



**“A COMPARITIVE STUDY OF THE PROGRESS IN PMJJBY AND PMBSY
SCHEMES IN INDIA.”**

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Abstract:

In order to give financial support to the poor and financially backward families after the death or accident occurs of the main person in the family, two insurance schemes were started by the Central Government of India under 'Jan Dhan se Jan Suraksha' scheme. Under this scheme Pradhan Mantri Jeevan Jyoti Yojana and Pradhan Mantri Bima Suraksha Yojna were launched in 2015. Out of which PMJJBY is a term insurance policy plan and PMSBY is an accidental policy specially for the poor citizens in India so these schemes are made available in very low premium amount. The main object of these schemes is to cover maximum poor people under these schemes and to give financial support and stability to maximum families who cannot take other life insurance policies due to high premium. Under PMJJBY scheme the insured family gets coverage of Rs. 2 lakhs in only paying the annual premium of Rs. 436 after the death of the insured person. Under PMSBY scheme the insured family gets coverage of Rs. 2 lakhs after the accidental death or sever disability and Rs. One lakh for partial disability in just Rs. 20 annually.

Keywords: Life Insurance, Term Insurance, PMJJBY, PMSBY, scheme enrollment, Claim settlement.

I.Introduction:

Today Life Insurance become a basic need of an every human being due to the bad habits and



wrong life style as well as various indefinite incidents like accident, earthquake, flood, heavy rain fall etc. In India most of the part of the population never takes the life insurance coverage due to unawareness and financially backwardness of the people. So the Indian Government introduced two term insurance policies especially for the financially backward poor families in the year 2015. Both the insurance policies were first introduced by the former Finance Minister Late Arun Jetaly in February, 2015 in his Budget speech. After that both the insurance schemes were actually launched by the Prime Minister Mr. Narendra Modi in Kolkata in May, 2015. Pradhan Mantri Suraksha Bima Yojana and Pradhan Mantri Jeevan Jyoti Bima Yojana was launched on 09th May 2015 in Kolkata. PMJJBY is a term insurance policy plan made available only in Rs. 436 annual premium. In the beginning the premium amount was Rs. 330 but the premium amount was increased by the Central Government and came into force from 01st June, 2022. In this plan the insured family get coverage Rs. 2 lakhs after the death of the insured person. This scheme is run by LIC and other insurance companies and banks under the control of LIC. Any person resides in India whose age is between 18 years to 50 years can take this policy.

The second insurance policy is Pradhan Mantri Suraksha Bima Yojana is an accident policy plan available especially for poor people in affordable amount in just Rs. 20 annual premium amount. In this accident plan, the insured person get coverage of Rs. 2 lakhs in accidental death or fool disability in the accident and Rs. 1 lakh in partial disability in the accident. After launching both the schemes in first year 2015-16 about 2.96 crore persons enrolled in the PMJJBY and about 9.41 crore persons enrolled in PMSBY scheme. After completing eight years up to April 2023, the enrollments increased up to 16.2 crore for PMJJBY and about 34.2 crore for PMSBY. It means as compare to PMJJBY, the enrollment in PMSBY scheme is doubled than PMJJBY scheme. As the enrollment ratio of both the schemes increased year by year but the insurance companies never reached the target set by the Central Government at the time of launching both the schemes in 2015.

II. Literature Review:

The objective of this review is to capture the gist of recent surveys conducted in the life insurance industry in India. The Indian Government realized the basic need is insurance for the below poverty level people in the society weather in urban or rural area of the country. According to this purpose, the central Government started the PMJJBY and PNSBY schemes for the poor peoples in the country. In this plan the banks has important roll as master policy holder so the Government gave facility to the banks for selling this insurance policy in the



peoples who were already their account holders. Research has been done on many research and reviews given by other researchers on multiple issues like pandemic, insurance, banks.

According to Mandal (2006), insurance as a service with a very high level of immateriality, the role of intermediaries for the distinction of insurance products is very essential.

LIMRA's (2006) research focuses on US distribution systems and the relationships between insurance providers and professionals in local communities who sell or recommend the company's products and services. The research examines the economics behind meeting the ever-changing demands of distribution.

LIMRA's Goode now and Painter-Eggers (2007) conducted an electronic survey of more than 1,000 members of a national consumer panel in the US market to measure consumers' financial literacy and their self-assessment of their financial preparedness for the future.

Zheng and Lomond (2009) found out that training, size ,length of operation and then a true of the industry are significantly related to turnover.

The review conducted so far includes research work on the life insurance industry in India and abroad as well as on the distribution of life insurance products. The current work aims to understand customer expectations and the impact and implementation of Indian government insurance schemes with special reference to PMJJBY.

