

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

**LOK SABHA**  
UNSTARRED QUESTION NO.309  
TO BE ANSWERED ON THE 19<sup>TH</sup> NOVEMBER, 2019

**INCREASE IN PREMIUM RATES UNDER PMFBY**

309. SHRI L.S. TEJASVI SURYA:

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

- (a) whether the Government has taken cognisance of the increasing premium rates under the Pradhan Mantri Fasal Bima Yojana (PMFBY) and the effects it has had on farmers' willingness to take the benefits under the scheme, and if so, the details thereof;
- (b) whether the Government has any regulatory guidelines in place to put a ceiling/limit on the premium rates decided by the insurance companies, and if so, the details thereof; and
- (c) whether the Government has received any credible reports or information on manipulation of yield data by State Governments to help their farmers get higher claim settlements and if so, the details thereof?

**ANSWER**

MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री (SHRI NARENDRA SINGH TOMAR)

(a): Actuarial/bidded premium rates are paid to the insurance companies under Pradhan Mantri Fasal Bima Yojana (PMFBY) and Restructured Weather Based Crop Insurance Scheme (RWBCIS), but farmers have to pay a low flat premium rate of maximum of 1.5% for Rabi, 2% for Kharif food and Oilseed crops and 5% for commercial/horticultural crop. The average premium rate was 12.17% in Kharif 2016, 14.81% for Kharif 2017 and 15.13% in Kharif 2018. However, premium rates remained almost same during Rabi seasons i.e. 8.09% in Rabi 2016-17, 8.26% in Rabi 2017-18 and 8.22% in Rabi 2018-19. The farmers have to pay only flat rate of premium and remaining premium is shared by the Central and respective State Government on 50: 50 basis.

Department of Agriculture, Cooperation and Farmers Welfare has formed Technical Support Unit (TSU) to provide technical assistance to Crop insurance schemes. TSU has provided supporting analysis to several States helping them understand the quantified risk assessment of their respective States. TSU has also provided bid analysis support to State Govt. of Haryana, Maharashtra, Odisha, Uttar Pradesh and Chhattisgarh helping them to review the bidded premium rates with insurance companies.

(b): No Sir.

(d): No Sir. However, deficiency in conducting of Crop Cutting Experiments/yield estimates has been reported to this Department and necessary action in the mater including convening of meeting of the Technical Advisory Committee (TAC) has also been taken to expedite the settlement of claims of the farmers.

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