

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

**LOK SABHA**  
**UNSTARRED QUESTION NO. 1403**  
TO BE ANSWERED ON THE 20<sup>TH</sup> SEPTEMBER, 2020

**DELAYS IN PMFBY**

1403. SHRIMATI MANEKA SANJAY GANDHI:

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 and reasons thereof;
- (b) whether there are instances where insurance companies have unduly benefited from the scheme by having a monopoly in a district and going slow on issuing insurance during a drought year, 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 National Electronic Funds Transfer (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, farmers can insure themselves through Common Service Centres and directly online on National Crop Insurance Portal (NCIP). Further, for transparency and monitoring both by Central and State Governments, individual farmers data is uploaded on the NCIP.

Moreover, other desirous empanelled insurance companies are also allowed to insure the non-loanee farmers on same premium rates to bring more competition and infrastructure for enrolment of farmers within district.

(c): Keeping in view the experience of implementation of PMFBY in 4 years and after detailed discussions with stakeholders, Government has recently approved the revamping of the Pradhan Mantri Fasal Bima Yojana (PMFBY) and Restructured Weather Based Crop Insurance Scheme (RWBCIS) for implementation from Kharif 2020 season. Changes/improvements made in the provisions/parameters of these schemes are given in **Annexure.**

**Changes/Improvements made in the provisions/parameters of PMFBY and  
RWBCIS w.e.f. Kharif 2020 season**

- To address the demand of farmers, the scheme has been made voluntary for all farmers. However, there is no change in farmers' share of premium.
- The premium subsidy sharing pattern between Centre and North Eastern States has been changed from 50:50 to 90:10. This has been done to allow more States to notify the scheme and existing States to notify more crops and areas to facilitate greater coverage of farmers under the scheme. For remaining States, subsidy sharing pattern will continue as 50:50.
- To address the issue of high premium rate for few crops/areas due to adverse selection, the requisite central share of premium subsidy (90:10 for North Eastern States and 50 : 50 for remaining States) will be provided for areas/crops upto gross premium rate of 25% for irrigated and 30% for un-irrigated areas/crops. Besides, alternate risk mitigation measures will be explored for these areas/crops.
- Insurance companies will now be selected by the States for 3 years in a go instead of one year thereby increasing their commitment and accountability to the farmers.
- Option has been given to the States to choose the notional value of average yield or the Scale of Finance as sum insured in the interest of the farming community.
- In view of the demand of many states, option has been given to states to choose additional risk covers besides shortfall in yield-based cover depending upon the local weather challenges and requirements of the farmers.
- The states delaying the release of subsidy beyond stipulated timelines can not participate in upcoming seasons.
- Two-step process of crop yield estimation using weather and satellite indicators etc. is adopted, which will help in early assessment of loss.
- Use of smart sampling technique through satellite data for crop cutting experiments by some states has shown increased efficiency in implementation. This will now be universalized.
- The delay by some States in submission of crop yield data will now be suitably addressed using technological solutions.
- Provision has been made for earmarked administrative expenses @ 3% for strengthening the infrastructure and technology usage for better delivery of the Scheme.
- Insurance companies have been asked to mandatorily utilize 0.5% of gross premium collected by them for IEC activities at grass root level to build overall insurance literacy of farmers to take informed decisions.
- Use of more technology for transparency and quick assessment of crop yield/loss for early settlement of claims.

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