III. Statement of the Problem:

In India the population is over 140 million. Out of which a large part of the whole population is below poverty level and lives in a very bad condition. This financially backward population does not have any insurance policy such as life insurance, accident or health due to unawareness about the need and importance of insurance or financial problem. After considering this reason, the Government of India has announced many insurance schemes with a very lower premium so that the poor people can take the benefit from it. The study mainly deals with the insurance schemes announced and launched by the Prime Minister on 9th May 2015, namely PMJJBY and PMSBY. Both the schemes have a great reach among people as the premium is much lower than other schemes. But when we compare both the schemes to each other, we comes to know that the progress of the PMSBY scheme is more than PMJJBY scheme. After completing eight years up to 26th April 2023, the enrollments in PMJJBY is reached up to 16.2 crore while the enrollment of persons in PMSBY are about 34.2 crore. It means as compare to PMJJBY, the enrollment in PMSBY scheme is doubled than PMJJBY scheme. But the claim amount paid under PMJJBY is 13,290.40 crore and under PMSBY the paid amount is 2,302.26 crore which six time less than PMJJBY scheme.

IV. Scope of the Study:



The study is limited to the two insurance policy plans which are Pradhan Mantri Jeevan Jyothi Bima Yojana and Pradhan Mantri Suraksha Bima Yojna. Out of which PMJJBY is a term insurance policy and PMSBY is an accidental policy. The research will help us to know the progress made by both the schemes during eight years from 2015 to 2023. The main focus of the study is to compare that which insurance policy made more progress than the other policy and reasons behind it. The research will also help us to know the challenges in front of LIC, other insurance companies and the master policy holder banks and give recommendation that how they will face it to make these schemes successful in the upcoming years.

V. Objectives of the study:

The main objectives of the study are:

- To know about the PMJJBY and PMSBY insurance schemes.
- To study the difference and similarities between PNJJBY and PMSBY.
- To study the progress of PNJJBY and PMSBY
- To compare the progress and success made by the both schemes. .
- To find out the challenges in front of both the schemes. .

VI. Methodology:

This research paper is based on a descriptive study. The study is based on Secondary data. The data was collected from various sources like IRDAI Annual Reports, books, ministry's reports, various websites, journals, newspapers, magazines and past research papers relating to insurance schemes of Pradhan Mantri Jeevan Jyoti Bima Yojana and Pradhan Mantri Suraksha Bima Yojana.

VII. About the PMJJBY Scheme:

The Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) is a term insurance policy plan launched by the Indian Government in 2015. The main reason behind launching this scheme is the poor and rural population is mostly away from the life insurance scheme due to unawareness about it. The second important reason is the high premium charged by the insurance companies. The PMJJBY insurance schemes aims to bring the below poverty sector and financially weaker population under the social safety. The PMJJBY scheme benefits the financially backward class. The scheme would be administered through LIC and other life insurance companies, Post office and banks willing to offer the product on similar terms as selected by the bank concerned. By joining the PMJJBY scheme and paying a



nominal premium of Rs. 436/- per person per year will get insurance cover for an amount of Rs. 2,00,000/- in case of death due to any reason. After the death, the LIC settled the scheme and gives the coverage amount to the nominee under the control of the Government of India. The plan will be valid for one year and can be auto renewed each and every year. The premium amount will be deducted from the saving bank account of the account holder through auto debit facility.

Master Policy Holder: The PMJJBY scheme is administered by the LIC of India and under LIC, Post office and banks is doing the job as Master Policyholder and offer this scheme to the peoples.

Eligibility: The PMJJBY aims to provide insurance to all Indian citizen who has a saving bank account in the master policy holder bank and post office can take the benefit of this insurance policy.

Age limit: Any person in age group between 18 years to 50 years can take the policy. The coverage of this scheme is given up to 55 years.

Premium Amount: The premium amount of Rs. 436 annually will be deducted from the policy holder's saving bank account every year with auto debit facility.

Re-joining: If any policyholder exits the scheme at any point may re-join the scheme in the future. The exclusion of the benefits during the lien period shall also apply to the company that exit the insurance scheme during the year and rejoin on any date on or after 01st June 2021.

Enrolment period: The cover shall be for one-year period starting from 1st June to 31st May for which option to join / pay by auto-debit from the designated individual bank / Post office account on the prescribed forms will be required to be given by 31st May of every year.

Increase in premium amount: The Central Government changed the premium amount of this policy. As per the new amendments and rules changes the premium amount is raised from Rs. 330 to Rs. 436 per year. It is auto debited from the policyholders saving account.

After the examination of the claim ratio, the IRDAI informed that the claim ratio pertaining to the PMJJBY scheme for the period 31st March 2022 is 145.24 %.

