

# 5 Years of PMFBY

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# Status of Implementation of PMFBY

As on 11<sup>th</sup> Jan 2021

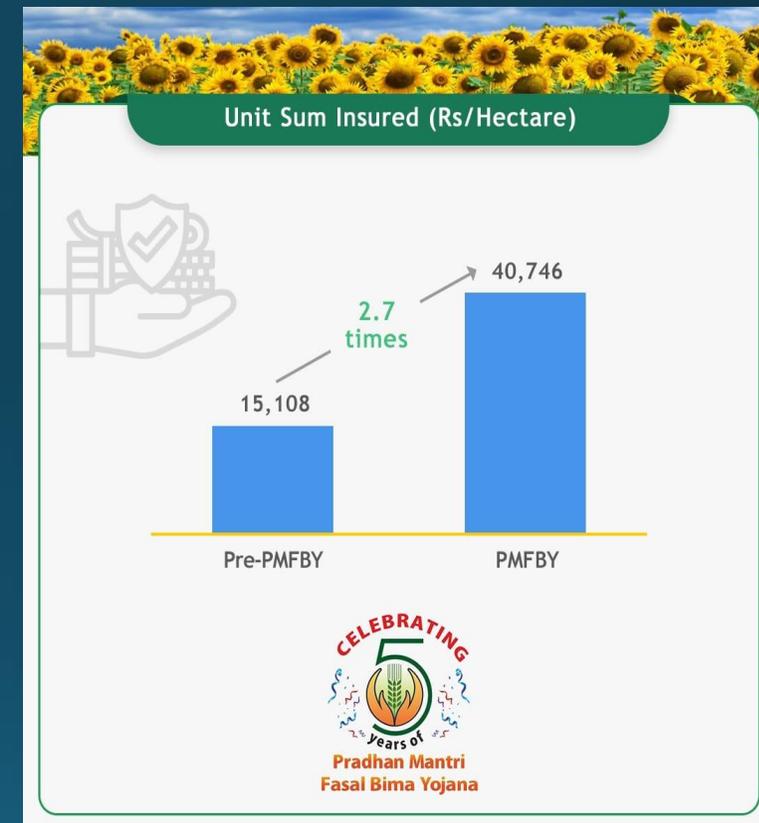
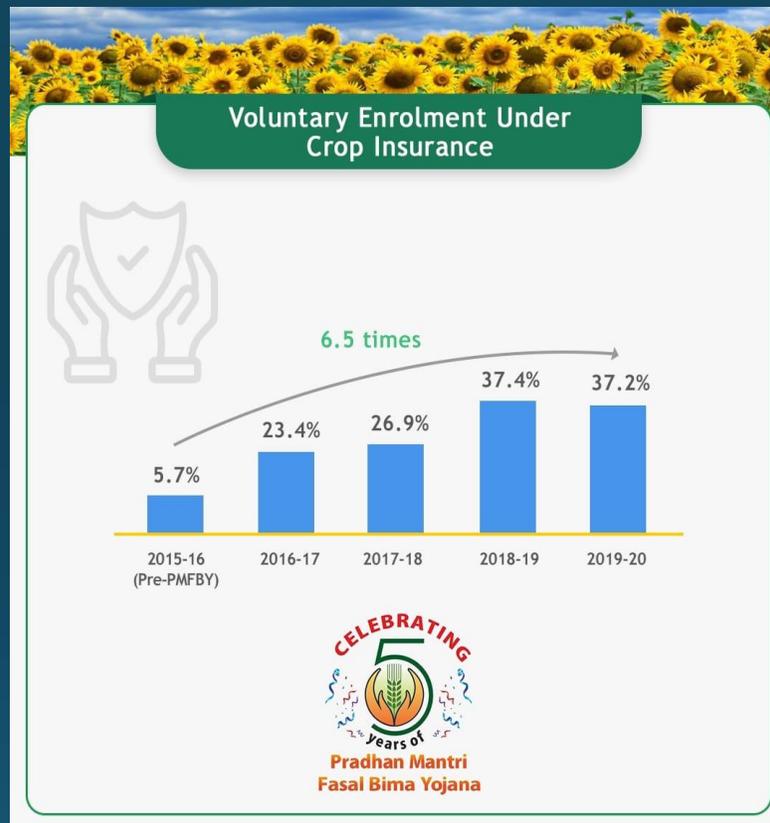
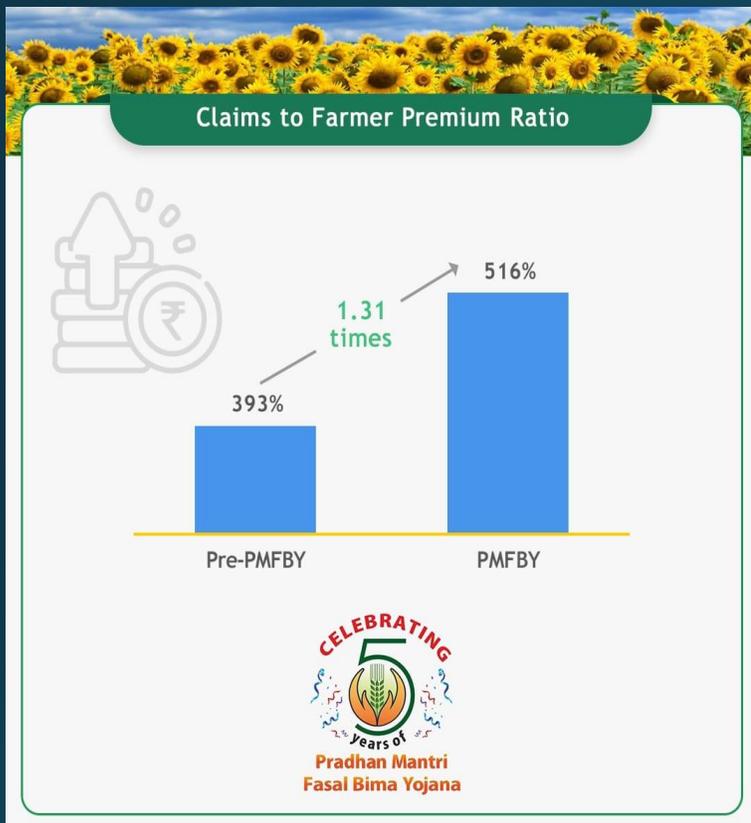
Season/ Year	Farmers Application Insured	Area Insured	Sum Insured	Farmers Share in Premium	Gross Premium	Reported Claims	Paid Claims	Farmers Applications Benefitted	Claims Ratio
	<i>Lakh</i>	<i>Lakh Hectare</i>	<i>₹ Crore</i>				<i>Lakh</i>		
2016-17	583.7	567.3	2,03,121	4,042	21,573	16,775	16,760	156.3	77.8%
2017-18	533.0	508.3	2,02,265	4,189	24,635	22,117	22,113	170.4	89.8%
2018-19	576.8	523.0	2,30,060	4,853	29,348	28,643	27,633	218.1	97.6%
<b>Total upto 2018-19</b>	<b>1,693.4</b>	<b>1,598.6</b>	<b>6,35,447</b>	<b>13,084</b>	<b>75,556</b>	<b>67,535</b>	<b>66,506</b>	<b>544.8</b>	<b>89.4%</b>
Kharif 2019	419.8	326.4	1,42,228	3,002	23,364	20,616	19,576	182.1	88.2%
Rabi 2019-20	190.4	170.1	75,481	1,401	8,335	4,657	3,909	28.2	55.7%
<b>2019-20 Total</b>	<b>610.2</b>	<b>496.5</b>	<b>2,17,709</b>	<b>4,403</b>	<b>31,719</b>	<b>25,273</b>	<b>23,485</b>	<b>210.2</b>	<b>79.7%</b>
Kharif 2020	398.3	261.4	1,03,016	2,425	19,603	384	190	3.6	NA
<b>Total</b>	<b>2,702.1</b>	<b>2,356.5</b>	<b>956,171</b>	<b>19,912</b>	<b>1,26,878</b>	<b>93,192</b>	<b>90,180</b>	<b>758.6</b>	<b>NA</b>

