

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

LOK SABHA
UNSTARRED QUESTION NO. 3866
TO BE ANSWERED ON THE 21ST DECEMBER, 2021

CROP INSURANCE GUIDELINES

3866. SHRI SANJAY JADHAV:
SHRIMATI BHAVANA PUNDALIKRAO GAWALI:
SHRI OMPRAKASH BHUPALSINH ALIAS PAWAN RAJENIMBALKAR:
SHRI KRUPAL BALAJI TUMANE:

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

- (a) whether Pradhan Mantri Fasal Bima Yojana (PMFBY) is effective for the compensation of crop loss during natural calamities, if so, the details thereof;
- (b) whether the Central Government, State Governments and farmers give their share to the designated insurance companies, if so, the details thereof;
- (c) whether insurance companies have not provided the benefits of crop insurance to farmers by formulating many new rules and if so, the reasons therefor;
- (d) whether the Government has reviewed the same including the details thereof;
- (e) whether the Government is aware that the rule made by insurance companies to apply for the compensation of crop loss within 72 hours is very difficult and inconvenient;
- (f) the direction given to the insurance companies for the convenience of farmers as electricity and internet gets affected during natural calamities and the monsoon; and
- (g) the steps taken by the Government to change the said rule and to protect the interest of farmers affected during natural calamities?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री (SHRI NARENDRA SINGH TOMAR)

(a) : Yes Sir. From inception of the scheme till 2020-21 cumulatively 2,938.7 lakh farmer applications for a sum insured of Rs. 10,49,342 crore have been enrolled under the scheme.

(b) : The actuarial/bidder premium is charged by implementing insurance companies under Pradhan Mantri Fasal Bima Yojana (PMFBY). Lowest premium quoted by the insurance company is the effective premium in the specific area/crop. However, farmers

have to pay maximum 2% of sum insured for Kharif, 1.5% for Rabi food and oilseed crops and 5% for commercial/horticultural crops. The balance of actuarial/bidder premium is shared/paid to the implementing insurance companies by the Central and State Government on 50:50 basis and 90:10 in case of North Eastern States from Kharif 2020 season subject to other provisions of the scheme.

(c) : The scheme is being implemented as per provisions of Operational Guidelines of the scheme formulated by the Ministry of Agriculture and Farmers Welfare and not by the rules framed by the insurance companies.

(d) & (e) : Question does't arise in view of (c) above.

(f) & (g) : Pradhan Mantri Fasal Bima Yojana (PMFBY) envisages coverage of risk from pre-sowing to post-harvest losses, increase in sum insured by equating the sum insured to scale of finance or value of notional average yield to provide adequate claims proportionate to their crop damage. Further, timelines for each and every activity like enrollment, submission of yield data by State Government to insurance companies for calculation of claims, workout and settlement of claims etc. alongwith penalty provision on default and dispute/grievance redressal mechanism has been provided in the Operational Guidelines of the Scheme.

PMFBY is an yield index based scheme and mainly implemented on area approach basis. Season-end claims, which constitutes the major part of the claims, are worked out on the basis of shortfall in actual yield viz-a-vis the threshold yield in the notified area as per given formula in the scheme. No intimation of loss in this regard is required by the farmers.

However, losses due to localized risks of hailstorm, landslide, inundation, cloud burst & natural fire and post-harvest losses due to cyclone, cyclonic/unseasonal rains and hailstorm for a specified period of 14 days after harvest are calculated on individual insured farm basis on inspection by a Committee constituted by the concerned State Government comprising of State officials, officials from insurance companies and loss assessors. Hence, as provided in the Operational Guidelines farmers have to intimate the loss of their crops to the insurance company/State Government/ financial institutions within 72 hours of these losses. Originally the period for intimation of loss was 48 hours and was revised to 72 hrs. in 2018 after detailed consultation with all stakeholders as well as keeping the convenience of farmers in mind. Further, 48 hours have been provided over and above this period for intimation by State Government/financial institutions to the insurance companies. Various modes both electronically/online and physically/offline like intimation to the insurance company' local office, banks, concerned department of State Government, web portal, toll free number etc. are available for intimation of losses on individual farm level. These claims are assessed by a joint committee comprising representatives of State Government and concerned insurance company. But, as per provisions of the scheme, if the crop losses are wide spread in nature i.e. more than 25% of the insured area is affected, then the localized/post harvest claims are also worked out on sample based crop loss assessment basis. Also, there is a provision to pay claims towards prevented sowing/failed germination and adhoc claims in case of mid season adversity.

Though the claims are worked out and settled by the implementing insurance companies, but the yield data for settlement of season-end claims is provided by the concerned State Government. Similarly, individual farm level crop loss assessment is also

carried out by the joint committee constituted by the concerned State Government to work out the admissible claims.

Revision/improvement in the crop insurance schemes is a continuous process. Based on the experience gained, views of various stakeholders including States and with a view to ensure better transparency, accountability, timely payment of claims to the farmers and to make the scheme more farmer friendly, Government has comprehensively revised and revamped the Operational Guidelines of the Pradhan Mantri Fasal Bima Yojana (PMFBY) with effect from Rabi 2018 and Kharif 2020 respectively to ensure targeted delivery of benefits of the scheme to the farmers adequately and timely
