

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

**LOK SABHA**  
**UNSTARRED QUESTION NO. 321**  
TO BE ANSWERED ON THE 4<sup>TH</sup> FEBRUARY, 2020

**SETTLEMENT OF CLAIMS UNDER PMFBY**

321. SHRI RAHUL GANDHI:

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

- (a) whether undue delay in settlement of claims of insured farmers under the Pradhan Mantri Fasal Bima Yojana (PMFBY) have been reported in several States;
- (b) if so, the reasons therefor and the measures being taken to prevent such delays;
- (c) the details of interest paid by insurance companies and the State Government for delay in settlement of claims, if any, State-wise;
- (d) whether several private insurance companies have opted out of the Pradhan Mantri Fasal Bima Yojana for the Rabi and Kharif Seasons 2019-20;
- (e) if so, the details thereof and the reasons therefor; and
- (f) the details of the premium paid by the beneficiaries, State and Centre and the claims filed and settled by the insurers for the last two years, State-wise?

**ANSWER**

MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री (SHRI NARENDRA SINGH TOMAR)

(a) & (b) : 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 release of total State share of premium subsidy from concerned State Government within time. However, settlement of claims in some States gets 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 National Electronic Fund Transfer (NEFT) related issues, etc. However, this Department is regularly monitoring the implementation of PMFBY including timely settlement of claims.

To bring down the claim settlement time, many steps in addition to regularly monitoring the implementation of PMFBY, have been taken by the Government. These steps include use of improved technology, revision of Operational Guidelines wherein provision has been made for timely release of State Govt. share in 3 instalments and settlement of claims by insurance companies without waiting for final/3<sup>rd</sup> installment by the States and advancement of 15 days in seasonality discipline for early 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 these guidelines.

(c) : As per the operational guidelines of PMFBY, vide letter dated September 25, 2019, an interest penalty of Rs. 3.30 crore, Rs. 0.09 crore, Rs. 0.51 crore, Rs. crore and Rs. 0.16 crore has been imposed on Agriculture Insurance Company of India Ltd., Chola mandalm-MS General Insurance Company Ltd., ICICI-Lombard General Insurance Company Ltd., New India Assurance Company Ltd. and SBI General Insurance Company Ltd. respectively. In reply they have submitted their explanations requesting for review. A meeting has been called to discuss the explanations submitted by the insurance companies.

Apart from this, State Governments have been advised to impose penalties on insurance companies themselves. Accordingly, some State governments like Uttar Pradesh, Gujarat and Haryana have also imposed punitive interest on insurance companies and have deducted the interest money.

A letter has also been issued to 5 States namely, Andhra Pradesh, Madhya Pradesh, Talangana, Jharkhand and Rajasthan who defaulted in release of state share of subsidy reminding them about the provision of penal interest on States.

(d) & (e) : 18 companies including all the 5 public sector companies have been empanelled for implementation of the scheme in country by the Department of Agriculture, Cooperation and Farmers Welfare. But all the companies are not participating in bidding process in each State/each season. During last year i.e. 2019-20 four companies namely, ICICI-Lombard General Insurance Company Ltd., Tata-AIG General Insurance Company Ltd., Chola mandal-MS General Insurance Company Ltd. and Shriram General Insurance Company Ltd. have not participated in fresh bids due to non-availability of reinsurance arrangement and non-approval by their respective Board of Directors etc.

(f) : State-wise details of premium and claims under PMFBY during last two years i.e. 2017-18 and 2018-19 are given in **Annexure**.

