O.I.H.

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

LOK SABHA
UNSTARRED QUESTION NO. 1595
TO BE ANSWERED ON THE 28TH JULY, 2026

FARMER-CENTRIC REFORMS TO PMFBY

1595. SMT. DHANORKAR PRATIBHA SURESH:

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

(a) whether the Government has official data available regarding the fact that private insurance companies operating under the Pradhan Mantri Fasal Bima Yojana (PMFBY) have earned substantial profits of rupees 73,630 crore from across the country and rupees 16,300 crore from Maharashtra alone during the last nine years (2016 to 2025);

(b) whether the Government is considering imposing 'profit capping' on insurance companies to curb this profiteering, given that these companies often cite technical glitches and complex rules to reject farmers' claims or provide only nominal assistance during natural disasters;

(c) the details of the reforms being made in the regulations to make it mandatory for insurance companies to conduct 'panchnama' (spot assessment) within 72 hours of crop loss and deposit the claim amount directly into farmers' bank accounts within the next 15 days; and

(d) the stringent steps being taken to the Government to cancel the licenses of companies violating the terms and to register criminal cases against them ?

ANSWER

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

(a): All the data relating to coverage details including premium and claims relating to Pradhan Mantri Fasal Bima Yojana (PMFBY) is available on National Crop Insurance Portal (NCIP). This data includes the premia paid as well as the claims disbursed. Data regarding profit and/or loss of insurance companies is not maintained on the portal.

(b): No such proposal is under consideration. However, an Alternate Risk Transfer Mechanism (ARTM) has been introduced from Kharif 2023. ARTM provides for 3 Alternate Risk Transfer models other than standard PMFBY namely, cup and cap model (80:110), cup and cap model (60:130) and profit and loss sharing model under which in case of claims below stipulated threshold, portion of the premium paid by the Government as subsidy will go back to the State treasury or Consolidated Fund of India, as the case may be. Further, in case of claims above stipulated threshold, Centre and State are required to pay claims.

(c) & (d): Timelines have already been fixed for each and every activity including conduct of survey in case of localized calamities and settlement of claims in farmers account and season-end area approach based claims and has been duly provided in the Operational Guidelines of the scheme.

Further, Crop Loss Assessment App (CLAP), developed as a digital mobile application to streamline and improve the efficiency of crop loss assessments for localised calamities/ post harvest losses for individual farms and land parcels under PMFBY. The use of CLAP has been made mandatory for all the States/UTs under the scheme. In case of localized calamities, a duly filled & signed copy of survey form is given to the insured farmer by the surveyor of insurance company.

To bring more transparency in calculation of claims, results of CCEs are required to be uploaded on the National Crop Insurance Portal (NCIP). Further, the insurance companies have also been instructed to witness the conduct of CCEs. As per provisions of the CCEs manual under PMFBY, results of the CCEs done through CCE Agri App, are required to be noted on the prescribed form with the signature of the concerned officers conducting the CCEs, farmers and officers of insurance companies witnessing the CCEs.

As per timelines given in the Operational Guidelines of the scheme, insurance companies have to settle the claims within 21 Days from calculation of claims on National Crop Insurance Portal (NCIP) subject to receipt of premium subsidy. In case payment is not made as per timelines mentioned above penalty of 12% is auto calculated and levied through NCIP w.e.f. Kharif 2024 season.

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