

Claim Process

To make the risk mitigation via PMFBY effective in real sense, timely settlement of admissible claims is required. This is in line with the basis objective of the scheme for

- providing financial support to farmers suffering crop loss/damage arising out of unforeseen events
- stabilizing the income of farmers to ensure their continuance in farming
- ensuring flow of credit to the agriculture sector

The various risks covered in the PMFBY scheme covers various stages of the crop and is spread over the entire crop season i.e. from Sowing to Post Harvesting.

Following stages of the crop and risks leading to crop loss are covered under the scheme.

a) **Prevented Sowing/ Planting Risk:** Insured area is prevented from sowing/ planting due to deficit rainfall or adverse seasonal conditions

b) **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.

c) **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.

d) **Localized Calamities:** Loss/ damage resulting from occurrence of identified localized risks of hailstorm, landslide, and Inundation affecting isolated farms in the notified area.

As per the guidelines:

a) **The Scheme shall operate on the principle of “Area Approach”** in the selected Defined Areas called Insurance Unit (IU). State Government /UT will notify Crops and Defined Areas and should notify the insurance unit which may be Village/Village Panchayat or any other equivalent unit for major crops. For other crops it may be a unit of size above the level of Village / village Panchayat.

b) For the claims arising out of **crop damage due to post-harvest losses and localized risks, assessment of damage will be made on individual farm**



The Coverage and Modality of Claims under various incidences:

1. ON ACCOUNT PAYMENT OF CLAIMS DUE TO MID-SEASON ADVERSITY:

Providing immediate relief to insured farmers in case of floods, prolonged dry spells, severe drought etc where expected yield will be less than 50%

Eligibility Criteria:

Only those farmers who have paid the premium / the premium has been debited from their account before the damage. The provision is invoked by the State Government through damage notification based on the proxy Indicators.

If adversity occurs within 15 days before the normal harvest time, this provision will not be invoked.

Loss assessment procedure:

Joint Loss Assessment with government On-account payment would be calculated as per following formula:

$$\frac{(\text{Threshold Yield} - \text{Estimated Yield}) \times \text{Sum Insured} \times 25\%}{\text{Threshold Yield}}$$

Threshold Yield

Maximum amount payable would be 25% of the likely claims, subject to adjustment against final claims.

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 only after the receipt of Government share of premium subsidy.

2. PREVENTED/ FAILED SOWING /PLANTING/ GERMINATION FAILURE

The risk is provides for

- cover 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.
- If either sowing or germination of crop due to deficit or excess rain fall.

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.

Loss assessment procedure:

- The cover will be available for major crops only.
- The insurance company would disburse the claim within 30 days of the State’s order / notification
- The payout will be 25% of total sum insured and the policy will be terminated after that.

3. POST HARVEST LOSSES

- 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

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.

Loss assessment procedure:

- Intimation within 72 hrs after the damage to insurance companies through centralised toll free number and Intimation must contain details of survey number-wise insured crop and acreage affected
- Duly filled Claim form along with all relevant documents is requisite for payment of claims
- Insurance companies will appoint loss assessors with the immediate effect of the intimation
- Assessment will need to be completed within 10 days and claim settlement will need to be done within 15 days after the loss assessment report

- If the affected area under a notified crop is more than 25% of the total insured area in a notified insurance unit, all the eligible farmers in the notified insurance unit would be deemed to have suffered post harvest loss and would be eligible for financial support
- If claim for Post Harvest is higher, no recovery will be applicable from affected farmers.

4. LOCALIZED RISKS :

- If crop losses due to occurrence of localized perils/calamities viz.Landslide,Hailstorm and inundation

affecting part of a notified unit or a plot

Eligibility criteria:

- Only those farmers who have paid the premium / the premium has been debited from their account

before the damage
- 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.

Loss assessment procedure:

- Farmer need to intimate with in 72 hrs after the damage to insurance companies through centralised toll free number and provide the details of crop with survey number
- Insurance companies will appoint loss assessors with the immediate effect of the intimation
- Assessment will need to complete with in 10 days and claim settlement will need to done in next 15 days after the loss assessment report.

Reporting of Event within the defined timelines is of utmost importance as it leads to proper assessment of damages and compensating the farmers in time to take further corrective actions.

The Company has put in place various modes , where the claims can be reported/addressed. These are done with the view so that the farmers find it easy and convenient to report the event in stipulated time, detailed below (as per the guidelines). These include:



1. Establishing of a well equipped and multi lingual **Call Centre** (where relevant information is readily available). The farmers can reach out to us on **1800 266 0700**
2. **Company representative contact details made available** at all District Agriculture Office. The letters received at the DAO, is collected at regular basis

Company representative part of DLMC and available with complete information of coverage, intimations and grievance redressal