

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

**LOK SABHA**  
**UNSTARRED QUESTION NO.1371**  
TO BE ANSWERED ON THE 9<sup>TH</sup> FEBRUARY, 2021

**INTEREST ON INSURANCE CLAIMS**

1371. SHRIMATI POONAMBEN MAADAM:

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

- (a) whether there is a provision for a twelve percent annual interest to farmers from insurance companies if the claims settlement is done after ten days of the last day of claim settlement under the agriculture crop insurance;
- (b) if so, the details thereof; and
- (c) the amount paid as twelve percent interest as per the provision mentioned above during the last three years?

**ANSWER**

MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री ( SHRI NARENDRA SINGH TOMAR)

(a) to (c): Yes Sir. A provision has been made in the Revised Operational Guidelines of Pradhan Mantri Fasal Bima Yojana (PMFBY) that 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 provided the yield data/crop loss information and applicable premium subsidy is paid on time by the concerned State Government.

The defaulting insurance companies have been asked to pay calculated penalty amount at Rs. 383.78 lakh pertaining to crop seasons upto Rabi 2017-18.

Further, as the all data is available with the concerned States, they used to submit the data to Central Government and then aforesaid data was examined and penalty was enforced. Therefore, to reduce the time in calculation and payment of penalty, State Governments have been advised to calculate and ensure payment of penal interest on account of delay in settlement of claims by concerned Insurance Companies to the affected farmers along with pending claims amount.