5 Years of PMFBY

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CEO - PMFBY
### Status of Implementation of PMFBY

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

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

**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

12-02-2021
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 though 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
• 5.5 crore farmer applicants covered annually (~30% Gross Cropped Area)
• 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

- Loanee 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
State Agriculture Ministers Conference Organized under Chairmanship of Hon'ble Agriculture Minister –
States asked to furnish their views

29 & 30 Aug 2019
3rd National Conference Organized in Guwahati, Assam
Deliberation with Stakeholders about existing challenges in the Scheme and way forward

17 – 18 Feb 2020
4th National Conference Organized at Udaipur, Rajasthan
Final deliberations were held on the Changes to be made in the Scheme & its implementation

28 Feb 2020
Administrative approval for implementation of Revamped Scheme Issued

24 Dec 2019
Detailed presentation on revamping PMFBY was made to GOM

19 Feb 2020
11 proposals were finalized and approved by Union Cabinet
Based on inputs received from all stakeholders and discussion held in GOM

24 March 2020
Clarifications regarding Revamped PMFBY Issued

24 July 2020
Operational Guidelines of Revamped PMFBY Issued

Views/Comments received from 19 States

8 April 2020
Model Tender Document for its adoption by States Issued

March 2020

April 2020

2019

2020
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 GoI 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%
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 (24th March 2020 to 7th 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
Thanks