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Only 7% insurance claims for 2017 kharif crop paid in Maharashtra

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MUMBAI: There is growing unrest among Maharashtra's farmers over delay in disbursement of claims under the Centre's flagship crop insurance scheme, the Pradhan Mantri Fasal Bima Yojana (PMFBY). Although claims worth Rs 2,269 crore were due from insurance companies for the kharif season of 2017, they had paid only around Rs 165 crore (7.2%) to farmers till May 10. Usually, payouts begin in March.

With the next sowing season set to begin, an anxious state government has sought a meeting with insurance companies and central government officials to expedite payments. "This is being taken up urgently so that payments can be released soon," said additional chief secretary (agriculture) Bijay Kumar. In Marathwada's Parbhani district, farmers groups have held rasta rokos, demanding payments.

STATE KNOCKS ON CENTRE DOOR

Claims History

➤ Claims worth ₹2,269 crore made; only around ₹165 crore (7.2%) paid till May 10

➤ More than 81L farmers registered for insurance, and around 45L farmers (55%) made claims

The Scheme

Pradhan Mantri Fasal Bima Yojana

➤ Only 3.5L of them or 8% have received payouts



Farmers groups say those who opt for crop loans have to compulsorily enrol for the insurance scheme. More than 81 lakh farmers had registered for the scheme. Of these, nearly 45 lakh farmers or 55% were estimated to be beneficiaries. However, till May 10, only 3.5 lakh farmers or 8% of the beneficiaries had received the payout, data from the agriculture department shows.

Most insurance companies did not come on record but said the main problem was technical issues and delays after the government's decision to go digital with the scheme.

From the 2017 Kharif season, the Centre decided that banks should upload insurance-related data on the National Crop Insurance portal. Payments were to be made by insurance companies directly to the bank accounts of farmers after matching the data with their records.

In 2016 when the PMFBY was launched, bank data was taken offline and payments were made by insurance companies to the banks instead of to the beneficiary's account.

“It has taken a long time for banks to upload the details which include the farmers’ bank details, the area sown and insured, the yield and the ownership details. Then these have to be matched and processed at our end,” said senior insurance company official.

“In some cases the information was not uploaded owing to technical problems. In other cases, there were errors in the information provided especially in bank account details which even led to the payments bouncing,” said another insurance industry source. Insurance companies faced an additional problem accessing premiums from the Central and state governments since this could be received after online data was received on the portal.

The lowest payout was from the public sector Agriculture Insurance Company. It has claims worth Rs 1,014 crore owed to 18.7 lakh farmers. However, the payout was only Rs 9 lakh to 40 farmers till May 10.

The private sector Reliance General Insurance said its record was good and it could not comment on the industry for delay or non-payments. “We have been making payouts in time and in accordance with the scheme,” said Rakesh Jain, ED & CEO Reliance General Insurance.

The Maharashtra government says there was no delay on its end in paying its share of premium or compiling and sending yield data to insurance companies.

The payment delay has resulted in growing frustration among farmers who need to buy inputs for the upcoming sowing season. Kharif 2017 was tough on the farming community with a long dry spell during the monsoon months lowering the yield. The cotton crop was also badly hit by the pink bollworm pest attack, recording a decline of almost 40% compared to the previous year.

“The companies have received their premium from farmers and the government but the crop insurance payments have not come. The scheme favours insurance companies over farmers,” alleged Parbhani-based activist Rajan Kshirsagar of Bhartiya Kisan Sangh.

“There is no forum to redress grievances if payments due to them are not made. As a result farmers are getting disenchanted with the scheme,” says Vidarbha-based activist Vijay Jawandhia.