

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

LOK SABHA
UNSTARRED QUESTION NO.373
TO BE ANSWERED ON THE 19TH NOVEMBER, 2019

DELAYS IN CLAIMS OF PMFBY

373. DR. SANJAY JAISWAL:

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

- (a) whether it is a fact that there are delays in release of claims to farmers under Pradhan Mantri Fasal Bima Yojana (PMFBY), if so the details thereof and the reasons therefor;
- (b) whether there are instances where insurance companies have unduly benefitted from the scheme by having a monopoly in a district and going slow on issuing insurances during a drought year and if so, the details thereof; and
- (c) the details of reforms taken to improve the scheme?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री (SHRI NARENDRA SINGH TOMAR)

(a): As per provisions of Pradhan Mantri Fasal Bima Yojana (PMFBY) 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, settlement of claims in some States get delayed due to reasons like delayed transmission of yield data; late release of their share in premium subsidy by some States, yield related disputes between insurance companies and States, non-receipt of account details of some farmers for transfer of claims and NEFT related issues, etc. However, this Department is regularly monitoring the implementation of PMFBY including timely settlement of claims. Penalty provisions for late settlement of claims by insurance companies and late release of funds by State Governments have also been stipulated under the scheme.

(b): No such incidence has been reported by any State Government. However, loanee farmers are compulsorily covered for notified crops/areas. Non-loanee farmers can insure themselves through Common Service Centres and directly online on National Crop Insurance Portal (CIP). Further, for transparency and monitoring purposes individual farmers data is uploaded on the NCIP.

(c): 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 coverage under the scheme, the following provisions, which will facilitate higher enrolment and early settlement of claims, making the scheme even more farmer friendly, 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.
- (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 adds on coverage for damage by wild animals on pilot basis.
