

**Press Information Bureau
Government of India
Ministry of Agriculture & Farmers Welfare**

06-August-2024 18:13 IST

Revival of Fasal Bima Yojana

The Pradhan Mantri Fasal Bima Yojana (PMFBY) is being implemented successfully across the country since 2016. The Government has made several interventions for ensuring better transparency, accountability, timely payment of claims to the farmers and to make the scheme more farmer friendly, as a result of which the area and farmers covered under the scheme in 2023-24 is at all-time high. The scheme is now the largest in the world in terms of farmer applications insured.

As per provisions of PMFBY guidelines, the premium share of the farmer is capped at 2% for Kharif crops, 1.5% for Rabi Crops and 5% for commercial/Horticultural crops. Some States have further waived off farmer's share of premium due to which there is very less burden on the farmers.

As against the total reported claims of Rs.1,67,475 crore under the scheme, Rs.1,63,519 crore (98%) have already been paid. Settlement of few claims in some States got slightly delayed due to reasons like late release of State share in premium subsidy by the States delayed transmission of yield data, yield related disputes between insurance companies and States, non-receipt of account details of some farmers for transfer of claims to the bank account of eligible farmers and National Electronic Fund Transfer (NEFT) related issues, erroneous/incomplete entry of individual farmers data on National Crop Insurance Portal (NCIP), delay in remittance of farmers share of premium/non-remittance of farmers share of premium to concerned insurance company etc.

It has been observed that majority of pending claims remain unpaid on account of delay by States in releasing their share of premium subsidy. Taking cognizance of this, Government of India is releasing its share of premium subsidy in advance by delinking the same from release of State Government's share. Accordingly, claims are released by the Insurance Companies on pro-rata basis, so that the farmer does not suffer. Further, as per provisions of revamped Operational Guidelines of the scheme, insurance companies are required to pay penal interest @12% per annum to the farmers for the period beyond the period stipulated in the PMFBY Guidelines from the date of receipt of final yield data from the State Government and completion of crop damage survey.

Department has been regularly monitoring the functioning of insurance companies, including timely settlement of claims through weekly video conferencing of all stakeholders, one to one meeting as well as National Review Conferences. In order to rigorously monitor claim disbursement process, a dedicated module namely 'Digicclaim Module' has been operationalized for payment of claims from Kharif 2022 onwards. It involves integration of National Crop Insurance Portal (NCIP) with PFMS and accounting system of Insurance Companies to provide timely & transparent processing of all claims.

This information was given by the Union Minister of State for Agriculture & Farmers' Welfare Shri Ramnath Thakur in a written reply in Lok Sabha today.

SS/2485