

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

**RAJYA SABHA**  
**UNSTARRED QUESTION NO-2244**  
TO BE ANSWERED ON 19/12/2025

**ESCROW ACCOUNTS FOR PMFBY**

2244 SHRI K.R. SURESH REDDY:

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

- (a) whether all the States and Union Territories have created an escrow account to ensure the timely disbursal of the amount owed under the Pradhan Mantri Fasal Bhima Yojana (PMFBY);
- (b) if so, details of the date of creation, name of entity managing the escrow account and amount held within the account for each State/UT;
- (c) if not, names of the States/UT which are yet to create an account and reasons for the delay; and
- (d) whether Government has conducted an analysis to monitor if the creation of such an account has reduced delays in payments of claims, if so, details thereof?

**ANSWER**

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

(a): As per the relevant provisions of revised Pradhan Mantri Fasal Bima Yojana (PMFBY) Operational Guidelines, 2023 which provides for mechanism of Escrow Account wherein states/UTs are required to commit their liabilities in advance by releasing their share of premium subsidy in advance, an Escrow Account shall be maintained by State/UTs for their share in premium subsidy, and such other purposes as may be notified by DA&FW, GoI from time to time

The State/UTs shall commit their liabilities for each season in advance through release of 50% advance premium subsidy based on the corresponding previous seasons premium subsidy for each Insurance Company in the respective Escrow Account and release subsequent instalments following the seasonality discipline provided in the operational Guidelines.

The concerned Insurance Company shall confirm the deposit of the advance upfront premium by the concerned State/UT government to the escrow account on the Subsidy Module of National Crop Insurance Portal (NCIP). NCIP would only be opened for enrolment upon receipt of such confirmation.

As of now, 20 of the 24 PMFBY-implementing States have already opened the escrow account and utilising the same for deposit and disbursement of State/UT share in premium subsidy since Kharif 2025.

(b): The respective nodal State Departments i.e., Agriculture Department and Horticulture Departments manage the Escrow Account. The Escrow Accounts are opened in a Scheduled Commercial Banks or Cooperative Banks as per States own prerogative. The State Departments enter into a multi-party agreement with the respective Banks and implementing Insurance Companies.

(c): The UT/States of Andaman & Nicobar Islands, Manipur, Mizoram and Sikkim are yet to open Escrow Accounts under the PMFBY.

(d): Since the Escrow Account mechanism has been operationalized recently from Kharif 2025 season, the possibility of impact analysis of the said mechanism does not arise.

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