

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

LOK SABHA
UNSTARRED QUESTION NO.394
TO BE ANSWERED ON THE 4TH FEBRUARY, 2020

COMPLAINTS AGAINST CROP INSURANCE COMPANIES

394. SHRIMATI RAMA DEVI:
SHRIMATI POONAMBEN MAADAM:

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

- (a) whether the Government has found insurance companies guilty on the basis of complaints received in regard to the crop insurance scheme;
- (b) if so, the details thereof during the last three years, State-wise;
- (c) the action taken by the Government against the insurance companies found guilty; and
- (d) the outcome of the said action along with the reaction of the Government thereto?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री (SHRI NARENDRA SINGH TOMAR)

(a) to (d) : During implementation of the Pradhan Mantri Fasal Bima Yojana (PMFBY), some complaints against insurance companies about non-payment and delayed payment of claims; under payment of claims on account of incorrect/delayed submission of insurance proposals by banks; discrepancy in yield data & consequent disputes between State Government and insurance companies, unrealistic assessment of crop loss due to large unit area of insurance; delay in providing Government share of funds, non-deployment of sufficient personnel by insurance companies etc., have been received in the past in the country. Most of the complaints were suitably addressed by the concerned State Government, Insurer and the Ministry. Yield data disputes between States and insurance companies are settled by referring the matter to the Technical Advisory Committee (TAC) by the State or Insurance companies. Further, some State Governments like Rajasthan, Karnataka and Gujarat have debarred United India Insurance Company Ltd. & Tata-AIG General Insurance Company Ltd; Shriram General Insurance Company Ltd. and SBI General Insurance Company Ltd. respectively for participation in tender of PMFBY for one or more seasons.

As per provision of Revised Operational Guidelines of the scheme, insurance companies have to pay penal interest @ 12% per annum to farmers for late settlement of claims subject to certain conditions. Government has imposed interest penalty of Rs. 3.30 crore, Rs. 0.09 crore, Rs. 0.51 crore, Rs.0.15 crore and Rs. 0.16 crore has been imposed on Agriculture Insurance Company of India Ltd., Cholamandalm-MS General Insurance Company Ltd., ICICI-Lombard General Insurance Company Ltd., New India Assurance Company Ltd. and SBI General Insurance Company Ltd. respectively vide letter dated September 25, 2019. 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 penalty on insurance companies for non-performance of certain provisions of the scheme and have deducted the penalty from State share of premium subsidy to insurance companies.

Further, a provision of Stratified Grievance Redressal Mechanism viz. District Level Grievance Redressal Committee (DGRC), State Level Grievance Redressal Committee (SGRC) has been made in the Revised Operational Guidelines of the Scheme to resolve such complaints. Accordingly, 13 States/Union Territories have notified the District/State level grievance redressal committees in their respective States.

Scheme guidelines also provides for evaluation of the working of the insurance companies in implementation of the scheme.
