

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

LOK SABHA
UNSTARRED QUESTION NO. 3255
TO BE ANSWERED ON THE 1ST JANUARY, 2019

NEW CROP INSURANCE SCHEME

3255. SHRI T. RADHAKRISHNAN:
SHRI SUDHEER GUPTA:
KUNWAR HARIBANSH SINGH:
SHRI ASHOK SHANKARRAO CHAVAN:
SHRI KONAKALLA NARAYANA RAO:

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

- (a) the present status and the salient features of New Crop Insurance Scheme;
- (b) whether free crop insurance would be ensured for the small and marginal farmers of Maharashtra and rest of the country, if so, the details thereof and if not, the reasons therefor;
- (c) the details of the precautions taken by the Government to make the scheme Suraksha Kavach more advantageous to the farmers from getting out of burden of premiums and crop losses;
- (d) whether many instances have come to the notice of the Government where compensation amount under the crop insurance scheme has not been paid or paid after abnormal delays to farmers, if so, the details thereof and the reasons for the same along with the corrective measures taken/being taken by the Government in this regard;
- (e) whether the Government has also launched Restructured Weather Based Crop Insurance Schemes (RWBCIS) and if so, the details thereof and the manner in which the above scheme is different from the Pradhan Mantri Fasal Bima Yojana; and
- (f) the number of farmers who have been benefited under RWBCIS so far, State/ UT-wise?

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): A new crop insurance scheme, namely, Pradhan Mantri Fasal Bima Yojana (PMFBY) was launched from Kharif 2016 season and has been implemented by 27 States/Union Territories in one or more seasons. Salient features of the scheme are given in **Annexure-I**.

The premium for all farmers including small and marginal farmers has been reduced and the farmers are required to pay maximum 1.5% of sum insured for Rabi and 2% for Kharif season food & oilseed crops. The maximum premium rate for annual commercial/ horticultural

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crops is 5% of sum insured. Remaining part of the actuarial/bidded premium is paid by the Central and State Government on 50 : 50 basis. In some States like West Bengal, Jharkhand, Tripura, Assam and Andaman & Nicobar Islands, etc, State Government is also paying full or partial share of farmer's premium.

Admissible claims are generally paid by the insurance companies within two months of completion of Crop Cutting Experiments/harvesting period subject to availability of yield data and total State share of premium subsidy from concerned State Government within time. However, payment of claims in some States/areas gets delayed due to reasons like delayed transmission of yield data, dispute raised by Insurance Companies on yield data, reconciliation of individual farmer data on portal by bank branches, late release of their share in premium subsidy by some States and NEFT related issues, etc.

With a view to resolve the aforesaid issues and to make the scheme more farmer friendly by ensuring better transparency and accountability, Government has comprehensively revised the Operational Guidelines of the Pradhan Mantri Fasal Bima Yojana (PMFBY) which have become effective from 01.10.2018. The guidelines, inter-alia, provide for the following to facilitate timely settlements of claims:-

- i) Detailed activity-wise seasonality discipline including real time transmission of Crop Cutting Experiments/yield data through smartphone, reconciliation and approval of yield data and auto calculation of claims on National Crop Insurance Portal (NCIP).
- ii) Compulsory uploading of details of individual insured farmers including bank details on NCIP by farmers, banks, Common Service Centers(CSC) and insurance company and their inter-mediaries, and reconciliation and approval of this data.
- iii) Provision of 12% interest rate per annum to be paid by the Insurance Company to farmers for delay in settlement claims beyond 10 days of prescribed cut off date for payment of claims.
- iv) State Government have to pay 12% interest rate for delay in release in State share of Subsidy beyond three months of prescribed cut off date/submission of requisition by Insurance Companies.
- v) Payments of claim directly to the bank account of beneficiary farmers including Aadhar based UPI payments.

(e) & (f): Yes, Madam. Restructured Weather Based Crop Insurance Schemes (RWBCIS) has been specifically formulated to cover those crops where methodology for calculation of yield data/past yield data based on CCEs, as required under yield index based PMFBY, is not available. Further, the availability of past weather data and requisite infrastructure viz. Automatic Weather Stations (AWSs) and Automatic Rain Gauge Stations (ARGs) needs to be ensured/notified by the State Government.

The RWBCIS provides insurance protection to farmers against adverse weather incidence, such as deficit and excess rainfall, high or low temperature, humidity etc. the factors which are deemed to impact adversely the crop production. Thus it is a named peril insurance scheme and claims are calculated on the basis of difference in (below or above) observed trigger value. The State Government in consultation with experts and insurance companies decide trigger points/values for loss calculation and finalise area-wise Term-sheets for each crop. The assessment/reference unit area under the scheme is related to availability of Automatic Weather Stations (AWSs)/Automatic Rain-Gauge Stations (ARGs), which are mostly available at circle, block levels. Unlike RWBCIS, Pradhan Mantri Fasal Bima Yojana (PMFBY) is a yield index linked /comprehensive risk insurance scheme covering pre-sowing to post harvest losses wherein insurance unit is village/village panchayat for major crops and claim calculation is based on yield/loss assessment through Crop Cutting Experiments (CCEs).

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However, all other parameters, namely, enrolment of farmers, premium rates for farmers, selection of insurance company through transparent bidding process, sum insured equal to Scale of Finance etc. are same in both schemes.

However, it is the prerogative of the State Government to select the scheme or implement both the Schemes in the State/UT and notify crops and areas.

State/UT-wise details of farmers covered and farmers benefitted under RWBCIS since its inception till Kharif 2017 are at **Annexure-II**.

Annexure referred to in reply to Part (a) to (d) of Lok Sabha Unstarred Q. No. 3255 due for 01.01.2019

Salient Features of PMFBY

- i) Provides 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) Increased 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 which led to reduction in sum insured to facilitate farmers to get claim against full sum insured without any reduction.
- viii) Individual farm level assessment and settlement of claims for localized calamities of hailstorm, landslide, Inundation, Cloud Burst and Natural Fire.
- ix) Provision of individual farm level assessment for Post harvest losses against the cyclonic & unseasonal rains and hailstorm 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.

Annexure-II					
Annexure referred to in reply to Part (e) and (f) of the Lok Sabha Unstarred Question No. 3255 due for 01.01.2019					
Details of enrolments and farmers benefitted during 2016-17 and Kharif 2017 under RWBCIS					
Sr. No.	State / UT	Farmer Enrolments		No. of Farmers Benefitted	
		2016-17	Kharif 2017	2016-17	Kharif 2017
1	Andhra Pradesh	766,455	770,531	757,781	540,847
2	Assam	51,749	-	23,370	-
3	Chhattisgarh	6,690	5,233	1,059	4,363
4	Himachal Pradesh	119,360	17,446	89,251	16,752
5	Karnataka	132,026	150,458	60,221	99,020
6	Kerala	58,990	20,918	52,735	17,853
7	Madhya Pradesh	513,595	158,879	367,450	129,583
8	Maharashtra	212,558	55,801	121,912	54,411
9	Rajasthan	44,150	23,231	42,728	18,287
10	Telangana	88,772	186,665	83,575	130,668
11	Uttar Pradesh	6,250	3,771	3,548	3,767
12	Uttarakhand	53,396	35,981	43,570	35,300
13	West Bengal	1,713	-	13	-
	Grand Total	2,055,704	1,428,914	1,647,213	1,054,455
