

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

LOK SABHA
UNSTARRED QUESTION NO. 2807
TO BE ANSWERED ON THE 15TH MARCH, 2016

OPERATIONAL GUIDELINES FOR PMFBY

2807. SHRI PR. SENTHIL NATHAN:

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

- (a) whether the Union Government has recently released operational guidelines for implementation of Pradhan Mantri Fasal Bima Yojana (PMFBY);
- (b) if so, the details thereof; and
- (c) the advantages/benefits under the said guidelines?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्रालय में राज्य मंत्री (SHRI MOHANBHAI KUNDARIYA)

(a): Yes, Madam.

(b): & (c): The existing crop insurance scheme namely, National Crop Insurance Programme (NCIP) with its three component schemes viz. Modified National Agricultural Insurance Scheme (MNAIS), Weather Based Crop Insurance Scheme (WBCIS) & Coconut Palm Insurance Scheme (CPIS) and National Agricultural Insurance Scheme (NAIS) have been comprehensively reviewed and Government of India has recently approved the Pradhan Mantri Fasal Bima Yojana (PMFBY) which would replace the existing schemes of National Agricultural Insurance Scheme (NAIS) & Modified National Agricultural Insurance Scheme (MNAIS) from ensuing Kharif 2016. Government has also circulated the Operational Guidelines of the new scheme on the basis of which the scheme would be actually implemented by all the stakeholders including States/UTs, insurance companies, financial institutions etc.

PMFBY is a marked improvement over the earlier schemes on several counts and comprehensive risk coverage from pre-sowing to post-harvest losses has been provided under it. Unit area of insurance has been reduced to village/village panchayat level for major crops where claims will be settled on unit area basis. However, for localized risks like hailstorm, landslide and inundation, claims will be settled on individual farm basis. The premium payable by farmers has been substantially reduced and simplified and there is One premium rate on pan-India basis for farmers which would be maximum 1.5%, 2% and 5% for all Rabi, Kharif and annual horticultural/commercial crops, respectively. Other improved features of the scheme are - no capping on premium with no deduction in sum insured; provision for coverage of the risk of post harvest losses due to cyclonic & unseasonal rains will be applicable on pan-India level, allocation of districts/areas on cluster/ group basis and for longer period to insurance companies, for more effective implementation, as well as use of remote sensing technology & use of smartphone for getting images of Crop Cutting Experiments etc. for early settlement of claims have also been introduced. Salient features of the scheme are **annexed**.

Salient Features of PMFBY

- i) Provide comprehensive insurance coverage against crop loss on account of non-preventable natural risks, thus helping in stabilising the income of the farmers and encourage them for adoption of innovative practices.
- ii) Increase the risk coverage of Crop cycle – pre-sowing to post-harvest losses.
- iii) Area approach for settlement of claims for widespread damage. Notified Insurance unit has been reduced to Village/Village Panchayat for major crops
- iv) Uniform maximum premium of only 2%, 1.5% and 5% to be paid by farmers for all Kharif crops, Rabi Crops and Commercial/ horticultural crops respectively.
- v) The difference between premium and the rate of Insurance charges payable by farmers shall be provided as subsidy and shared equally by the Centre and State.
- vi) Uniform seasonality discipline & Sum Insured for both loanee & non-loanee farmers
- vii) Removal of the provision of capping on premium and reduction of sum insured to facilitate farmers to get claim against full sum insured without any reduction.
- viii) Inundation has been incorporated as a localized calamity in addition to hailstorm and landslide for individual farm level assessment.
- ix) Provision of individual farm level assessment for Post harvest losses against the cyclonic & unseasonal rains for the crops kept in the field for drying upto a period of 14 days, throughout the country.
- x) Provision of claims upto 25% of sum insured for prevented sowing.
- xi) “On-Account payment” upto 25% of sum insured for mid season adversity, if the crop damage is reported more than 50% in the insurance unit. Remaining claims based on Crop Cutting Experiments (CCEs) data.
- xii) For more effective implementation, a cluster approach will be adopted under which a group of districts with variable risk profile will be allotted to an insurance company through bidding for a longer duration upto 3 years.
- xiii) Use of Remote Sensing Technology, Smartphones & Drones for quick estimation of crop losses to ensure early settlement of claims.
- xiv) Crop Insurance Portal has been launched. This will be used extensively for ensuring better administration, co-ordination, transparency and dissemination of information.
- xv) Focused attention on increasing awareness about the schemes among all stakeholders and appropriate provisioning of resources for the same.
- xvi) The claim amount will be credited electronically to the individual farmer's Bank Account
- xvii) Adequate publicity in all the villages of the notified districts areas
- xviii) Premium rates under Weather Based Crop Insurance Scheme (WBCIS) have also been reduced and brought at par with new scheme. Further, capping on Actuarial premium and reduction in sum insured has been removed in this scheme also.
