



PMFBY Provides Comprehensive Crop Insurance; States Allowed Add-On Cover for Wild Animal Damage

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The Pradhan Mantri Fasal Bima Yojana (PMFBY), introduced in the country from 2016-17 is providing comprehensive risk insurance against crop damage due to non-preventable natural risks from pre-sowing to post-harvest for the crops/areas notified by the concerned State Government. The losses to crops due to wild animals, being preventable in nature, were therefore not covered earlier. However, at the request of Ministry of Environment, Forest and Climate Change and State Governments, States have been allowed to notify the losses by wild animals on individual assessment as add on cover at the cost of State Government. Detailed protocol for such coverage has been given in the Operational Guidelines of the scheme.

Inundation as a risk cover is available to all notified crops under PMFBY. However, for hydrophilic crops like paddy, jute, mesta, sugarcane, such cover is available except in case of localized claims.

Considering requests from various stakeholders for inclusion of these perils under localized calamities in PMFBY, a Committee was constituted for “Defining Modalities of Crop Loss by Wild Animal Attack and Inundation for Paddy Crop under Localised Risk”. The Committee has submitted its report alongwith recommendations and Standard Operating Procedures (SOPs) for coverage of these risks.

Further, 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.

Majority of the claims are settled within the stipulated timelines under the Operational Guidelines of the scheme by the insurance companies. However, during the implementation of PMFBY, some complaints were received in the past about payment of claims which are primarily on account of (a) delay in providing State Government share of subsidy (b) non-payment/delayed payment or under payment of claims on account of incorrect/delayed submission of insurance proposals by banks (c) discrepancy in yield data & consequent disputes between State Government and insurance companies etc. The pending claims on account of these issue are settled after their resolution as per provisions of the scheme.

Government has taken various steps to strengthen implementation of this scheme, bring transparency and ensure timely settlement of claims :

- Government has undertaken development of **National Crop Insurance Portal (NCIP)** as a single source of data ensuring subsidy payment, co-ordination, transparency, dissemination of information and delivery of services including direct online enrollment of farmers, uploading/obtaining

individual insured farmer's details for better monitoring and to ensure transfer of claim amount electronically to the individual farmer's Bank Account.

- In order to rigorously monitor claim disbursement process, a dedicated module namely '**Digiclaim Module**' has been operationalized for payment of claims from Kharif 2022 onwards. It involves 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 w.e.f. Kharif 2024.
- Delinking of Central Government share of premium subsidy from that of State Governments has been implemented so that farmers can get proportionate claims relating to the Central Government share.
- Also, towards leveraging technology in implementation of the scheme, various steps like capturing of yield data/Crop Cutting Experiments (CCEs) data through **CCE-Agri App** & uploading it on the NCIP, allowing insurance companies to witness the conduct of CCEs, integration of State land records with NCIP etc. have already been taken to improve timely settlement of the claims to farmers.
- Provision of 12% penalty on delay in payment of claims by insurance company is auto calculated on National Crop Insurance Portal (NCIP).
- Opening of ESCROW Account by the State Government concerned for deposit of their premium share in advance as per provisions of the scheme has been made mandatory w.e.f. Kharif 2025 season.

Following technologies for Objective Crop Damage & Loss Assessment and transparency have also been implemented recently w.e.f. 2023-24 under the scheme:

- i. **YES-TECH (Yield Estimation System Based on Technology)** for gradual migration to Remote-Sensing based yield estimation to help assess yields as well as fair and accurate Crop Yield Estimation. This initiative has been launched for paddy & wheat crops from Kharif 2023 wherein 30% weightage to yield estimation will mandatorily be assigned to YES-TECH derived yield. Soybean crop has been added from Kharif 2024 season.
- ii. **WINDS (Weather Information Network and Data System)** for setting up of Network of Automatic Weather Stations (AWS) & Automatic Rain-Gauges (ARG) to the tune of 5 times of existing network for collecting hyper-local weather data at GP & Block level. This will be fed into a National database with interoperability & sharing of data in coordination with India Meteorological Department (IMD). WINDS provides data not only for YES-TECH but also for effective drought & disaster management, accurate weather prediction and offering better parametric insurance products.

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

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