



PRESS INFORMATION BUREAU
(Research Unit)
Ministry of Information and Broadcasting
Government of India



Pradhan Mantri Fasal Bima Yojna
(Ministry of Agriculture and Farmers Welfare)

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On 13th January 2016, the Government of India took a historic step towards strengthening risk coverage of crops for farmers of India and approved the flagship crop insurance scheme - the Pradhan Mantri Fasal Bima Yojana (PMFBY). The scheme was conceived as a milestone initiative to provide a comprehensive risk solution at the lowest uniform premium across the country for farmers.

Q1. What are the objectives of PMFBY?

The Pradhan Mantri Fasal Bima Yojana (PMFBY) aims at supporting sustainable production in agriculture sector by way of:

1. Providing financial support to farmers suffering crop loss/damage arising out of unforeseen events.
2. Stabilizing the income of farmers to ensure their continuance in farming
3. Encouraging farmers to adopt innovative and modern agricultural practices
4. Ensuring flow of credit to the agriculture sector

which will contribute to food security, crop diversification and enhancing growth and competitiveness of agriculture sector besides protecting farmers from production risks.

Q2. Which crops are covered in PMFBY?

1. Food crops (Cereals, Millets and Pulses)
2. Oilseeds
3. Annual Commercial/Annual Horticultural crops.

Q3. What are the salient features of PMFBY?

The Salient features include:

- Provides comprehensive insurance coverage against crop loss on account of non-preventable natural risks, thus helping in stabilizing the income of the farmers and encouraging them for adoption of innovative practices.
- Increased risk coverage of Crop cycle viz. pre-sowing to post-harvest losses.
- Area approach for settlement of claims for widespread damage. Notified Insurance unit has been reduced to Village/Village Panchayat for major crops.

- Actuarial/bidder premium but uniform maximum premium of only 2 per cent, 1.5 per cent and 5 per cent to be paid by farmers for all Kharif crops, Rabi Crops and commercial/ horticultural crops respectively. Premium over and above these limits is shared by the Central and State Governments on 50:50 basis except in North Eastern Region where it is 90:10.
- The difference between premium and the rate of insurance charges payable by farmers is provided as subsidy and shared equally by the Centre and State.
- Uniform seasonality discipline and Sum Insured for both loanee & non-loanee farmers
- Removal of the provision of capping on premium which led to reduction in Sum Insured to facilitate farmers to get claim against full Sum Insured without any reduction.
- Individual farm level assessment and settlement of claims for localized calamities of hailstorm, landslide, inundation, cloud burst & natural fire and post-harvest losses due to cyclone, cyclonic/unseasonal rains and hailstorm for the crops kept in the field for drying up to a period of 14 days, throughout the country.
- Provision of claims up to 25 per cent of Sum Insured for prevented sowing.
- “On-Account payment” up to 25 per cent of Sum Insured for mid-season adversity, if the crop damage is reported more than 50 per cent in the insurance unit. Remaining claims based on Crop Cutting Experiments (CCEs) data.
- Use of Remote Sensing Technology, Smartphones & Drones for quick estimation of crop losses to ensure early settlement of claims.
- Crop Insurance Portal has been developed for ensuring better administration, co-ordination, transparency, dissemination of information and delivery of services including crediting the claim amount electronically to the individual farmer’s bank account.
- Focused attention on increasing awareness about the schemes among all stakeholders and appropriate provisioning of resources for the same.
- Making the scheme voluntary for all farmers instead of compulsory for loanee farmers.

Q4. What are Sum Insured /Coverage Limit ?

- Sum Insured per hectare for both loanee and non-loanee farmers will be same and equal to the Scale of Finance as decided by the District Level Technical Committee, and would be pre-declared by SLCCCI and notified. No other calculation of Scale of Finance will be applicable. Sum Insured for individual farmer is equal to the Scale of Finance per hectare multiplied by area of the notified crop proposed by the farmer for insurance. ‘Area under cultivation’ shall always be expressed in ‘hectare’.
- Sum insured for irrigated and un-irrigated areas may be separate

Q5. What are Premium Rates and Premium Subsidy?

The Actuarial Premium Rate (APR) would be charged under PMFBY by the implementing agency (IA). The rate of Insurance Charges payable by the farmer will be as per the following table:

S. No.	Season	Crops	Maximum Insurance charges payable by farmer (% of Sum Insured)
1	Kharif	All food grain and Oilseeds crops (all Cereals, Millets, Pulses and Oilseeds crops)	2.0 per cent of SI or Actuarial rate, whichever is less
2	Rabi	All food grain and Oilseeds crops (all Cereals, Millets, Pulses and Oilseeds crops)	1.5 per cent of SI or Actuarial rate, whichever is less
3	Kharif and Rabi	Annual Commercial / Annual Horticultural crops	5 per cent of SI or Actuarial rate, whichever is less

Q6. Which are the companies providing Crop Insurance?

