GOVERNMENT OF INDIA
MINISTRY OF AGRICULTURE AND FARMERS WELFARE
DEPARTMENT OF AGRICULTURE AND FARMERS WELFARE
RAJYA SABHA
STARRED QUESTION NO. 71
TO BE ANSWERED ON 03/12/2021

WITHDRAWAL OF STATES FROM PMFBY

*71. SHRI SANJAY RAUT:

Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

(a) the view of Government on States withdrawing from Pradhan Mantri Fasal Bima Yojana (PMFBY);

(b) whether reasons behind this trend is delay in settling the claims of farmers;

(c) if so, the measures to address this and other issues resulting in withdrawal of States from the scheme;

(d) whether coverage of the PMFBY has consistently come down from 30 percent (567.2 lakh hectares) in 2016-17 to 27 percent in 2018-19 and 25 percent (497 lakh hectares) in 2019-20; and

(e) the present coverage and measures to address the issues plaguing the scheme?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE

(SHRI NARENDRA SINGH TOMAR)

(a) to (e) : A Statement is laid on the Table of the House.

STATEMENT REFERRED TO PART (a) TO (e) OF RAJYA SABHA STARRED QUESTION NO. 71 REGARDING WITHDRAWAL OF STATES FROM PMFBY FOR REPLY ON 03.12.2021

(a) to (e): The Pradhan Mantri Fasal Bima Yojana (PMFBY) is voluntary for States/Union Territories as well as for farmers. Since inception of the scheme in Kharif 2016, 27 States/Union Territories implemented the PMFBY in one or more seasons. The major reason for delay in settlement of claims is delayed payment of their share in premium subsidy by the States. Government is also regularly reviewing the implementation of Scheme in consultation with State Governments and other stakeholders to streamline the process for early settlement of claims and to provide timely benefits to the eligible farmers under the scheme.

Since inception of the scheme coverage has been around at 29.5% of Gross Cropped Area (GCA) in the States/UTs who are implementing the scheme.

Based on the experience and feedback from the stakeholders including States, scheme has been revised and further revamped for implementation with effect from Rabi 2018-19 and Kharif 2020 season respectively. Brief features of revamped PMFBY are at **Annexure**.

The Government is also regularly monitoring the implementation of PMFBY and persuading the States/UTs to notify more crops and areas under the scheme and release their share of premium in time for early settlement of claims. Further, Government has taken several steps to create substantial awareness about the scheme amongst beneficiaries so that they can enroll themselves voluntarily under the scheme. The Government has made provision to ensure availability of adequate funds for awareness of PMFBY from Rabi 2018-19. The revised Operational Guidelines for PMFBY which came into effect from 1st October 2018 have provided that the insurance companies should allocate 0.5% of the total gross premium collected by them for Information, Education and Communication (IEC) activities. The Government has been actively supporting the awareness activities being carried out by the States, implementing Insurance Companies, financial institutions, and CSC network to disseminate key features of PMFBY amongst farmers and members of Panchayati Raj Institutions (PRIs).

Annexure

Salient Features of PMFBY

i) Provides comprehensive insurance coverage against crop loss on account of non-preventable natural risks, thus helping in stabilizing the income of the farmers and encourage them for adoption of innovative practices.

ii) Increased 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) Actuarial/bidded premium but 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. Premium over and above these limits is shared by the Central and State Governments on 50 : 50 basis except in North Eastern Region where it is 90 : 10.

v) The difference between premium and the rate of Insurance charges payable by farmers is 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 which led to reduction in sum insured to facilitate farmers to get claim against full sum insured without any reduction.

viii) Individual farm level assessment and settlement of claims for localized calamities of hailstorm, landslide, Inundation, Cloud Burst and Natural Fire and post harvest losses due to cyclone, cyclonic/unseasonal rains and hailstorm for the crops kept in the field for drying upto a period of 14 days, throughout the country.

ix) Provision of claims upto 25% of sum insured for prevented sowing.

x) "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.

xi) Use of Remote Sensing Technology, Smartphones & Drones for quick estimation of crop losses to ensure early settlement of claims.

xii) Crop Insurance Portal has been developed for ensuring better administration, co-ordination, transparency, dissemination of information and delivery of services including crediting the claim amount electronically to the individual farmer's Bank Account.

xiii) Focused attention on increasing awareness about the schemes among all stakeholders and appropriate provisioning of resources for the same.

xiv) Making the scheme voluntary for all farmers instead of compulsory for loanee farmers.

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