

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

LOK SABHA
UNSTARRED QUESTION NO.388
TO BE ANSWERED ON THE 4TH FEBRUARY, 2020

INSURANCE CLAIMS UNDER PMFBY

388. SHRI UTTAM KUMAR REDDY NALAMADA:

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

- the total amount owed to farmers by insurance companies under the Pradhan Mantri Fasal Bima Yojana;
- the number of complaints received regarding delayed payment of claims by the insurance companies to beneficiaries;
- the details of action taken on the basis of these complaints and the penalties imposed on insurance companies; and
- the steps taken to ease and streamline the process of claiming insurance for farmers?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री (SHRI NARENDRA SINGH TOMAR)

(a): Details of claims reported, claims approved and paid by insurance companies to the farmers since inception of the scheme are given below :

(Rs. in crore)

Year	Claims Reported	Claims Approved	Claims Paid
2016-17	16774	16774	16768
2017-18	21926	21858	21816
2018-19*	23176	20915	20015

* Claims of some crops/areas for Rabi 2018-19 are not finalized.

(b) & (c) : During implementation of the scheme, some complaints about non-payment and delayed payment of claims; under payment of claims on account of incorrect/delayed submission of insurance proposals by banks; discrepancy in yield data, unrealistic assessment of crop loss due to large unit area of insurance; delay in providing Government share of funds etc., have been received in the past in the country. Most of the complaints were suitably addressed by the concerned State Government, Insurer and the Ministry.

As per provision of Revised Operational Guidelines of the scheme, insurance companies have to pay penal interest @ 12% per annum to farmers for late settlement of claims subject to certain conditions. Government has imposed interest penalty of Rs. 3.30 crore, Rs. 0.09 crore, Rs. 0.51 crore, Rs.0.15 crore and Rs. 0.16 crore has been imposed on Agriculture Insurance Company of India Ltd., Cholamandalm-MS General Insurance Company Ltd., ICICI-Lombard General Insurance Company Ltd., New India Assurance Company Ltd. and SBI General Insurance Company Ltd. respectively vide letter dated September 25, 2019. In reply they have submitted their explanations requesting for review. A meeting has been called to discuss the explanations submitted by the insurance companies.

Apart from this, State Governments have been advised to impose penalties on insurance companies themselves. Accordingly, some State governments like Uttar Pradesh, Gujarat and Haryana have also imposed penalty on insurance companies for non-performance of certain provisions of the scheme and have deducted the penalty from State share of premium subsidy to insurance companies.

Further, a provision of Stratified Grievance Redressal Mechanism viz. District Level Grievance Redressal Committee (DGRC), State Level Grievance Redressal Committee (SGRC) has been made in the Revised Operational Guidelines of the Scheme to resolve such complaints. Accordingly, 13 States/Union Territories have notified the District/State level grievance redressal committees in their respective States.

(d): As per provisions of PMFBY, farmers do not need to file claims in respect of wide spread calamities like drought, flood etc. Claims are worked out and paid by the insurance companies based on the yield data, per unit area, furnished to the insurance company by the concerned State Government. However, farmers have to intimate to the insurance company/State Government/ financial institutions with 72 hours of the loss. Further 48 hours have been provided for, intimation by State Government/financial institutions to the insurance companies.

To bring down the claim settlement time, many steps in addition to regularly monitoring the implementation of PMFBY, have been taken by the Government. These steps include use of improved technology like CCE Agri App/smartphone for collection and dissemination of information relating to Crop Cutting Experiments (CCEs), revision of Operational Guidelines wherein provision has been made for timely release of State Govt. share in 3 instalments and settlement of claims by insurance companies without waiting for final/3rd installment of premium subsidy by the States and advancement of 15 days in seasonality discipline for early settlement of claims. Penalty provisions for late settlement of claims by insurance companies and late release of funds by State Governments have also been stipulated under these guidelines.