Pradhan Mantri Fasal Bima Yojana

Frequently Asked Questions (FAQs)

1. What is the objective of implementation of PMFBY scheme?
   PMFBY is a risk mitigation tools aims at providing financial support and stabilizing the income of farmers to ensure their continuance in farming. It covers the perils to the crops arising out of unforeseen events at all stages, i.e. from sowing to post harvest,.Italso encourages the farmers to adopt the modern and innovative agriculture practices in order to have a stabilize income and sustainable production in agriculture sector.
2. Who are eligibly covered under this scheme?
   All Farmer having insurable interest can be covered under these scheme including sharecroppers and tenant farmers. Further, Covered farmer are divided under 2 components:-
   a. **Compulsory Component**
      All farmers availing Seasonal Agricultural Operations (SAO) loans from Financial Institutions (i.e. loanee farmers) for the notified crop(s) would be covered compulsorily. It is mandatory for all loanee cultivators to insist on insurance coverage as per provisions of the Scheme. Any change in crop plan should be brought to the notice of the bank within one week of sowing. Insurance Proposals are accepted only upto a stipulated cut-off date as declared by the SLCCCI.
   b. **Voluntary Component**
      The Scheme would be optional for the non-loanee farmers and cultivators desirous of availing insurance under PMFBY for any notified crop in any notified insurance unit may approach nearest bank branch/ PACS/ authorized channel partner/ insurance intermediary of insurance company within cut-off date, fill-up proposal form completely in prescribed format, submit form and deposit requisite premium to bank branch/ Insurance Intermediary / CSC Centers along with necessary documentary evidence regarding his insurable interest in cultivating land/ crop (e.g. ownership/ tenancy/ cultivation rights) proposed for insurance.
      The farmer desiring for coverage should open/operate an account in the branch of the designated bank, and the details should be provided in the proposal form.
      The farmers should mention their land identification number in the Proposal and must provide documentary evidence with regard to possession of cultivable land. The cultivator must furnish area sown confirmation certificate.
      The farmer should ensure that he gets insurance coverage for a notified crop(s) cultivated/proposed to be cultivated, in a piece of land from a single source only. No duplicate or double Insurance is allowed and in any such cases farmer will not be eligible for coverage.
      The insurance company shall reserve the right to repudiate all such claims and not refund the premium as well in such cases. Company may also take legal action against such farmers. Scheme also aims a covering maximum farmers under SC/ ST/ and Women Farmers under both these components.

3- What are the stages of crops and risk covered under this scheme?

1. Prevented Sowing/ Planting Risk: In case of majority of insured crops of a notified area are prevented from sowing/planting due to adverse weather conditions such as deficit rainfall or adverse seasonal conditions, the insured crops that will be eligible for indemnity claims upto maximum of 25% of the sum-insured.
    a. Coverage is applicable to farmers in case of widespread incidence of eligible risks affecting crops in more than 75% of area sown in a notified unit at early stage leading to total loss of crop or farmer is not in a position to either sow or transplant the crop (or) either sowing or germination of crop due to deficit or excess rain fall.
    b. Eligibility Criteria: Only those farmers who have paid the premium / the premium has been debited from their account before the damage. The State Government would provide Notified Insurance Unit and crop wise normal area sown at the beginning of the season within 15 days. “Prevented Sowing/ Planting” pay-out only if more than 75% of Crop Sown Area for notified crop remained unsown due to occurrence of any of the above perils.
    c. Loss assessment procedure: The cover will be available for major crops only. The payout will be 25% of total sum insured and the policy will be terminated after that. Note: The Insurance company will disburse claims within 30 days of State Govt notification / order, subject to receipt of premium, as per scheme guidelines.
2. Standing Crop (Sowing to Harvesting): Comprehensive risk insurance is provided to cover yield losses due to non- preventable risks, viz. Drought, Dry spells, Flood, Inundation, Pests and Diseases, Landslides, Natural Fire and Lightening, Storm, Hailstorm, Cyclone, Typhoon, Tempest, Hurricane and Tornado.
    a. On account payment of claims due to mid season adversity of claims is applicable for standing crops in case of floods, prolonged dry spells, severe drought etc, where expected yield will be less than 50%.
    b. Eligibility Criteria for farmers who have paid the premium or whose premium has been debited from their account before the damage. Note: If adversity occurs within 15 days before the normal harvest time, this provision will not be invoked. The provision is invoked by the State Government through damage notification based on the proxy Indicators.
    c. Loss assessment procedure:
    Joint Loss Assessment so conducted with government and if applicable the On-account payment would be calculated as per following formula:
    (Threshold Yield - Estimated Yield) × Sum Insured × 25% Threshold Yield
    Note: Maximum amount payable would be 25% of the likely claims, subject to adjustment against final claims
    d. Time frame for loss assessment and submission of report Eligibility on account Loss Details will provided by government within 7 days after the damage. Loss assessment will be completed within 15 days after the damage. The On-account payment would be disbursed by the insurance company, subject to receipt of premium, as per scheme guidelines

