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Government Modifies PMFBY to Ensure Transparency & Timely Claims

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The Government of India has introduced key modifications in the Pradhan Mantri Fasal Bima Yojana (PMFBY) to improve transparency, accountability, and ensure timely settlement of insurance claims for farmers. The reforms aim to strengthen the implementation mechanism and address delays in claim disbursement.

Key Highlights of the Reform

The government has focused on improving efficiency through digital and administrative measures. Systems like the National Crop Insurance Portal (NCIP) and DigiClaim Module have been strengthened to enable faster and more transparent claim processing. A penalty provision of around 12% has been introduced on insurance companies for delays in claim settlement. Additionally, ESCROW accounts have been made mandatory for states (from Kharif 2025) to ensure timely release of subsidies. The reforms also promote the use of technology-based crop assessment tools, reducing manual errors and disputes.

About PMFBY

The Pradhan Mantri Fasal Bima Yojana was launched in 2016 by the Ministry of Agriculture & Farmers Welfare as a Central Sector Scheme. Its primary objective is to provide financial protection to farmers against crop loss due to natural calamities, pests, and diseases, while also stabilizing their income and encouraging modern agricultural practices.

Premium Structure and Coverage

Under PMFBY, farmers pay a very low uniform premium—2% for Kharif crops, 1.5% for Rabi crops, and 5% for commercial/horticultural crops, with the remaining premium subsidized by the government. The scheme provides coverage from pre-sowing to post-harvest stages, including risks such as drought, floods, cyclones, pests, diseases,

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and localized calamities like hailstorms and landslides.

Role of Technology in Reforms

Technology plays a crucial role in ensuring transparency. Initiatives such as YES-TECH (Yield Estimation System using Technology) and WINDS (Weather Information Network Data System) use remote sensing, satellite imagery, and weather data to improve accuracy in yield estimation. The DigiClaim Module ensures direct transfer of claims to farmers' accounts via PFMS, minimizing delays and leakages.