

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

LOK SABHA
UNSTARRED QUESTION NO.1557
TO BE ANSWERED ON THE 20TH SEPTEMBER, 2020

PRIVATE INSURANCE COMPANIES UNDER PMFBY

1557 SHRI SUDHAKAR TUKARAM SHRANGARE:

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

- (a) whether certain major private insurance players have not bid for Pradhan Mantri Fasal Bima Yojana (PMFBY) during 2020-21;
- (b) if so, the details thereof along with the reasons therefor; and
- (c) the steps taken by the Government to ensure that premiums, assessments of loss and payment of compensation under PMFBY work satisfactorily for all stakeholders?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री (SHRI NARENDRA SINGH TOMAR)

(a) & (b) : 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 don't participate in bidding process in each State/each season. Five private general insurance companies namely, ICICI-Lombard General Insurance Company Ltd., Tata-AIG General Insurance Company Ltd., Cholamandal-MS General Insurance Company Ltd., Shriram General Insurance Company Ltd. and Royal Sundaram have not participated in fresh bids due to non-availability of reinsurance arrangement and non-approval by their respective Board of Directors etc.

(c) : As per provisions of the scheme insurance companies for implementation of the scheme are selected by the concerned State Governments through competitive bidding process and lowest premium quoting company is selected as L-1. This Department has constituted a Technical Support Unit (TSU) to estimate the loss cost and likely actuarial premium and provided to desirous State Governments for finalization of premium rates etc.

The detailed methodology and formula for calculation of claims/indemnity has been defined in the Operational Guidelines of the Scheme.

Further, to increase the transparency and satisfaction of stakeholders including farmers different technological interventions such as development of centralized web-based, integrated digital platform - National Crop Insurance Portal (NCIP) to speed up service delivery and Crop insurance apps to provide unified interface to farmers for all aspects related to the scheme including enrolment, application status and loss intimation etc. have been taken by the Government.