VIII. About the PMSBY Scheme:



The Pradhan Mantri Suraksha Bima Yojana (PMSBY) is a government backed accident policy plan available especially for poor people in affordable amount in just Rs. 20 annual premium. It is an Accidental death and insurance policy covered by the Central Government. This scheme was announced by the Finance Minister in February 2015 and launched by the Prime Minister on 9th May 2015 from Kolkata. In this accident plan policy, the family of the insured person can get coverage of Rs. 2 lakhs in the accidental death or permanent total disability of the insured person in the accident and Rs. 1 lakh in partial disability in the accident.

Eligibly : Any Indian between the age limit of 18 years to 70 years having the saving bank account in the registered banks can take the benefits of PMSBY scheme.

Enrolment period: The cover shall be for one-year period starting from 1st June to 31st May every year.

Premium Amount: The premium amount of Rs. 20 per year will be deducted from the policy holder's saving bank account with auto debit facility.

IX. Comparison Between PMJJBY and PMSBY:

There are some differences and similarities between PMJJBY and PMSBY are given below.

Table 1: Comparison Between PMJJBY and PMSBY

Sr. No.	Features	PMJJBY	PMSBY
1	Date of Launching	9 th May 2015	9 th May 2015
2	Type of Policy	Term Insurance	Accident Insurance
3	Eligibility	Bank Account Holder	Bank Account Holder
4	Eligibility (Age Limit)	18 – 50 Years	18 – 70 Years
5	Coverage stop Age	55 Years	70 Years
6	Premium Amount	Rs. 436 p.a.	Rs. 20 p.a.
7	Maximum Insurance cover	Rs. 2 lakhs	Rs. 2 lakhs
8	Natural Death Benefit	Rs. 2 lakhs	Nil
9	Accidental Death Benefit	Rs. 2 lakhs	Rs. 2 lakhs
10	Total Disability in Accident	Nil	Rs. 2 lakhs
11	Partial Disability in Accident	Nil	Rs. 1 lakh
12	Maturity Benefit	Nil	Nil
13	Risk Period	1 Year (1/6 to 31/5)	1 Year (1/6 to 31/5)
14	Mode of Payment	Auto debit from	Auto debit from



		Bank account in May	Bank account in May
15	When to join the scheme	Any time	Any time

At the time of launching of both the schemes the premium amount was Rs. 330 annually for PMJJBY and Rs. 12 annually for PMSBY scheme. But as per the implementations made by the Government, the premium rate increased. For PMJJBY the premium amount is Rs. 436 p.a. and for PMSBY the premium amount Rs. 20 p.a. came in to force from 1st June 2022.

X. Progress of PMJJBY and PMSBY:

After launching the schemes on 9th May 2015 both the schemes increased their business and insurance policies on overall India. The number of enrollment ratio and claims ratio also increased year by year. After completing eight years the progress of the insurance schemes is given below. As per the report given by the bankers, out of total enrollment about 72 % enrollments are came from rural area in PMJJBY as well as PMSBY in the year 2022-23. The participation of female insurers is also up to 50 % in both the schemes. The year wise progress data of both the schemes are given below.

Table 2: Number of person enrolled, Claims field and disbursed under PMJJBY:

Financial Year	No. of Person Enrolled (in crore)	No. of claim received	No. of claim disbursed	Claim disbursement Ratio	Claim Amount paid (in crore)
2015-16	2.96	22,212	19,409	79.99 %	511.10
2016-17	3.12	62,166	59,118	95.10 %	1,249.58
2017-18	5.33	98,163	89,708	91.39 %	1,795.32
2018-19	5.92	1,45,763	1,35,212	92.76 %	2,798.34
2019-20	6.96	1,90,175	1,78,189	93.70 %	2,980.08
2020-21	10.27	2,50,351	2,34,905	90.72 %	3,563.78
2021-22	12.76	5,92,915	5,76,121	97.17 %	11,522.15
2022-23	16.19	6,71,580	6,64,520	98.95 %	13,290.40

Source: *Indiastat, PIB and IBEF*

Table 3: Number of person enrolled, Claims field and disbursed under PMSBY

Financial Year	No. of Person Enrolled (in crore)	No. of claim received	No. of claim disbursed	Claim disbursement Ratio	Claim Amount paid (in crore)
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2015-16	9.43	4,566	2,757	60.38 %	76.42
2016-17	10.04	12,534	9,403	75.02 %	205.46
2017-18	13.48	21,137	16,430	77.73 %	342.42
2018-19	15.47	40,749	32,176	78.96 %	671.60
2019-20	18.54	50,328	39,969	79.42 %	699.30
2020-21	23.26	58,540	45,472	77.27 %	1,218.16
2021-22	28.37	97,266	97,227	84.82 %	1,930.12
2022-23	34.18	-	1,15,951	-	2,302.26

Source: *Indiastat, PIB and IBEF*

As per the numbers given in Table 2 and Table 3 of eight years, we come to know that the cumulative enrollment in PMJJBY and PMSBY are increasing year by year. After the pandemic the peoples realized the need and importance of both the schemes. In short the awareness about the usefulness of life insurance in our life was clearly realized by the people in India. So the enrollment in both schemes increased very rapidly. Before pandemic the enrollment in 2018-19 are 5.92 crore in PMJJBY and 15.47 crore in PMSBY. But after pandemic the enrollment in 2021-22 are 12.76 crore and 28.37 crore in PMSBY scheme. As per the information given by the Finance Minister till 26th April 2023, the enrollment reach up to 16.19 crore in PMJJBY and 34.18 crore in PMSBY scheme.

