

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

LOK SABHA
UNSTARRED QUESTION NO. 4549
TO BE ANSWERED ON THE 23RD MARCH, 2021

EMPANELMENT OF INSURANCE COMPANIES UNDER PMFBY

4549. SHRI BALUBHAU ALIAS SURESH NARAYAN DHANORKAR:
SHRI K. NAVASKANI:

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

- (a) the number of public and private insurance companies empanelled for the implementation of Pradhan Mantri Fasal Bima Yojana (PMFBY) in 2020-21;
- (b) whether major private insurance players have not bid for PMFBY during 2020-21;
- (c) if so, the details and reasons thereof; and
- (d) the steps taken by the Government to ensure that premiums, assessments of loss and payment of compensation under PMFBY are paid to all farmers?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE कृषि एवं किसान कल्याण मंत्री
(SHRI NARENDRA SINGH TOMAR)

(a) to (d) : 18 general insurance companies have been empanelled for implementation of Pradhan Mantri Fasal Bima Yojana (PMFBY) during 2020-21. One new company has also been empanelled during the year 2020-21.

Further, as per provisions of the Operational Guidelines of PMFBY, each insurance company is required to compulsorily bid for any 4 North Eastern States, 2 hilly States and 2 Union Territories so that the scheme can be implemented in low penetrated States/UTs.

All the empanelled companies have not participated in bidding process in each State/each season. In Kharif 2020 season only 9 insurance companies have bid for implementation of PMFBY during 2020-21 due to financial considerations and hardening of reinsurance market.

Non-participation in bidding process by insurance companies is one of the key performance indicators and specific negative points have been allocated for non-performance of this provision at the time of monitoring/evaluation of empanelled insurance companies with imposition of monetary penalty.

However, in reply to the show-cause notices issued by the Government, most of these companies have assured to continue participation in bidding in coming years.

Even if any empanelled insurance company discontinues the implementation of PMFBY, they are bound to assess the crop losses and settle/pay the admissible claims of previous seasons to the insured farmers who have paid premium as per the rules and regulations of the Insurance Regulatory Development Authority of India (IRDAI).

Detailed provisions regarding settlement of claims of insured farmers by the insurance companies have also been made in the Operational Guidelines of PMFBY. The Government monitors the scheme implementation including settlement of claims by insurance companies regularly through weekly video conferences with stakeholders including insurance companies, banks and State Governments. Government has also issued instructions from time to time to the financial institutions to remit the premium and upload the farmers' data correctly and timely on NCIP. Stakeholders are also reminded from time to time to ensure adherence to the seasonality discipline and other requirements indicated in the Operational Guidelines of the scheme so that admissible claims of farmers can be paid well in time.