## Annexure

## State-wise details of premium and claims during 2017-18 and 2018-19 under Pradhan Mantri Fasal Bima Yojana (PMFBY)

(Rs. in Crore)										
State/UT Name	2017-18					2018-19				
	Farmer Premium	State Premium Subsidy	GOI Premium Subsidy	Gross Premium	Approved Claims	Farmer Premium	State Premium Subsidy	GOI Premium Subsidy	Gross Premium	Approved Claims*
<b>A &amp; N Islands</b>	0.007	0.011	0.011	0.030	-	0.051	0.096	0.096	0.243	-
<b>Andhra Pradesh</b>	258.683	521.230	521.230	1,301.143	730.754	302.735	524.922	524.922	1,352.579	1,088.801
<b>Assam</b>	5.134	3.373	3.373	11.880	1.110	5.829	3.403	3.403	12.635	0.093
<b>Bihar</b>	177.836	424.745	424.745	1,027.325	401.525	-	-	-	-	-
<b>Chhattisgarh</b>	132.884	114.491	114.491	361.866	1,388.010	161.101	364.030	364.030	889.161	1,065.316
<b>Goa</b>	0.048	0.001	0.001	0.051	0.005	0.033	0.000	0.000	0.033	0.092
<b>Gujarat</b>	398.385	1,431.532	1,431.532	3,261.449	1,073.747	402.556	1,369.413	1,369.413	3,141.382	2,600.870
<b>Haryana</b>	208.668	147.937	96.568	453.172	899.371	253.353	325.002	262.244	840.599	926.161
<b>Himachal Pradesh</b>	30.505	23.501	23.501	77.506	64.708	29.724	24.852	24.852	79.428	10.190
<b>Jammu &amp; Kashmir</b>	8.997	15.988	15.988	40.972	9.810	16.886	29.899	29.899	76.683	11.360
<b>Jharkhand</b>	28.262	91.832	91.832	211.926	46.935	49.401	182.579	164.337	396.317	73.666
<b>Karnataka</b>	235.055	799.507	799.507	1,834.068	859.168	232.592	795.153	795.153	1,822.898	2,755.044
<b>Kerala</b>	6.333	9.770	9.770	25.873	10.936	6.179	15.061	15.061	36.300	12.345
<b>Madhya Pradesh</b>	820.339	2,005.985	2,015.319	4,841.643	5,827.202	944.972	2,321.559	2,321.559	5,588.089	190.712
<b>Maharashtra</b>	508.616	1,874.029	1,874.029	4,256.674	3,286.168	786.790	2,659.379	2,659.379	6,105.547	5,719.894
<b>Manipur</b>	0.747	0.597	0.597	1.941	0.670	0.104	0.052	0.052	0.208	0.001
<b>Meghalaya</b>	1.009	0.206	0.206	1.421	0.017	0.090	0.005	0.005	0.099	0.092
<b>Odisha</b>	145.063	337.630	337.630	820.324	1,779.045	168.808	454.555	454.555	1,077.918	1,043.608

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<b>Puducherry</b>	-	-	-	-	-	0.901	1.107	1.107	3.115	0.452
<b>Rajasthan</b>	501.757	1,100.424	1,100.424	2,702.605	2,193.411	592.972	1,430.132	1,430.132	3,453.237	2,834.478
<b>Sikkim</b>	0.064	0.001	0.001	0.065	0.038	0.024	-	-	0.024	0.002
<b>Tamil Nadu</b>	124.165	608.990	608.990	1,342.144	1,978.869	121.656	650.343	650.343	1,422.343	1,722.183
<b>Telangana</b>	189.298	244.739	244.739	678.776	630.962	151.175	185.663	185.663	522.500	143.079
<b>Tripura</b>	0.593	0.074	0.074	0.741	0.999	0.020	0.005	0.005	0.030	-
<b>Uttar Pradesh</b>	383.527	501.100	501.100	1,385.727	380.478	410.543	545.633	545.633	1,501.809	449.185
<b>Uttarakhand</b>	18.819	24.513	24.513	67.844	39.435	20.996	27.059	27.059	75.114	72.373
<b>West Bengal</b>	210.803	229.636	202.006	642.444	254.321	259.282	242.607	205.799	707.688	194.901
<b>GRAND TOTAL</b>	<b>4,395.596</b>	<b>10,511.840</b>	<b>10,442.174</b>	<b>25,349.610</b>	<b>21,857.693</b>	<b>4,918.773</b>	<b>12,152.507</b>	<b>12,034.700</b>	<b>29,105.980</b>	<b>20,914.898</b>

\* Claims in respect of some crops/areas for the season Rabi 2018-19 are not approved.

