CAB Training Cards

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13 Features of Pradhan Mantri Fasal Bima Yojana

1. The Pradhan Mantri Fasal Bima Yojana (PMFBY) was launched by Government of India in February 2016 after rolling back the earlier insurance schemes viz. National Agriculture Insurance Scheme (NAIS), and Modified National Agricultural Insurance Scheme (MNAIS). Compared to previous schemes, PMFBY, inter alia, has lower premium & higher sum assured.
2. PMFBY aims to provide a comprehensive insurance cover against crop failure, thus helping in stabilizing the income of farmers and encouraging them to adopt innovative practices.
3. The Scheme covers all food and oilseeds crops and annual commercial/horticultural crops for which past yield data is available and for which requisite number of Crop Cutting Experiments (CCEs) are conducted.
4. The scheme is compulsory for loanee farmers availing Crop Loan /KCC account for notified crops and voluntary for other/non loanee farmers who have insurable interest in the insured crop(s).
5. Sum Insured per hectare for both loanee and non-loanee farmers is same and equal to the scale of finance as decided by the District Level Technical Committee, and is pre-declared and notified. Sum Insured for individual farmer is equal to the scale of finance per hectare multiplied by area of the notified crop proposed by the farmer for insurance.
6. The scheme is being administered by Ministry of Agriculture and Farmers' Welfare, Government of India and the difference between the actual premium and the premium payable by farmers is shared equally by the Centre and State.

7. The maximum premium payable by the farmers is as under:

a	*Rabi* Food & Oilseeds crops	1.5%
b	*Kharif* Food & Oilseeds crops	2%
c	Annual Commercial/Horticultural Crops	5%

8. The scheme is implemented by Agriculture Insurance Company of India (AIC) and other empanelled private general insurance companies which are selected by the State Governments through bidding.

9. PMFBY compensates farmers for yield loss, post-harvest loss (up to 14 days), localized calamities (hailstorm, landslide etc.) and prevented sowing due to adverse weather conditions (up to 25%).

10. The risks which may lead to yield loss that are covered under the scheme are: Natural fire and lightning; storm, hailstorm, cyclone, typhoon, tempest, hurricane, tornado etc.; flood, inundation and landslide; drought, dry spells; pests/ diseases etc.

11. The Scheme is implemented on an 'Area Approach basis'. The unit of insurance is Village/Village Panchayat level for major crops and for other crops it may be a bigger unit.

12. The loss assessment for crop losses due to non-preventable natural risks is on area approach. However, losses due to localized perils and post-harvest losses are assessed at the affected insured field of the individual insured farmer.

13. Crop Cutting Experiments (CCE) are undertaken per unit area /per crop, on a sliding scale. To fasten the process of claims, the scheme proposes mandatory use of technology like remote sensing, smart phones and drones for quick damage assessment.

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