



Escrow Account Mechanism under Revised PMFBY Guidelines Implemented from Kharif 2025; 20 States Already Onboard

प्रविष्टि तिथि: 19 DEC 2025 7:31PM by PIB Delhi

As per the relevant provisions of revised Pradhan Mantri Fasal Bima Yojana (PMFBY) Operational Guidelines, 2023 which provides for mechanism of Escrow Account wherein states/UTs are required to commit their liabilities in advance by releasing their share of premium subsidy in advance, an Escrow Account shall be maintained by State/UTs for their share in premium subsidy, and such other purposes as may be notified by DA&FW, Gol from time to time

The State/UTs shall commit their liabilities for each season in advance through release of 50% advance premium subsidy based on the corresponding previous seasons premium subsidy for each Insurance Company in the respective Escrow Account and release subsequent instalments following the seasonality discipline provided in the operational Guidelines.

The concerned Insurance Company shall confirm the deposit of the advance upfront premium by the concerned State/UT government to the escrow account on the Subsidy Module of National Crop Insurance Portal (NCIP). NCIP would only be opened for enrolment upon receipt of such confirmation.

As of now, 20 of the 24 PMFBY-implementing States have already opened the escrow account and utilising the same for deposit and disbursement of State/UT share in premium subsidy since Kharif 2025.

The respective nodal State Departments i.e., Agriculture Department and Horticulture Departments manages the Escrow Account. The Escrow Accounts are opened in a Scheduled Commercial Banks or Cooperative Banks as per States own prerogative. The State Departments enter into a multi-party agreement with the respective Banks and implementing Insurance Companies.

The UT/States of Andaman & Nicobar Islands, Manipur, Mizoram and Sikkim are yet to open Escrow Accounts under the PMFBY.

Since the Escrow Account mechanism has been operationalized recently from Kharif 2025 season, the possibility of impact analysis of the said mechanism does not arise.

This information was given by Minister of State for Agriculture and Farmers Welfare, Shri Ramnath Thakur in a written reply in Rajya Sabha today.

RC/AR/DK

