

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

LOK SABHA
UNSTARRED QUESTION NO.4537
TO BE ANSWERED ON THE 8th JANUARY, 2019

NON-SETTLEMENT OF CLAIMS UNDER PMFBY

4537. SHRI JITENDRA CHAUDHURY:

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

- (a) whether it is a fact that the private insurance companies are not settling claims put forth by several farmers under the Pradhan Mantri Fasal Bima Yojana (PMFBY) even after collecting huge premiums;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether Government has any strategy for early and time-bound settlement of claims under PMFBY; 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): Admissible claims under Pradhan Mantri Fasal Bima Yojana (PMFBY) 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 get delayed due to reasons like delayed transmission to 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.

The detailed activity-wise seasonality discipline, including timelines for settlement of claims by insurance companies within two months of crop harvest, subject to timely release of subsidy and yield data to the insurance companies, has been prescribed in Operational Guidelines of Pradhan Mantri Fasal Bima Yojana (PMFBY) to ensure timely payment of claims to insured farmers.

Contd...2/-

With a view to ensure better transparency, accountability and timely payment of claims to the farmers, Government has comprehensively revised the Operational Guidelines of the scheme which have become effective from Rabi 2018-19. The Revised Operational Guidelines, inter-alia, envisage activities-wise seasonality discipline including timeliness for release of subsidy by Government to insurance companies and settlement of claims eligible farmers by concerned insurance companies. The following provisions, have also been made in the revised Operational Guidelines:

- (i) 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.
- (ii) State Government have to pay 12% interest rate for delay in release of State share of Subsidy beyond three months of prescribed cut off date/submission of requisition by Insurance Companies.
