

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

**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 168**  
TO BE ANSWERED ON 03/02/2023

**THE PRADHAN MANTRI FASAL BIMA YOJANA**

168. SHRI JAWHAR SIRCAR:

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

- (a) the progress under Pradhan Mantri Fasal Bima Yojana (PMFBY) for each year since inception, in terms of number of farmers insured and the amounts of premium, Government subsidy and claimed payments;
- (b) the problems faced by the limited numbers of agriculture officers to carry out so many crop cutting experiments; and
- (c) the efforts made to control the profiteering by insurance companies and get them more involved?

**ANSWER**

MINISTER OF AGRICULTURE AND FARMERS WELFARE

(SHRI NARENDRA SINGH TOMAR)

(a) : Year-wise details of progress of Pradhan Mantri Fasal Bima Yojana (PMFBY) since its inception in 2016-17 to 2021-22 (as on 31.12.2022) are given below:

Details of Farmers Insured, Premium and Claims paid for the year 2016-17 to 2021-22 under PMFBY					
Year	Total Farmer Applications (In Lakhs)	Farmer Premium (In Crores)	State Premium (In Crores)	GOI Premium (In Crores)	Claims Paid (In Crores)
2016-17	581.7	4085.1	8944.6	8648.7	16795.5
2017-18	531.8	4172.0	10239.8	10055.9	22065.5
2018-19	582.0	4695.7	12676.6	12316.7	28651.8
2019-20	616.2	4482.0	14321.1	13525.9	27361.6
2020-21	623.2	4044.9	14620.5	13034.0	20423.9
2021-22	832.8	3772.1	13929.9	12562.1	14716.9

(b): The PMFBY is mainly implemented on 'Area Approach' basis. Admissible claims are worked out and paid directly to the insured farmer's account by the insurance companies on the yield data, based on requisite number of Crop Cutting Experiments (CCEs), per unit area,

furnished to the concerned insurance company by the concerned State Government and claim calculation formula envisaged in the Operational Guidelines of the scheme subject to receipt of State Government's requisite share in premium subsidy.

Due to reduction in the unit area to Gram/Gram Panchayat level requisite number of CCEs has increased manifold. Further, the CCEs are being conducted in a very short harvesting window and are labour intensive in most of the States and therefore, States may have the problem of limited manpower to conduct the CCEs for PMFBY.

(c) : As regards profit and loss of insurance companies, most of the general insurance companies except Agriculture Insurance Company of India Ltd. (AIC) are doing different types of businesses/policies. Thus overall profit/loss of these companies is due to profit/loss in overall underwriting business of the company. However, crop insurance is a major risk mitigation tool for the benefit of farmers. Insurance is all about spreading the risk spatially & temporally. As per provisions of the PMFBY/RWBCIS, premium from farmers alongwith Central and State Government share in premium subsidy is paid to the concerned insurance company for acceptance of risk and payment of claims. Insurers save premium in good seasons/years and pay high claims, if any, in bad years from the savings made in the good years.

Further, difference between premium collected and claims paid may not be the margin/profit for the insurance companies as there is a cost of reinsurance and administrative cost which generally range upto 10% to 12% of gross premium. This cost also has to be borne by the Insurance Companies. Out of the total crop insurance business under the scheme about 50% is shared by the 5 Public Sector insurance companies, including Agriculture Insurance Company of India Ltd.

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