

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

**LOK SABHA**  
**UNSTARRED QUESTION NO. 246**  
TO BE ANSWERED ON THE 22<sup>ND</sup> JULY, 2025

**TIMELY SETTLEMENT OF PMFBY CLAIMS**

246. DR. SHIVAJI BANDAPPA KALGE:  
SHRI BALYA MAMA SURESH GOPINATH MHATRE:  
SHRI BHUMARE SANDIPANRAO ASARAM:  
SMT. DELKAR KALABEN MOHANBHAI:  
SHRI GYANESHWAR PATIL:

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

(a) whether the claims under the Pradhan Mantri Fasal Bima Yojana (PMFBY) are being settled of farmers timely along with actions taken by the Government to overcome the challenges being faced in this regard;

(b) whether the Government proposes to launch any new schemes or take any initiatives to reduce the debt burden on farmers;

(c) if so, the city-wise details thereof pertaining to Maharashtra, Dadra and Nagar Haveli and Madhya Pradesh; and

(d) the details of the Government's policy with regard to agricultural loan waiver and whether the Government propose to implement in same national level?

**ANSWER**

THE MINISTER OF STATE FOR AGRICULTURE AND FARMERS WELFARE  
कृषि एवं किसान कल्याण राज्य मंत्री (SHRI RAMNATH THAKUR)

(a): The Pradhan Mantri Fasal Bima Yojna (PMFBY) was introduced in the country from Kharif 2016 season. The scheme is voluntary for the States and farmers. 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. 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 i.e within 21 days of the receipt requisite yield data from the concerned State Government, by the insurance companies. However, during the implementation of PMFBY, some complaints/grievances were received in the past about payment of claims which are primarily on account of **(a) delay in providing State Government share of subsidy (b) non-payment/delayed payment or under payment of claims on account of incorrect/delayed submission of insurance proposals by banks (c) discrepancy in yield data & consequent disputes between State**

**Government and insurance companies etc.** The pending claims on account of these issue are settled after their resolution as per provisions of the scheme.

Government has taken various steps to strengthen implementation of this scheme, bring transparency and ensure timely settlement of claims :

- Government has undertaken development of **National Crop Insurance Portal (NCIP)** as a single source of data ensuring subsidy payment, co-ordination, transparency, dissemination of information and delivery of services including direct online enrollment of farmers, uploading/obtaining individual insured farmer's details for better monitoring and to ensure transfer of claim amount electronically to the individual farmer's Bank Account.
- In order to rigorously monitor claim disbursement process, a dedicated module namely '**Digicclaim Module**' has been operationalized for payment of claims from Kharif 2022 onwards. 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.
- Delinking of Central Government share of premium subsidy from that of State Governments has been implemented so that farmers can get proportionate claims relating to the Central Government share.
- Opening of ESCROW Account by the State Government concerned for deposit of their premium share in advance as per provisions of the scheme has been made mandatory w.e.f. Kharif 2025 season.
- Also, towards leveraging technology in implementation of the scheme, various steps like capturing of yield data/Crop Cutting Experiments (CCEs) data through **CCE-Agri App** & uploading it on the NCIP, allowing insurance companies to witness the conduct of CCEs, integration of State land records with NCIP etc. have already been taken to improve timely settlement of the claims to farmers.
- Provision of 12% penalty on delay in payment of claims by insurance company is auto calculated on National Crop Insurance Portal (NCIP).

Further, following technologies for Objective Crop Damage & Loss Assessment and transparency have also been implemented recently w.e.f. 2023-24 under the scheme:

- i. **YES-TECH (Yield Estimation System Based on Technology)** for gradual migration to Remote-Sensing based yield estimation to help assess yields as well as fair and accurate Crop Yield Estimation. This initiative has been launched for paddy & wheat crops from Kharif 2023 wherein 30% weightage to yield estimation will mandatorily be assigned to YES-TECH derived yield. Soybean crop has been added from Kharif 2024 season.
- ii. **WINDS (Weather Information Network and Data System)** for setting up of Network of Automatic Weather Stations (AWS) & Automatic Rain-Gauges (ARG) to the tune of 5 times of existing network for collecting hyper-local weather data at GP & Block level. This will be fed into a National database with interoperability & sharing of data in coordination with India Meteorological Department (IMD). WINDS provides data not only for YES-TECH but also for effective drought & disaster management, accurate weather prediction and offering better parametric insurance products.

Department is regularly monitoring the functioning of insurance companies, including timely settlement of claims through weekly video conferences of all stakeholders, one to one meeting as well as National Review Conferences.

(b) to (d) : No Sir. Presently, no scheme for loan waiver is in operation and/or under consideration in the Department of Agriculture & Farmers Welfare. However, the government is implementing a 100% centrally funded Central Sector Scheme known as the

Modified Interest Subvention Scheme (MISS) across various States and UTs on pan India. This scheme aims to provide concessional interest rates on short-term agricultural loans obtained by farmers through Kisan Credit Cards (KCC) for their working capital requirements.

Under this scheme, farmers receive KCC loans at a subsidized interest rate of 7%. To facilitate this, an up front interest subvention (IS) of 1.5% is provided to financial institutions. Additionally, farmers who repay their loans promptly receive a 3% Prompt Repayment Incentive (PRI), effectively reducing the interest rate to 4% per annum.

The benefits of IS and PRI are available for loan limits up to Rs.3 lakhs. However, if the short-term loan is taken for allied activities (other than crop husbandry), the loan amount is limited to Rs.2 lakhs.

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