

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

RAJYA SABHA
UNSTARRED QUESTION NO. 661
TO BE ANSWERED ON 05/12/2025

PROBE INTO LOW CROP INSURANCE PAYMENT UNDER PMFBY

661. SHRI ASHOKRAO SHANKARRAO CHAVAN:

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

- (a) whether Government has received complaints from several farmers across various States about receiving crop insurance as low as ₹1 under the Pradhan Mantri Fasal Bima Yojana (PMFBY);
- (b) if so, the details thereof and the reasons therefor;
- (c) whether Government has ordered any probe into such cases to identify lapses in claim assessment, data entry or settlement procedures and remove discrepancies;
- (d) if so, the details thereof and the outcome thereto; and
- (e) the corrective measures taken/being taken by Government to ensure that farmers receive fair and timely compensation under PMFBY in future?

ANSWER

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

(a) to (d): The Pradhan Mantri Fasal Bima Yojana (PMFBY) is mainly implemented on 'Area Approach' basis wherein claims are worked based on the shortfall in actual yield submitted by the State Government concerned on National Crop Insurance Portal (NCIP) vis-à-vis threshold yield as per the formula in the Operational Guidelines of the scheme. Thus, the claims are dependent mainly on the percentage loss in yield due to natural calamities.

However, losses due to localized risks of hailstorm, landslide, inundation, cloud burst & natural fire and post-harvest losses due to cyclone, cyclonic/unseasonal rains & hailstorms are calculated on individual insured farm basis. The extent of loss and claims in such case are assessed by a joint committee comprising representatives of State Government and concerned insurance company within stipulated time frame under the Operational Guidelines of the scheme.

Some cases have been reported regarding low claims credited to accounts of farmers. These cases have been examined and it has been found that these are particularly on account of:

- i. Payment of yield based claims for a season subsequent to localized calamity/mid season adversity or post harvest losses claims, paid in separate tranches, where larger amount was paid earlier and subsequent balance was credited later.
- ii. Receipt of State subsidy in tranches leading to payment of proportionate claim based on Government of India subsidy, especially for very low size of land insured by farmers
- iii. Claims payable being transacted in multiple accounts as per Aadhar seeding done by policy holder.
- iv. Claims pertaining to multiple applications for same farmer for different parcels of land or crop.

(e): Government has taken various steps to strengthen implementation of this scheme all over India to 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 enrollment 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 disbursal process, a dedicated module namely '**Digiclaim Module**' has been operationalized for payment of claims from Kharif 2022 onwards. It involves integration of NCIP with Public Finance Management System (PFMS) and accounting system of Insurance Companies to provide timely & transparent processing of all claims.
- 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.
- 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.
- Similarly, if State Government delayed its premium subsidy from stipulated time period, a penalty of 12% is to be paid by them also.
- Tranche based claims payment has been initiated from 2025-26.

- 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 & 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 also been implemented w.e.f. 2023-24 under the scheme:

- i. **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. Soybean crop has been added from Kharif 2024 season.
- ii. **WINDS (Weather Information Network and Data System)** for setting up of Network of Automatic Weather Stations (AWS) & Automatic Rain-Gauges (ARG) to the tune of 5 times of existing network for collecting hyper-local weather data at GP & Block level. This will be fed into a National database with interoperability & sharing of data in coordination with India Meteorological Department (IMD). WINDS provides data not only for YES-TECH but also for effective drought & disaster management, accurate weather prediction and offering better parametric insurance products.

Further, the review/revisions / rationalization / improvements in the crop insurance schemes is a continuous process and decision on suggestion/ representations/ recommendations of the stakeholders/studies are taken from time to time. 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 revised the Operational Guidelines of the PMFBY in 2018, 2020 and 2023 comprehensively to ensure that the eligible benefits under the scheme reach the farmers timely and transparently.