3. Post-Harvest Losses: coverage is available only up to a maximum period of two weeks from harvesting for those crops which are allowed to dry in cut and spread condition in the field after harvesting against specific perils of cyclone and cyclonic rains and unseasonal rains.
    a. The damage to the harvested crop after “cut and spread” in field due to cyclone, cyclonic rains and unseasonal rains throughout the country resulting in damage to harvested crop Maximum period is two weeks (14 days) from harvested date to drying purpose
    b. Eligibility criteria: Only those farmers who have paid the premium / the premium has been debited from their account before the damage Damaged by specified perils, up to 14 days after the harvesting is done.
    c. Loss assessment procedure: Farmer needs to provide Intimation with in 72 hrs after the damage should be provided on our call Center number 1800 200 5544 and Intimation must contain details of survey number-wise insured crop and acreage affected Farmer should also subsequently provide the filled Claim form along with all relevant documents as requisite for payment of claims The Loss assessor will be appointed and assessment will be completed within stipulated timelines post which the claims will be settled after the loss assessment report is finalized, subject to receipt of premium ,as per scheme guidelines
4. Localized Calamities: Loss/ damage resulting from occurrence of identified localized risks of hailstorm, landslide, and Inundation affecting isolated farms in the notified area.
    a. If crop losses occur due to any localized perils/calamities such as Landslide, Hailstorm and inundation which affect part of a notified unit or a plot the farmer is eligible to claim for a localized calamity.
    b. Eligibility criteria: Only those farmers who have paid the premium / the premium has been debited from their account before the damage can claim. Note: Maximum pay-out would be in proportion to cost of inputs, incurred up to the occurrence of insured peril, subject to the sum insured. If the payout under area approach (based on CCEs data) is more than localized losses, the higher claims of two will be payable to insured farmers, subject to receipt of premium, as per scheme guidelines
    c. Loss assessment procedure: Farmer needs to provide Intimation with in 72 hrs after the damage should be provided on our call center number 1800 200 5544 and Intimation must contain details of survey number-wise insured crop and acreage affected. Farmer should also subsequently provide the filled Claim form along with all relevant documents as requisite for payment of claims. The Loss assessor will be appointed and assessment will be completed within stipulated timelines post which the claims will be settled after the loss assessment report is finalized.

Note: Losses arising out of war and nuclear risks, malicious damage and other preventable risks shall be excluded.

5. What are the Preconditions for implementation of this scheme?
    a. State/ UT should conduct requisite number of Crop Cutting Experiments (CCEs) atnotified insurance unit area on a sliding scale basis.
    b. State/ UT to submit CCE based yield data to insurance companies within the prescribed time limits i.e. within one month from the date of final harvest.

c. State/ UT should facilitate strengthening of automatic weather station network for the purpose of on account payment settlement.
d. State/ UT to adopt modern technology for conduct of CCEs.

6. What are the Premium Rates charged under this scheme? Actuarial premium rates to be charged under PMFBY scheme are as follow:-
   a. For Kharif Crops, the maximum premium rates payable by the farmers is 2 % of Sum Insured or Actuarial premium rate whichever is less.
   b. For Rabi Crops, the maximum premium rates payable by the farmers is 1.5 % of Sum Insured or Actuarial premium rate whichever is less.
   c. For Kharif and Rabi Crops, the maximum premium rates payable by the farmers is 5 % of Sum Insured or Actuarial premium rate whichever is less.
7. What would be the Normal Premium subsidy ratio?
   a. Difference between actuarial premium rate and farmer payable premium rate shall be treated as Normal premium subsidy rate, which shall be shared equally by Central and State Govt.\
   b. However, the State/ UT Governments are free to extend additional subsidy over and above the stipulated subsidy from its budget
8. What is Sum Insured Limit for individual farmer?
   a. Sum Insured for individual farmer is equal to scale of finance per hectare multiplied by area of notified crop by the farmers for insurance.
9. What are the indemnity levels under this scheme?
   a. The level of indemnity under PMFBY scheme is defined at 3 levels: -70% corresponding to High Risk, 80% to Moderate Risk and 90% to Low Risk. SLCCCI in consultation with Insurance Company approves the above indemnity level for notified crop and area.
10. What is the Seasonality Cut-off dates disciplines?
   a. Post issuance of administrative instruction from Govt. Of India for implementation of PMFBY scheme. SLCCCI would conduct the meeting to finalize various terms and conditions on Notification of crops, Notified area, Scale of finance, Indemnity level etc.,along with issuance of bid notice.
   b. SLCCCI to issue notification and its circulation to all concern implementing agencies of their respective states at least one month in advance of the commencement of crop seasons i.e. For Kharif is March and Rabi is September.
   c. Uploading of all requisite information of notification on the Crop Insurance portal (www.pmfby.gov.in) in co-ordination with State Govt.and selected implementing agency should be made available within one week from issuance of notification.
   d. For Bankers, Loaning Period for covering of loanee farmers under compulsory components would be, for Kharif – April to July and Rabi – October to December.
   e. For Bankers, Cut-off dates for receipt of proposal form/ debit of premium from farmers account for both Loanee and Non loanee farmers would be, for Kharif – 31st July and Rabi – 31st December.
   f. For Insurance Companies, Cut-off dates for receipt of consolidated declaration/ proposal from Nodal bank/ Bank branches would be within 15 days for Loanee farmers and 7 days for Non loanee farmers from cut-off date of debit of premium from farmers account for Kharif and Rabi season respectively.

g. For Insurance companies, Cut-off dates for receipt of Proposal from designated Insurance Agent’s would be within 7 days of receipt of declaration/ premium respectively.

h. For Banker and intermediaries, Cut-off dates for uploading of soft copy of individual insured farmers in crop insurance portal would be, within 15 days after cut-off date of collection of premium.

i. For State Govt. / UT, Cut-off dates for receipt of Yield data by Insurance Companies from State Govt./ UT would be, within one month from the date of final harvest.

j. For Insurance Companies, Cut-off dates for payment of final claims based on yield data would be, within three weeks from the receipt of yield data from the State Govt

k. It may be noted that neither DAC & FW nor any State/ UT Government will be authorized to extend the cut-off dates of seasonality under any circumstance once it is fixed and notified.