay claims that exceed the total premium collected, if so, the details thereof with examples;
- (b) whether Government received complaints from farmers regarding delayed or non-receipt of claims, if so, the steps taken to address them;
- (c) whether Government has provided flexibility to State Governments under the scheme, if so, the nature of such flexibility;
- (d) whether these measures have helped improve farmers' participation in the scheme;
- (e) whether Government has undertaken measures in cases where insurance companies fail to make payment on time; and
- (f) if so, the details thereof?

ANSWER

MINISTER OF STATE FOR AGRICULTURE AND FARMERS WELFARE

(SHRI RAMNATH THAKUR)

(a) : Crop insurance is a major risk mitigation tool for the benefit of farmers in the event of non-preventable natural calamities. It may be noted that insurance is not an investment. Insurance is all about spreading the risk spatially & temporally. Insurers save premium in good seasons/years and pay high claims, if any, in bad years from the savings made in the good years.

Claims in excess of 100% of premium received has been paid by insurance companies in case of natural calamities during different seasons. Year-wise, season-wise details of such States/UTs where insurance companies paid claims in excess of the total premium collected is given at **Annexure**.

(b): As on 30.06.2025, out of the total reported claims of Rs. 1.88 lakh crore since beginning of the scheme in 2016, Rs. 1.83 lakh crore (97.34 %) have already been paid to the farmers. Majority of the claims are settled within the stipulated timelines under the Operational Guidelines of the scheme by the insurance companies. However, during the implementation of PMFBY, some complaints were received in the past about payment of claims which are primarily on account of **(a) delay in providing State Government share of subsidy (b) non-payment/delayed payment or under payment of claims on account of incorrect/delayed submission of insurance proposals by banks (c) discrepancy in yield data & consequent disputes between State Government and insurance companies etc.** The pending claims on account of these issue are settled after their resolution as per provisions of the scheme.

Government has taken various steps to strengthen implementation of this scheme, bring transparency and ensure timely settlement of claims:

- Government has undertaken development of **National Crop Insurance Portal (NCIP)** as a single source of data ensuring subsidy payment, co-ordination, transparency, dissemination of information and delivery of services including direct online enrolment of farmers, uploading/obtaining individual insured farmer's details for better monitoring and to ensure transfer of claim amount electronically to the individual farmer's Bank Account.
- In order to rigorously monitor claim disbursement process, a dedicated module namely **'Digicloud Module'** has been operationalized for payment of claims from Kharif 2022 onwards. It involves integration of National Crop Insurance Portal (NCIP) with Public Finance Management System (PFMS) and accounting system of Insurance Companies.
- Delinking of Central Government share of premium subsidy from that of State Governments has been implemented so that farmers can get proportionate claims relating to the Central Government share.
- Opening of ESCROW Account by the State Government concerned for deposit of their premium share in advance as per provisions of the scheme has been made mandatory w.e.f. Kharif 2025 season.
- Also, towards leveraging technology in implementation of the scheme, various steps like capturing of yield data/Crop Cutting Experiments (CCEs) data through **CCE-Agri App** and 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.
- Provision of 12% penalty on delay in payment of claims by insurance company is auto calculated on National Crop Insurance Portal (NCIP).

(c) & (d): The Pradhan Mantri Fasal Bima Yojna (PMFBY) was introduced in the country from Kharif 2016 season. The scheme is demand driven and voluntary for the States and farmers. States are provided flexibility in major works like selection of Insurance Companies through transparent bidding process, enrolment of farmers and assessment of crop yield/crop loss for calculation of admissible claims. Further, in order to provide more freedom to the States to decide about the Crop Insurance keeping in view the financial as well as risk appetite in the State, three Alternate Risk Transfer models other than standard PMFBY, namely Cup and Cap Model (80:110), Cup and Cap Model (60:130) and Profit and Loss sharing model have been allowed w.e.f. Kharif 2023. Under these models, in case claims fall below certain threshold, portion of the premium paid by the State Government as subsidy goes back to the State treasury. Thus, States have been given the flexibility to choose from any one of these models.

As a result of the above measures, there has been a substantial increase in the coverage under PMFBY wherein 1510 lakh farmers applications were enrolled in the year 2024-25 compared to 586 lakh farmer applications enrolled in 2016-17.

