

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

LOK SABHA
UNSTARRED QUESTION NO.3770
TO BE ANSWERED ON THE 16TH JULY, 2019

MODIFICATION OF CROP INSURANCE SCHEME

3770. SHRI SUBBARAYAN K.:

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

(a) whether the Government is considering any proposal to change or modify the present crops insurance scheme for the benefit of more farmers in the country as there is a lot of complaints with regard to the criteria for eligibility to avail the benefits under the present scheme; and

(b) if so, the details thereof?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री (SHRI NARENDRA SINGH TOMAR)

(a) & (b): The revisions/improvements in the crop insurance schemes is a continuous process and decisions on suggestions/representations are taken from time to time after consultation with various stakeholders. On the basis of experience of implementation of Pradhan Mantri Fasal Bima Yojana (PMFBY) and Restructured Weather Based Crop Insurance Scheme (RWBCIS) during past 2 years certain deficiencies like late/non-settlement of claims by insurance companies, late release of their share in premium subsidy by State Governments, delay in submission of Crop Cutting Experiments(CCEs) based yield data to insurance companies by State Governments, demand for coverage of more risks in localized calamities/post harvest loss, very short window/ time to inform losses for individual assessment, non-availability of structured grievance redressal system, non availability of cover for perennial/horticultural crops etc. under yield index based scheme were noticed.

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 comprehensively revised the Operational Guidelines of the Pradhan Mantri Fasal Bima Yojana (PMFBY) which have become effective from Rabi 2018-19. To ensure optimal benefits under the scheme, the following provisions, have, inter-alia, 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.

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- (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.
- (iii) Increased time for change of crop name for insurance - upto 2 working days prior to cut-off date for enrolment instead of earlier provision of 1 month before cut off date.
- (iv) Rationalization of methodology for calculation of Threshold Yield (TY) to calculate claims - Moving average of best 5 out of 7 years to be taken for calculation.
- (v) Increase in risk coverage by inclusion of risks of cloud burst and natural fire under localized calamities and hailstorm under post-harvest losses.
- (vi) Time for intimation of loss due to localized calamities and post-harvest losses has been increased from 48 hours to 72 hours.
- (vii) Stratified grievance redressal mechanism viz. District Level Grievance Redressal Committee (DGRC), State Level Grievance Redressal Committee (SGRC).
- (viii) Detailed plan for publicity and awareness - 0.5% of Gross premium per company per season earmarked for the purpose.
- (ix) Detailed Standard Operating Procedures (SOPs) for settlement of claims under localized calamities, post harvest losses, mid-season adversity and prevented sowing and redressal of disputes regarding yield data including add on features.
- (x) Inclusion of perennial crops and add on coverage for damage by wild animals on pilot basis.
