

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

LOK SABHA
UNSTARRED QUESTION NO. 235
TO BE ANSWERED ON THE 5TH FEBRUARY, 2019

FUNCTIONING OF PMFBY

235. SHRI B.V. NAIK:
SHRI S.P. MUDDAHANUME GOWDA:

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

- (a) whether farmers with large land holdings majorly opt for crop insurance under Pradhan Mantri Fasal Bima Yojana (PMFBY) and not the small land holders;
- (b) if so, the details thereof;
- (c) whether the attention of the Government has been drawn to the fact that settlement of farmers claims takes an unusually long time and financial institutions do not make a reasonable assessment of the damage to farm produce in the true spirit of PMFBY; and
- (d) if so, the remedial steps proposed to be taken by the Government in this regard?

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): More than 83% of enrolled farmers under Pradhan Mantri Fasal Bima Yojana (PMFBY) are small and marginal farmers.

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 State/areas get delayed due to reasons like delayed transmission of yield data, dispute raised by Insurance Companies on yield data, reconciliation of individual farmers data on portal by bank branches, late release of their share in premium subsidy by some State 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.

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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 timelines 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 of 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.
