

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

RAJYA SABHA
UNSTARRED QUESTION NO. 2091
TO BE ANSWERED ON THE 13TH December, 2024

SIMPLIFICATION OF CROP INSURANCE PROCEDURE

2091 Shri C. Ve. Shanmugam:

Will the Minister of Agriculture and Farmers Welfare be pleased to state:

- (a) whether crop insurance facilities are made available to the farmers in the country;
- (b) if so, the details thereof;
- (c) whether it is a fact that claims of crop insurance involve complex procedures;
- (d) if so, the details thereof;
- (e) whether Government proposes to simplify the rules for crop insurance in the interest of farmers;
- (f) if so, the details thereof; and
- (g) the steps taken by Government in this regard?

ANSWER

MINISTER OF STATE FOR AGRICULTURE AND FARMERS WELFARE
(SHRI RAMNATH THAKUR)

(a) & (b): Yes, Sir. With a view to provide better insurance coverage to crops for risk mitigation, this Department implements a yield based crop insurance scheme namely, Pradhan Mantri Fasal Bima Yojana (PMFBY) alongwith weather index based Restructured Weather Based Crop Insurance Scheme (RWBCIS) from Kharif 2016. Comprehensive risk insurance to farmers is provided against non-preventable natural calamities such as drought, dry-spells, flood, hailstorm, inundation etc. from pre-sowing to post-harvest losses under these schemes. The actuarial/bidder premium rates are charged under Pradhan Mantri Fasal Bima Yojana (PMFBY) and Restructured Weather Based Crop Insurance

Scheme (RWBCIS) by implementing agencies. However, extremely low premium rate across the country for the season is charged from the farmers, which is maximum 2% for Kharif crops, maximum 1.5% for Rabi crops and maximum 5% for commercial/horticultural crops. These schemes are voluntary for the States since inception and for all farmers w.e.f. Kharif 2020.

(c) to (g) : No Sir. Pradhan Mantri Fasal Bima Yojana (PMFBY) is a simple scheme for farmers. Various steps have been taken by the Government, to make the scheme more farmer friendly and affordable, which is visible in the high off-take of the scheme during 2023-24. In fact, the area and farmers' coverage under the scheme is at all-time high. The State Governments have a major role in implementation of the scheme and the Central Government's role is mainly limited to policy making. However, Central Government has also taken following steps to make the scheme more farmer friendly:

(i) **YESTECH**: (Yield Estimation based on Technology) To reduce dependency on manual crop cutting experiments and the problems associated with the same remote sensing based yield estimation with minimum 30% weightage has been adopted since Kharif 2023. Claim payouts based on some have been made in 7 States in Kharif 2023.

(ii) **DigiClaim**: Earlier it was difficult to track the claim settlement as the claims were settled by the insurance companies. In order to rigorously track/monitor the claim settlement / disbursal process end to end, a dedicated module namely '**Digiclaim Module**' has been operationalized for calculation and payment of claims from Kharif 2022 onwards. Under this module claims are worked out and settled/disbursed by integration of National Crop Insurance Portal (NCIP) with Public Finance Management System (PFMS) and accounting system of Insurance Companies to provide timely & transparent processing of all claims. As per provisions of the scheme, 12% penalty is required to be paid by the insurance companies to farmers for late disbursal of claims, for which a penalty module has also been developed to calculate the penalty automatically w.e.f. Kharif 2024 season. Due to the implementation of Digiclaim Module, turn-around-time for settlement/disbursal of claims has decreased substantially.

(iii) Krishi Rakshak Portal and Helpline : To further improve the grievance redressal mechanism already available under the scheme, Krishi Rakshak Portal and Helpline 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.

It is also a fact that farmers are now subscribing to the scheme voluntarily. The coverage of non-loanee farmers, who enrolled in the scheme in 2023-24, was 55% of all insured farmers. The review/revisions / improvements in the crop insurance schemes is a continuous process and decision on suggestion/ representations/ recommendations of the stakeholders/studies are taken from time to time. Based on the experience gained, views of various stakeholders, to ensure better transparency, accountability, timely payment of claims to the farmers and to make the scheme more farmer friendly, Government has periodically revised the Operational Guidelines of the PMFBY comprehensively in 2018, 2020 and 2023.
