

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

LOK SABHA

UNSTARRED QUESTION NO. 2677

TO BE ANSWERED ON THE 16TH DECEMBER, 2025

DISCREPANCIES IN THE PAYMENT OF CROP INSURANCE CLAIMS

2677. DR. KALANIDHI VEERASWAMY:

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

- (a) whether the Government has received reports of discrepancies and delays in the payment of crop insurance claim amounts under the Pradhan Mantri Fasal Bima Yojana (PMFBY) and other crop insurance schemes;
- (b) if so, the details thereof including the number of affected farmers and total pending claims, within Tamil Nadu during the last three years;
- (c) whether the Government has identified the causes for such discrepancies, if so, the details thereof;
- (d) whether the farmers continue to face delayed or reduced claim settlements, while insurance companies report rising profits; and
- (e) whether the Government has taken any action against insurance companies or implementing agencies, if so, the details thereof?

ANSWER

THE MINISTER OF STATE FOR AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण राज्य मंत्री (SHRI RAMNATH THAKUR)

(a) to (e) : As prescribed in the Operational Guidelines of the Pradhan Mantri Fasal Bima Yojana (PMFBY), majority of the claims are settled within the stipulated timelines i.e within 21 days of the receipt of requisite yield data from the concerned State Government, by the insurance companies. However, during the implementation of PMFBY, some complaints 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.

Details of claims calculated, Claims paid and pending during last three years i.e. from 2022-23 to 2024-25 in Tamil Nadu under PMFBY are given below :

Year	Application Enrolled	Claims Calculated	Paid Claims	Pending Claims
	(In No.)	(Rs. In Crore)		
2022-23	61,37,961	920.65	917.61	3.04
2023-24	54,56,594	763.83	761.57	2.26
2024-25	53,66,966	732.96	680.11	52.85
Total	1,69,61,521	2,417.43	2,359.28	58.14

Crop insurance is a major risk mitigation tool for the benefit of farmers in the event of non-preventable natural calamities. It may be noted that insurance is not an investment. Insurance is all about spreading the risk spatially & temporally. Insurers save premium in good seasons/years and pay high claims, if any, in bad years from the savings made in the good years. There are many incidences during implementation of the scheme when insurance companies have paid claims in excess of 100% of premium received in case of natural calamities during different seasons.

Government has taken various steps to strengthen implementation of this scheme all over India to 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 NCIP with Public Finance Management System (PFMS) and accounting system of Insurance Companies to provide timely & transparent processing of all claims.
- 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.

- As per the Operational Guidelines of PMFBY, in case payment is not made timely by Insurance Company, a penalty of 12% is auto-calculated and levied through National Crop Insurance Portal (NCIP) w.e.f. Kharif 2024.
- Similarly, if State Government delayed its premium subsidy from stipulated time period, a penalty of 12% is to be paid by them also.
- Tranche based claims settlement has been initiated from 2025-26.
- 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.

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

- 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.
- 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.

Since the scheme is implemented by the State Government, therefore, in order to resolve the grievances/complaints including those related to claims of insured farmers, provision of Stratified Grievance Redressal Mechanism viz. District Level Grievance Redressal Committee (DGRC), State Level Grievance Redressal Committee (SGRC) has been made in the Revised Operational Guidelines of the Scheme. These committees have been given the detailed mandate as outlined in the Operational Guidelines for hearing the complaints/ grievances and to dispose them as per the stipulated procedure.

To further improve the grievance redressal mechanism, Krishi Rakshak Portal and Helpline (KRPH) has been developed. A single Pan-India toll free number 14447 has been deployed and linked to the insurance companies database, where farmers can raise their grievances/issues. Timelines to resolve these grievances/issues has also been fixed.

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.