Though the enrollment in PMJJBY is half than the PMSBY scheme, the payment of claim amount under PMJJBY is about six time more than the payment of claim paid under PMSBY scheme in every year. In 2015-16 the amount of claim paid under PMJJBY was 511.10 crore where as under PMSBY the amount was only 76.42 crore. In the eighth year 2022-23 the amount of claim paid by the Government under PMJJBY is 13,290.40 crore and under PMSBY the paid amount is 2,302.26 crore which six time less than PMJJBY scheme.

XI. Findings:

Increase in Enrollments: The enrollments of peoples in both the schemes are increased year by year. As compare to before pandemic period, the enrollment ratio is increased in both the schemes after the pandemic period. While completing the eighth year for both the scheme, the Finance Minister said that about 16.2 crore and 34.2 crore in enrollments have been done till 26th April 2023 in PMJJBY and PMSBY respectively.

Increase the Enrollments from Rural Area: Out of 16 crore enrollments under PMJJBY scheme in India, about 72 % enrollments came from rural area and only 28 % from urban



area. In PMSBY more than 34 crore people enrolled out of which about 71 % insured from rural area and only 29 % from urban area.

Increase in Female Enrollment: As per the information given by the Finance Minister, Out of total insured in India only 48 % male insured and 51 % female insured in PMJJBY. In PMSBY male insured are 50 % and 49 % are female insured. It clearly shows that the female insured are increasing in both the schemes covered by the Central Government.

Increase in Claim settlement: In the year PMJJBY has benefited more than 6,60,000 people in which more than Rs. 13,000 crore have been settled. On the other hand about 1,15,000 peoples claims were paid under PMSBY by worth Rs. 2,000 crore. As compare to other previous years, the amount of claim is increasing in year by year by both the schemes.

Comparison: The enrollment in PMSBY is more than double as compare to PMJJBY scheme. But the amount of claim paid under PMJJBY is 13,290.40 crore and under PMSBY is 2,302.26 crore. It means claim amount paid by PMJJBY is near four time of the amount paid by PMSBY scheme. During these eight years, the claim disbursement ratio of PMJJBY is more than the ratio of PMSBY in every year.

The premium amount of PMSBY is just Rs. 20 annually and PMJJBY is Rs. 436 p.a. but coverage of both the schemes is same Rs. 2 lakhs. So the customers prefer PMSBY scheme. Under the control of Indian Government, LIC, other 13 private insurance companies and banks have played a key role in the success of both the scheme. Both the scheme has more benefits especially for the poor and young people. These scheme required minimum documentation.

XII. Recommendations and Suggestions:

- i. As per today's inflection ratio the Government should increase in the claim amount of settlement for getting more benefit to the poor people in the society.
- ii. The Government should increase the incentives for the employee and agent and motivate them for more enrollments especially in PMJJBY and PMSBY schemes.
- ii. The Governments, Insurance companies and banks should take actively further steps to reach people of below poverty level of the country by conducting awareness programs and make interest and trust about the scheme in the mind of the citizens in India.
- iii. The Government should motivate the poor peoples to open a saving account in bank and subscribe the most useful scheme and take benefit from both the schemes.



XIII. Conclusion:

PMJJBY and PMSBY are the most useful schemes started by the Central Government for the below poverty level people in India. Out of which one is term insurance and another one accident policy available in very low premium. So both the schemes are more helpful but as compare to the inflection Index the claim amount looks insufficient for the family after the death of young person in the family. So the government should increase in the coverage amount so that most of the peoples attract on these scheme and get benefit from both the schemes. . The progresses of both the schemes are good but it is not sufficient as per the target set by the Central Government. It becomes very helpful for the peoples and the Government also. Because the level of insurance penetration varies for a number of reasons, including the level of economic development of the country, PMJJBY and PMSBY provide coverage in the event of unfortunate death from any cause and accident. These unique schemes will be a breakthrough in providing social security to millions of our below poverty level people in overall of India. In short The Central Government provides a very useful and helpful life insurance schemes with the help of LIC, Private insurance companies, Post office, and the banks which plays an important role in the progress of PMJJBY and PMSBY scheme in all over India.

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