

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

**LOK SABHA**  
**UNSTARRED QUESTION NO.1483**  
TO BE ANSWERED ON THE 25<sup>TH</sup> JULY, 2017

**PRADHAN MANTRI FASAL BIMA YOJANA**

1483. SHRI GOPAL SHETTY:

Will the Minister of AGRICULTURE AND FARMERS WELFARE कृषि एवं किसान कल्याण मंत्री be pleased to state:

- (a) whether major changes have been made in the schemes 'Pradhan Mantri Fasal Bima Yojana' by removing the discrepancies in the old crop insurance schemes so that the farmers get maximum benefits;
- (b) if so, the details thereof;
- (c) whether the premium has been reduced to minimum and the payment limit related to insurance has also been removed under the Pradhan Mantri Fasal Bima Yojana; and
- (d) if so, the details thereof?

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्रालय में राज्य मंत्री (SHRI PARSHOTTAM RUPALA)

(a) to (d) : Yes, Madam. Pradhan Mantri Fasal Bima Yojana (PMFBY) was launched from Kharif 2016 season after a comprehensive review of the erstwhile crop insurance schemes in consultation with all stakeholders. Premium to be paid by the farmers has been reduced to maximum of 2% for Kharif crops, 1.5% for Rabi Crop and 5% for annual commercial/horticultural crops. The balance of actuarial premium is shared by the Central and State Governments on 50 : 50 basis. Several other measures like removal of cap on premium which had earlier led to reduction in sum insured vis-à-vis claims, if any; equating the sum insured with Scale of Finance for maximum risk coverage of farmers etc. have also been incorporated. Salient features of the scheme are **annexed**.

**Salient Features of PMFBY**

- i) Provide comprehensive insurance coverage against crop loss on account of non-preventable natural risks, thus helping in stabilising the income of the farmers and encourage them for adoption of innovative practices.
- ii) Increase the risk coverage of Crop cycle – pre-sowing to post-harvest losses.
- iii) Area approach for settlement of claims for widespread damage. Notified Insurance unit has been reduced to Village/Village Panchayat for major crops
- iv) Uniform maximum premium of only 2%, 1.5% and 5% to be paid by farmers for all Kharif crops, Rabi Crops and Commercial/ horticultural crops respectively.
- v) The difference between premium and the rate of Insurance charges payable by farmers is provided as subsidy and shared equally by the Centre and State.
- vi) Uniform seasonality discipline & Sum Insured for both loanee & non-loanee farmers
- vii) Removal of the provision of capping on premium and reduction of sum insured to facilitate farmers to get claim against full sum insured without any reduction.
- viii) Inundation has been incorporated as a localized calamity in addition to hailstorm and landslide for individual farm level assessment.
- ix) Provision of individual farm level assessment for Post harvest losses against the cyclonic & unseasonal rains for the crops kept in the field for drying upto a period of 14 days, throughout the country.
- x) Provision of claims upto 25% of sum insured for prevented sowing.
- xi) “On-Account payment” upto 25% of sum insured for mid season adversity, if the crop damage is reported more than 50% in the insurance unit. Remaining claims based on Crop Cutting Experiments (CCEs) data.
- xii) Use of Remote Sensing Technology, Smartphones & Drones for quick estimation of crop losses to ensure early settlement of claims.
- xiii) Crop Insurance Portal has been developed for ensuring better administration, co-ordination, transparency, dissemination of information and delivery of services including crediting the claim amount electronically to the individual farmer’s Bank Account
- xiv) Focused attention on increasing awareness about the schemes among all stakeholders and appropriate provisioning of resources for the same.
- xv) Premium rates under Weather Based Crop Insurance Scheme (WBCIS) have also been reduced and brought at par with new scheme. Further, capping on Actuarial premium and reduction in sum insured has been removed in this scheme also.
- xvi) In addition, a Unified Package Insurance Scheme (UPIS) has also been approved for implementation on pilot basis in 45 districts of the country from Kharif 2016 season to cover the other assets/activities like machinery, life, accident, house and student-safety for farmers alongwith their notified crops (under PMFBY/ Weather Based Crop Insurance Scheme - WBCIS).

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