

Blame game between insurance firms, govt over delay in payout

'Farmers Getting Disenchanted With Central Scheme'

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Mumbai: The Centre had decided that from the 2017 Kharif season, 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.

ONLY 8% OF ELIGIBLE FARMERS GET RELIEF

PM Crop Insurance Scheme payments in state

Kharif 2017				
Insurance firm	Beneficiaries	Claims	Claims paid	Farmers benefited
Agriculture Insurance Co	18.7L	₹1,014cr	₹9L	40
National Insurance	7.8L	₹416cr	₹29L	689
Oriental Insurance	7.6L	₹399cr	₹18cr	18,680
United Insurance	6.9L	₹288cr	₹3.9cr	3,658
Reliance General Insurance	3.7L	₹151cr	₹142cr	3.3 lakh
Total	44.8L	₹2,269	₹165cr	3.6 lakh

Source: State Agri Dept (Till May 10)

KHARIF 2017

- > It was tough on the farming community
- > Long dry spell during monsoon months lowered yield
- > Cotton crop badly hit by pink bollworm pest attack
- > Cotton crop saw 40% decline compared to previous year



“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

—Vijay Jawandhia | VIDARBHA-BASED ACTIVIST

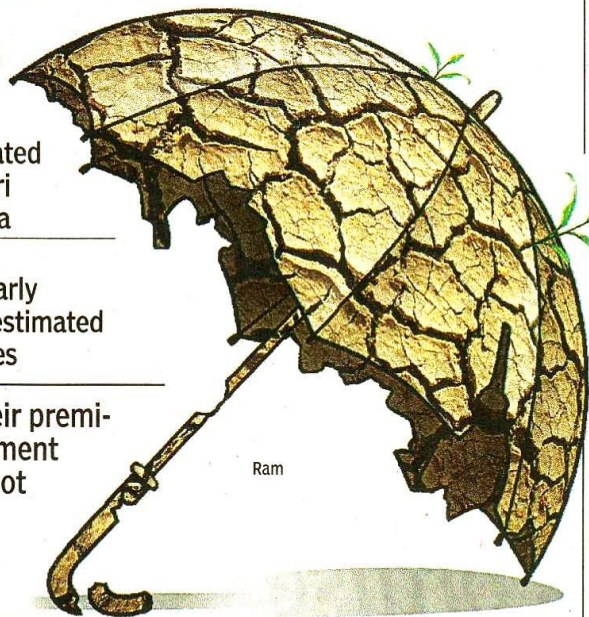
BENEFICIARIES

81.6 lakh farmers participated in Pradhan Mantri Fasal Bima Yojana

55% or nearly 45 lakh farmers estimated to be beneficiaries

“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

—Rajan Kshirsagar | BHARTIYA KISAN SANGH



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 payo-

of premium or compiling and sending yield data to insurance companies.

The payment delay has resulted in growing frustration among farmers who need to

ly 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.

Farmers groups say that those who opt for crop loans have to compulsorily enrol for the insurance scheme. Over 81 lakh farmers had registered. Of these, nearly 45 lakh farmers or 55% were estimated to be beneficiaries. But till May 10, only 3.5 lakh farmers had received the payout

uts 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

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 bad-