*Note - Rabi 2018-19 and Kharif 2019 claims yet to be fully reported; Rabi 2019-20 claim calculation under process; Kharif 2020 enrolment under finalization*

# Salient Aspects

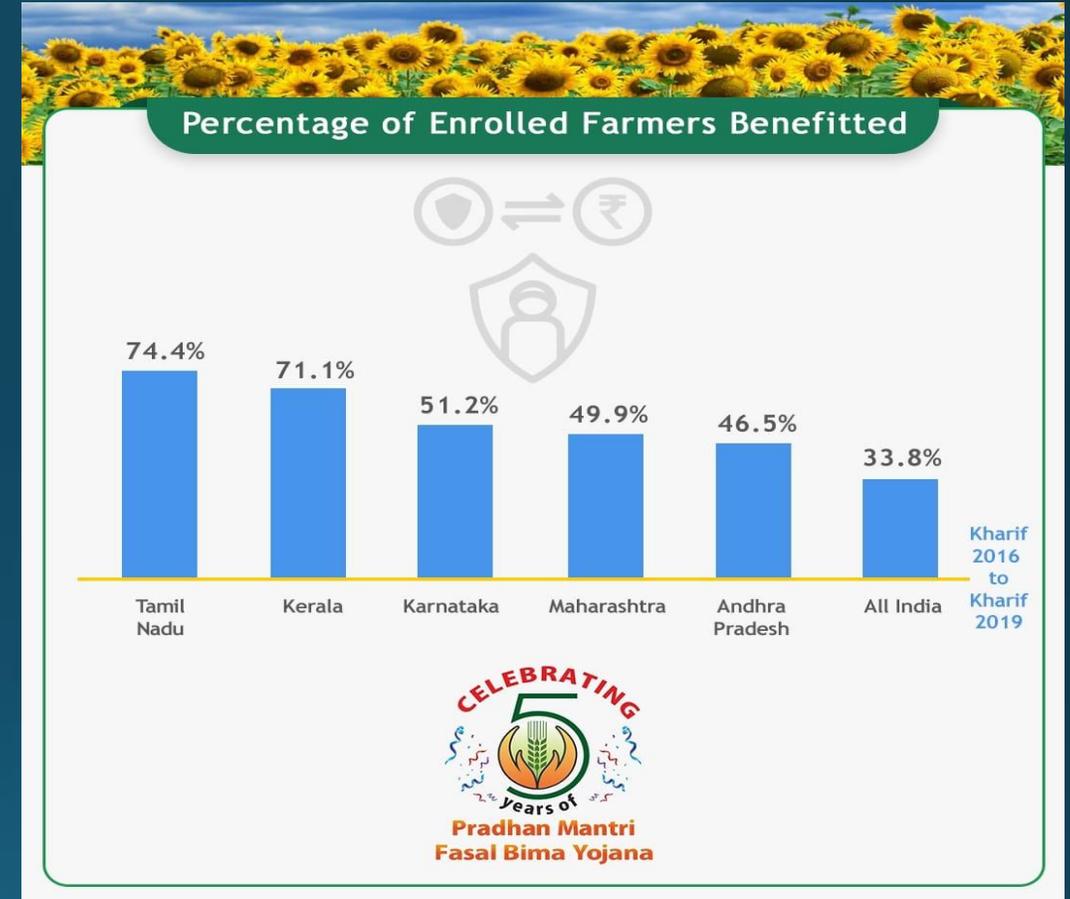
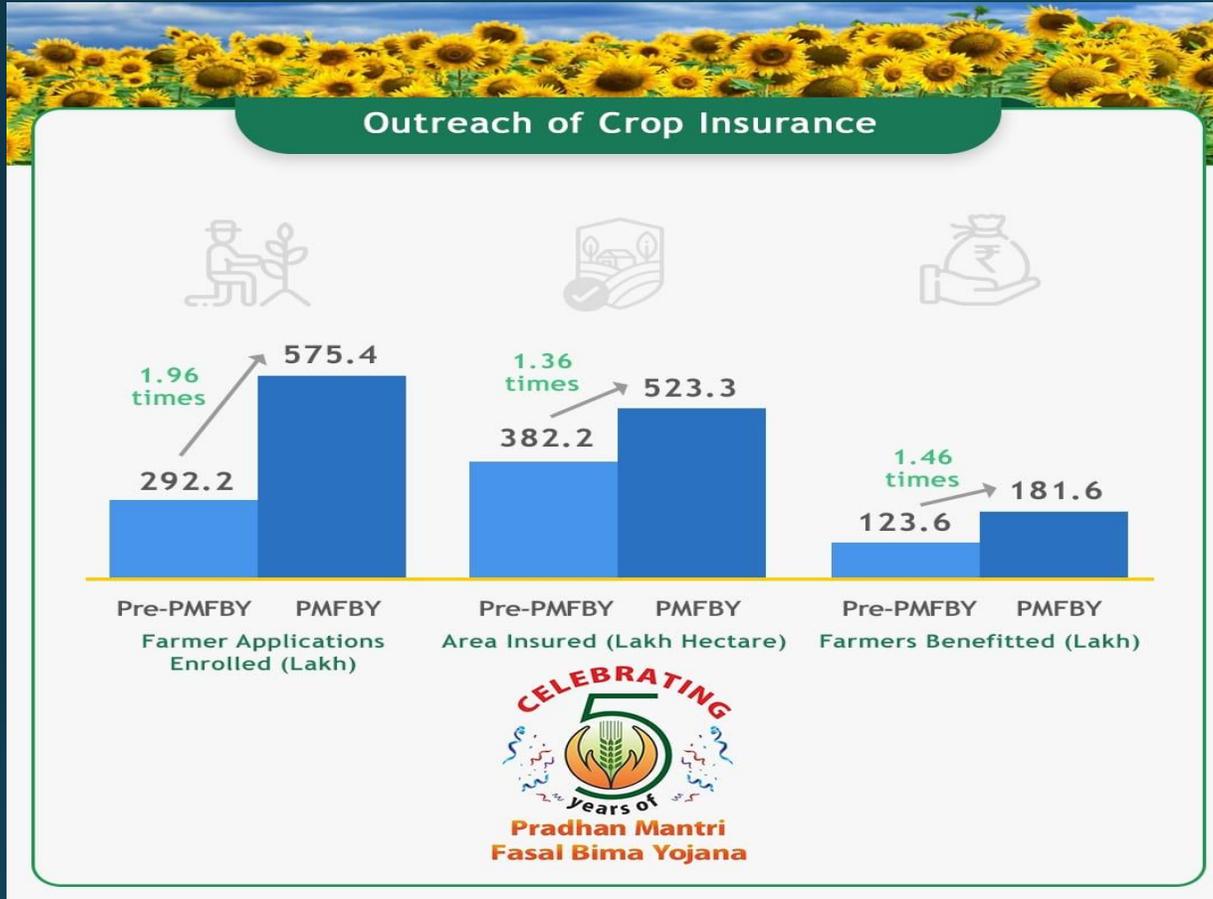
- Multi-stakeholder Scheme – Central Govt; 27 States and UTs; 18 Insurance Companies; 1.7 lakh bank branches, 44,000 Common Service Center (CSC) Network
- Lowest farmer share of premium - *uniform across the nation; claim paid directly to farmer's account*
- Scheme enrolment made voluntary for loanee farmers
- Earmarked expenditure of 0.5% of gross premium on ICE activities - *Extensive awareness program through dedicated media agency*
- Stratified Grievance Redressal Mechanism at State and IC level – *upto Block level*
- National Crop Insurance Portal (NCIP) for PMFBY digitizing the entire process and linking all the stakeholders on a single platform – *End to End Auto Administration of Scheme*
- Leveraging technology including use of Apps, Remote Sensing Technology & other technologies in yield estimation
- Aadhar seeding of beneficiary accounts has addressed the problem of duplicity and leakages in the Scheme and reduced the liabilities of the Govt
- Integration of digitized Land record Documents of States with NCIP – *Maharashtra & Odisha on board, remaining States by 2021*
- Despatch of Acknowledgement Inland Letters to loanee farmers