(e) & (f): As per the Operational Guidelines of PMFBY, in case payment is not made timely by Insurance Company, a penalty of 12% is auto-calculated and levied through National Crop Insurance Portal (NCIP) w.e.f. Kharif 2024.

High Claim Ratio States under PMFBY (as on 30.06.2025)

Season	State/UT Name	Gross Premium	Paid Claims	Claim Ratio
		Rs. In Crore		
Kharif 2016	Karnataka	837.89	1,227.72	147%
	Kerala	8.57	17.92	209%
	Tamil Nadu	9.98	10.60	106%
Rabi 2016-17	Andhra Pradesh	133.03	296.17	223%
	Karnataka	482.98	866.12	179%
	Kerala	24.58	25.81	105%
	Tamil Nadu	1,161.25	3,635.62	313%
Kharif 2017	Chhattisgarh	289.49	1,312.19	453%
	Haryana	298.62	808.35	271%
	Madhya Pradesh	3,269.72	5,561.15	170%
	Odisha	800.50	1,777.28	222%
	Tamil Nadu	50.29	90.51	180%
	Telangana	611.45	621.94	102%
Rabi 2017-18	Andhra Pradesh	146.60	211.71	147%
	Chhattisgarh	72.39	79.19	109%
	Odisha	19.01	42.84	225%
	Tamil Nadu	1,222.98	2,006.78	165%
Kharif 2018	Andhra Pradesh	1,124.08	1,277.73	114%
	Chhattisgarh	810.94	1,024.62	126%
	Haryana	568.92	806.32	142%
	Jharkhand	386.13	738.15	191%
	Karnataka	1,380.60	1,934.66	140%
	Kerala	12.81	15.36	120%
	Odisha	1,114.83	1,129.89	101%
	Rajasthan	2,417.83	2,680.78	111%
	Tamil Nadu	67.31	112.16	167%
	Uttarakhand	41.49	47.67	115%
Rabi 2018-19	Andhra Pradesh	296.66	614.69	207%
	Jharkhand	11.30	13.00	115%
	Karnataka	416.15	1,053.10	253%
	Maharashtra	1,470.41	2,010.59	137%
	Odisha	8.45	30.48	361%
	Tamil Nadu	1,581.38	2,541.37	161%
	Telangana	51.80	81.22	157%
Kharif 2019	Himachal Pradesh	7.12	8.63	121%
	Kerala	39.08	54.09	138%
	Madhya Pradesh	2,787.67	5,972.20	214%
	Maharashtra	4,789.69	5,954.96	124%
	Tamil Nadu	123.24	167.28	136%
	Uttar Pradesh	721.97	786.55	109%
Rabi 2019-20	Chhattisgarh	77.26	638.67	827%
	Kerala	33.42	33.82	101%
	Odisha	10.85	99.26	915%
Kharif 2020	Haryana	963.51	1,007.36	105%
	Kerala	45.01	81.38	181%
	Madhya Pradesh	4,696.43	7,074.95	151%
	Tamil Nadu	151.56	166.66	110%

Rabi 2020-21	Chhattisgarh	190.56	248.56	130%
	Kerala	38.21	45.78	120%
Kharif 2021	Assam	71.50	85.63	123%
	Haryana	870.01	1,382.86	159%
	Jammu & Kashmir	23.73	50.73	214%
	Rajasthan	3,564.19	3,878.24	109%
Rabi 2021-22	Assam	74.14	170.78	253%
	Chhattisgarh	203.67	402.18	197%
	Kerala	58.12	64.62	111%
Kharif 2022	Haryana	956.86	2,004.59	212%
	Kerala	64.59	100.06	155%
Rabi 2022-23	Haryana	350.37	514.07	148%
	Kerala	73.36	82.96	113%
	Maharashtra	1,098.18	1,346.60	123%
	Odisha	9.97	11.63	118%
	Rajasthan	2,607.05	2,670.70	103%
Kharif 2023	Himachal Pradesh	18.98	27.66	147%
	Karnataka	2,559.74	3,159.37	124%
	Maharashtra	7,815.18	7,894.65	102%
	Meghalaya	10.59	14.04	138%
Rabi 2023-24	Chhattisgarh	279.84	390.44	140%
	Uttarakhand	180.89	265.68	147%
Kharif 2024	Tamil Nadu	25.79	60.37	278%
	Uttarakhand	82.42	153.47	186%