- Agriculture Insurance Company
- Cholamandalam MS General Insurance Company
- Reliance General Insurance Co. Ltd.
- Bajaj Allianz
- Future Generali India Insurance Co. Ltd.
- HDFC ERGO General Insurance Co. Ltd.
- IFFCO Tokio General Insurance Co. Ltd.
- Universal Sompo General Insurance Company
- ICICI Lombard General Insurance Co. Ltd.
- Tata AIG General Insurance Co. Ltd.
- SBI General Insurance
- United India Insurance Co.

Q7. What types of Risks are to be covered & exclusions?

The following risks leading to crop loss are to be covered under the scheme:

Yield Losses (standing crops, on notified area basis): Comprehensive risk insurance is provided to cover yield losses due to non-preventable risks, such as (i) Natural fire and lightning (ii) Storm, hailstorm, cyclone, typhoon, tempest, hurricane, tornado etc. (iii) Flood, inundation and landslide (iv) Drought, dry spells (v) Pests/ diseases etc.

Prevented Sowing (on notified area basis): In cases where majority of the insured farmers of a notified area, having intent to sow/plant and incurred expenditure for the purpose, are prevented from sowing/planting the insured crop due to adverse weather conditions, those farmers shall be eligible for indemnity claims up to a maximum of 25 per cent of the sum-insured.

Post-Harvest Losses (individual farm basis): Coverage is available up to a maximum period of 14 days from harvesting for those crops which are kept in “cut & spread” condition to dry in the field after harvesting, against specific perils of cyclone/cyclonic rains, unseasonal rains throughout the country.

Localised Calamities (individual farm basis): Loss/damage resulting from occurrence of identified localized risks i.e., hailstorm, landslide, and Inundation affecting isolated farms in the notified area.

EXCLUSIONS: Risks and losses arising out of following perils shall be excluded: War & kindred perils, nuclear risks, riots, malicious damage, theft, act of enmity, grazed and/or destroyed by domestic and/or wild animals, in case of Post–Harvest losses the harvested crop bundled and heaped at a place before threshing, other preventable risks.

Q8. How is PMFBY different from earlier crop insurance?

FEATURE		EARLIER CROP INSURANCE	PRADHAN MANTRI FASAL BIMA YOJANA
Capping on Premium /Sum Insured		Premium capped at 9-13% of sum insured leading to proportional reduction in sum insured above capped premium rates	No cap on premium. Farmers get claim against full sum insured
Upper limit on government subsidy		Yes	No. Even if balance premium is 90%, government pays
Risk Coverage	Area approach	Natural risk on Standing crops	All non-preventable natural risk of crop cycle - Pre sowing to post harvest
	Plot level Assessment	Hailstorm, landslide,	Hailstorm, landslide, inundation, Cloud burst , natural fire
Post-harvest Losses coverage		Only coastal areas -for cyclonic rain	All India - for cyclonic unseasonal rain and hail storm
Use of Technology for quicker claim settlement		Ad Hoc	Mandatory
For extremely localized calamities or post-harvest losses		Considered a larger reference unit area rather than the affected insured field of the individual farmer	Unit of Insurance for loss assessment is the affected insured field of the individual farmer

[Source](#)

Q9. What is National Crop Insurance Portal ([NCIP](#))?

It is developed with the objective to digitize the entire process/activities of the implementation of PMFBY and to ensure better administration, co-ordination, transparency, dissemination of information and delivery of services including direct online enrolment of farmers, uploading/obtaining individual insured farmer's details for better monitoring and to ensure transfer of claim amount electronically to the bank accounts of individual farmers.

Q10. What is the budgetary allocation for PMFBY?

To boost the safety of farmers' crops and ensure that maximum benefit of crop insurance reaches the farmers, the Government of India has allocated Rs. 16000 crores for PMFBY for the fiscal year 2021-22. This is a budgetary increase of around Rs 305 crore as against the previous fiscal year 2020-21, which reiterates the government's commitment towards growth of agriculture sector in the country.

Q11. What are the achievements of PMFBY?

- Over 29.22 crore farmer applicants have been enrolled.
- Over 8.83 crore (provisional) farmer applicants have received claims of over Rs. 101875 crore.
- Under PMFBY, Rs. 8,741.3 crore was paid to 69.70 lakh farmers during the lockdown period (24.03.2020 to 07.06.2020).

Q12. What are some recent examples of cover provided under PMFBY?

Some notable examples include:

- sowing claims of over Rs. 500 crore in Andhra Pradesh and Karnataka during the Kharif 2019 dry spell
- localized calamity claims of over Rs. 100 crore in Haryana during Kharif 2018 hailstorm
- mid-season adversity claims of nearly Rs. 30 crore in Rajasthan during Rabi 2019-20 locust attack
- claims to the tune of Rs. 5000 crore in Maharashtra during the Kharif 2019 unseasonal rainfall

Q13. What is the procedure for login and registration at PMFBY portal?

For detailed information, [click here](#).

Sources:

- <https://pmfby.gov.in/faq>
- <https://d312obd2q0lyz0.cloudfront.net/public/pdf/FAQ%E2%80%93For%20Portal.pdf>
- <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1776895>
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