# Achievements



- 5.5 crore farmer applicants covered annually (~30% Gross Cropped Area)

# Achievements



- 89% claims ratio – ₹ 89 paid as claims by Insurance Companies against every ₹ 100 premium collected – *For first 3 years*

# Challenges faced in Implementation of PMFBY

- Loanees farmers enrolled compulsorily
- Low Investment on infrastructure by ICs due to short contract duration
- Inconsistencies in yield/data in many geographies leading to high premium rates
- Single Product type does not meet needs of all farmers across the Country
- Considerable delay in release of premium Subsidy by many States
- Huge number of CCEs conducted in a short span of time
- CCEs plots selected randomly leading to dissatisfaction among Stakeholders
- Absence of separate budget provision for administrative expenses
- Sum insured not equal to value of Crop
- Requisite number of CCEs conducted in all notified areas irrespective of Crop condition
- Delay in sharing of CCE yield data by States
- Low uptake of Scheme in North Eastern States

# Chronology of Steps Taken – Revamped PMFBY



# Steps taken to address these challenges - Revamped PMFBY

- Scheme enrolment made voluntary for all farmers
- Allocation of business to Insurance Companies for three years
- Central Subsidy admissible for premium rates upto 30% for unirrigated areas/crops and 25% for irrigated areas/crops
- Option to States to select risk covers/features as per need including single peril risk
- States defaulting on release of subsidy not to implement Scheme in subsequent Seasons
- Selection of CCE plots based on satellite imagery and reduction in the CCE numbers based on crop condition
- Defined allocation for administrative expenses for States and Gol on their budget
- Option of value of crop as Sum Insured
- Two step process of yield estimation
- Claims Settlement on the basis of Technology driven yield data
- Central Share of Premium Subsidy in NER increased to 90%

# Measures undertaken during lockdown owing to COVID-19

- Intensive monitoring with all stakeholders
  - For expeditious settlement of all admissible claims for previous and ongoing seasons
  - Claims of ₹ **8,741.3** Crore settled during lockdown period (**24<sup>th</sup> March 2020 to 7<sup>th</sup> June 2020**) benefitting **69.70 lakh** farmers
- Follow up with State Govts. for early release of State share of premium subsidy and issuance of tenders for implementation of PMFBY for Kharif 2020
- Completion of CCEs for Rabi 2019-20 – Issuance of requisite passes to State Govt. & IC officials
- Detailed procedure finalized for yield estimation through technology - *for cases where sufficient number of CCEs could not be conducted*
- Administrative approval & clarifications issued to States for implementation of Revamped PMFBY

# Expectations from Stakeholders



## States –

- Bringing more crops and areas under the Scheme
- Timely Notification & update of correct Location Masters
- Timely release of State Share of Subsidy & yield data to ICs
- Extensive adoption of Technology Based initiatives undertaken by Ministry & requisite support in conduct of Pilots
- Strict adherence to timelines prescribed in OGs of Scheme
- Monitoring of Scheme at District level
- Effective implementation of IEC activities
- Robust Grievance Redressal Mechanism with requisite infrastructure upto block level – *notification & enforcement of grievance redressal committee (SGRCs & DGRCs)*

# Expectations from Stakeholders



## Insurance Companies –

- Timely settlement of claims to Farmers
- End to end integration of IT systems with NCIP
- Strict adherence of timelines prescribed in OGs of Scheme
- Due diligence to handle cases of over insurance – Area Correction Factor (ACF) to be used as last resort
- Effective and resilient Grievance Redressal Mechanism

## Banks –

- Entry of updated Aadhar details in farmers applications
- Timely remittance of premium to Insurance Companies
- Timely entry of data and farmers applications
- Reconciliation of premium and data with ICs
- Immediate redressal of Grievances
- To maintain chronological records of “OPT OUT” &/or “OPT IN” applications



**Pradhan Mantri  
Fasal Bima Yojana**

**Thanks**