

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

LOK SABHA
UNSTARRED QUESTION NO. 2785
TO BE ANSWERED ON THE 18TH MARCH, 2025

OPERATIONAL GUIDELINES OF PMFBY

2785. SHRI S VENKATESAN:

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

(a) whether as per the provisions of revamped Operational Guidelines of the PM Bima Fasal Yojana, insurance companies are required to pay penal interest @12% per annum to the farmers for the period beyond the period stipulated in the PMFBY Guidelines from the date of receipt of final yield data from the State Government and completion of crop damage survey, if so, the details thereof;

(b) whether insurance companies settled all the claims in stipulated time after revamped Operational Guidelines are issued, if so, the details thereof;

(c) the details of quantum of penal interest paid by the insurance companies after the implementation of revamped Operational Guidelines for the delayed settlement of claims, Statewise and company-wise; and

(d) the details of non payment of penal interest by private companies and action taken thereon?

ANSWER

THE MINISTER OF STATE FOR AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण राज्य मंत्री

(SHRI RAMNATH THAKUR)

(a) : Yes Sir.

(b) to (d) : All the major work like selection of insurance model, selection of Insurance Companies through transparent bidding process, enrollment of farmers, assessment of crop yield/crop loss for calculation of admissible claims are being performed by the concerned State Government or Joint Committee of State Government officials and concerned insurance company. Further, all the data relating to payment of claims was available with the States/UTs, therefore, they were advised to impose penalties on insurance companies themselves. The roles and responsibilities of each stakeholder are defined in the Operational Guidelines of the scheme for the proper execution of the scheme.

Majority of the claims are settled within the stipulated timelines under the Operational Guidelines of the scheme by the insurance companies. However, during the implementation of PMFBY, some complaints were received in the past about non-payment, delayed payment or under payment of claims on account of incorrect/delayed submission of insurance proposals by banks; discrepancy in yield data & consequent disputes between State Government and insurance companies, delay in providing State Government share of funds, non-deployment of sufficient personnel by insurance companies etc., which were suitably addressed as per provisions of the scheme.

In order to rigorously monitor claim disbursal process, a dedicated module namely '**Digicclaim Module**' has been operationalized for payment of claims from Kharif 2022 onwards. This module gives GOI visibility of claims payable, claims paid and pending. This is used for monitoring of claims, which was not possible earlier. It involves integration of National Crop Insurance Portal (NCIP) with Public Finance Management System (PFMS) and accounting system of Insurance Companies to provide timely & transparent processing of all claims. W.e.f. Kharif 2024, in case payment is not made timely by Insurance Company, penalty of 12% is auto-calculated and levied through NCIP. This is the first season for implementation of auto calculated penalty on NCIP and Department is taking all necessary steps for its enforcement.
