

## NEW PROVISIONS IN THE OPERATIONAL GUIDELINES OF PMFBY:

- Provision of Penalties/ Incentives for States, ICs and Banks i.e. 12% interest rate to be paid by the Insurance Company to farmers for delay in settlement claims beyond two months of prescribed cut off date. Similarly, State Govt. have to pay 12% interest rate for delay in release of State share of Subsidy beyond three months of prescribed cut off date/submission of requisition by Insurance Companies.
- Detailed SOP for Performance evaluation of ICs and their de-empanelment
- Inclusion of Perennial horticultural crops (on pilot basis) under the ambit of PMFBY. (OGs of PMFBY envisages coverage of food and Oilseed crops and Annual Commercial & Horticultural crops)
- Inclusion of hailstorms in post harvest losses, besides unseasonal and cyclonic rainfalls
- Inclusion of cloud burst and natural fire in localized calamities in addition to hailstorm, landslide, and inundation.
- Add on coverage for crop loss due to attack of wild animals on pilot basis with the additional financial liabilities of this provision to be borne by concerned state Govt.
- Mandatory capturing of Adhaar number – This would help in de-duplication
- Target for Coverage to ICs especially of Non loanee farmers (10% incremental).
- Definition of Major Crops, Unseasonal rainfall and Inundation incorporated for clarity and proper coverage
- Rationalization of premium release process: Release of Upfront premium subsidy based on 50% of 80% of total share of subsidy of corresponding season of previous year as GOI/State subsidy at the beginning of the season- Companies need not provide any projections for the advance subsidy. Second Installment – balance premium based on approved business statistics on Portal for settlement of claims and final installment after reconciliation of entire coverage data on portal based on final business statistics on portal.
- States allowed to take decision for inclusion of crops having high premium for calculation of L1 calculation and for notification.
- Rationalization of methodology for calculation of TY - Moving average of best 5 out of 7 years for calculation of claim amount.
- Settlement of claims (Prevented sowing/ on account for Mid season adversity / Localized Claims) without waiting for Second installment of final subsidy.
- Yield based claims to be settled on the basis of subsidy provided on provisional business data.
- Separate Budget Allocation for Administrative expenses (atleast 2% of budget of scheme).
- Broad Activity wise seasonality discipline containing defined timelines for all major activities to streamline the process of coverage, submission of yield data and early settlement of claims.
- District wise crop wise crop calendar (for major crops) to decide cutoff date for enrolment.
- Increased time for change of crop name for insurance - upto 2 days prior to cutoff date for enrolment instead of earlier provision of 1 month before cutoff date.

- More time to insured farmer to intimate individual claims – 72 hours (instead of 48 hours) through any stakeholders and directly on portal.
- Timeline for declaration of prevented sowing
- Detailed SOP for dispute redressal regarding yield data/crop loss.
- Detailed SOP for claims estimation w.r.t. Add on products i.e. Mid season adversity, prevented/failed sowing, post harvest loss and localized claims
- Detailed SOP for Area Correction factor
- Detailed SOP for Multi picking crops.
- Detailed plan for publicity and awareness- earmarked expenditure-0.5% of Gross premium per company per season
- Use of RST in clustering/Risk classification.
- Penalties/ Incentives for States, ICs and Banks
- Performance evaluation of ICs and their de-empanelment

\*\*\*\*\*