

Financial inclusion: a comparative study between Pradhan Mantri Jeevan Jyoti Bema Yojana (PMJJBY) and Pradhan Mantri Suraksha Beema Yojana (PMSBY)

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ABSTARCT

Background: Financial inclusion needs everyone in the general public to be included and take part in financial management sensibly. Numerous helpless families in India don't have any admittance to financial administrations in the country. They don't know about banks and their capacities. The government reported insurance plans PMSBY (for Accidental Death and Disability), PMJJBY (for life insurance). These plans were dispatched by the Prime minister on 9 May 2015.

Methodology: This is descriptive research-based secondary data. The government intends to utilize innovation to the degree conceivable to contact the recipients, in this manner connecting spillages to the framework. This study has used the data published by the IRDAI and the ministry of finance. This study means to explore different measures and drives of banks and governments as the piece of monetary consideration overall and PMJJBY and PMSBY specifically.

Results: This study also aims to review the status of financial inclusion by PMJJBY and PMSBY. This study gives the features of these plans and centers on how best these plans have reached the Indians.

Conclusion: Legislature of India has effectively executed and individuals enjoy taken immense benefit of PMJJBY and PMSBY in the provincial just as a metropolitan region.

Keywords: Financial Inclusion, IRDAI, PMJJBY, PMSBY

ASSESSMENT OF GLOBAL INSURANCE MARKET

The COVID-19 emergency will hit the security business with sigma estimating a pretty much three percent point log jam in yearly conventional generally a premium improvement in 2020 and 2021 from the pre-emergency headway course. The presence locale will be more affected than the non-life. It is possible of narrowing in premium levels in 2020, trailed by skirt back. Swiss Re expects complete worldwide direct expenses composed will arrive at pre-emergency levels in 2021, a solid result, taking into account that downturn in 2020 will be the most profound since the 1930s.

(₹ crore)							
S.No.	Insurer	As on March 31, 2019	Infusion during the year	As on March 31, 2020	Indian Promoter*	Foreign Investor	Foreign Investment %
1	Aditya Birla Sun Life	1,901.21	-	1,901.21	989.62	931.59	49.00
2	Aegon Life	1,463.11	2.49	1,465.60	747.46	718.14	49.00
3	Aviva Life	2,004.90	-	2,004.90	1,022.50	982.40	49.00
4	Bajaj Allianz	150.71	-	150.71	111.53	39.18	26.00
5	Bharti AXA	2,526.20	365.00	2,891.20	1,474.51	1,416.69	49.00
6	Canara HSBC	950.00	-	950.00	703.00	247.00	26.00
7	Edelweiss Tokio	312.62	-	312.62	159.44	153.18	49.00
8	Exide Life	1,850.00	-	1,850.00	1,850.00	-	-
9	Future Generali	1,842.82	93.00	1,935.82	987.27	948.55	49.00
10	HDFC Life	2,017.38	1.42	2,018.80	1,327.77	691.03	34.23
11	ICICI Prudential	1,435.78	0.08	1,435.86	894.81	541.05	37.68
12	IDBI Federal	800.00	-	800.00	592.00	208.00	26.00
13	Indiafirst	625.00	10.00	635.00	462.50	172.50	27.17
14	Kotak Mahindra	510.29	-	510.29	510.29	-	-
15	Max Life	1,918.81	-	1,918.81	1,429.88	488.93	25.48
16	PNB Metlife	2,012.88	-	2,012.88	1,367.70	645.18	32.05
17	Pramerica Life	374.06	0.00	374.06	190.77	183.29	49.00
18	Reliance Nippon	1,196.32	-	1,196.32	610.13	586.20	49.00
19	Sahara	232.00	-	232.00	232.00	-	-
20	SBI Life	1,000.00	0.03	1,000.03	598.09	401.94	40.19
21	Shriram Life	179.38	-	179.38	103.35	76.03	42.39
22	Star Union Dai-ichi	258.96	-	258.96	140.00	118.96	45.94
23	Tata AIA	1,953.50	-	1,953.50	996.29	957.22	49.00
	Private Total	27,515.94	472.02	27,987.96	17,480.88	10,507.07	37.54
24	LIC	100.00	-	100.00	100.00	-	-
	Industry Total	27,615.94	472.02	28,087.96	17,580.88	10,507.07	37.41

Table 1 Insurer companies

In 2019, by and large, life costs movement moved back to 2.2 percent, yet more grounded than the 1.5 percent normal of the beyond 10 years. Swiss Re concentrated on that the COVID-19 crisis will slow life premium improvement by 4.5 rate points (ppt) in 2020 and

2021, affecting 1.5 percent complete market withdrawal. The premium for get-together and individual undertaking accounts business will be hit by expanding joblessness and falling pay rates; individual mortality business should be steadier.

INDIAN INSURANCE IN GLOBAL SCENARIO:

In 2019, India offered 1.69% of the global protection market (1.58% in 2018). However, overall insurance premiums in India (including life and non-life) climbed by 9.21% (6.9% inflation-adjusted real growth) in 2019, whilst global total insurance premiums increased by 2.34% (2.9% inflation-adjusted real growth) (source: Swiss Re, Sigma No. 4/2020).

In the life coverage business, India is positioned 10 among the 88 nations, for which information is distributed by Swiss Re. India's offer in the worldwide disaster protection market was 2.73% during 2019. However, during 2019, the extra security expense in India expanded by 9.63% (7.30% expansion changed genuine development) when worldwide life coverage premium expanded by 1.18% (2.20% swelling changed genuine development).

ABOUT FINANCIAL INCLUSION

With the motto "Jan-Dhan Se Jan Suraksha," PMJJBY was introduced on June 1, 2015, as part of the promising Pradhan Mantri Jan DhanYojana, to provide monetary assistance through less expensive term protection to all Indian residents. Term insurance is a kind of additional security under which assurance incorporation is obliged fixed term (period) and on the portion of the pre-pick charge. Pradhan Mantri Jan-DhanYojana is the public mission for money related thought to guarantee induction to financial organizations, to be explicit, Banking/Savings and Deposit Accounts, Remittance, Credit, Insurance, Pension in a sensible way.

PMSBY is open to Indian Residents someplace in the scope of 18 and 70 years of age with records. It has a yearly premium of ₹12exclusive of charges. The GST is cleared on Pradhan

Mantri Suraksha BeemaYojana. The aggregate will be normally charged from the record. The disaster security plan will have one year cover from June 1 to May 31 and would be introduced through banks and coordinated through open region general protection offices. On

the off chance that there ought to emerge an event of spontaneous passing or full powerlessness, the portion to the anointed one will be ₹2 lakh and in case of mostly Permanent impairment ₹1 lakh Full insufficiency has been described as the loss of usage in the two eyes, hands or feet. Partial Permanent failure has been portrayed as loss of usage in one eye, hand, or foot. Further, downfall on account of implosion, alcohol, substance enslavement, etc is not covered. This arrangement will be associated with the records opened under the Pradhan Mantri Jan DhanYojana plot. By far most of these records had zero balance from the outset. The public authority hopes to decrease the amount of such zero balance accounts by using this and related plans. As of now, all Bank account holders can help this office through their net-banking organization office at whatever point of the year.

LITERATURE REVIEW

Ranade (2017) endeavored to cause to notice the capability of fintech and its effect on monetary administrations. He talked about the job of data the board and its potential utilize combined with the Jan Dhan-Aadhaar-Cell phones (JAM) framework that can give a major push to monetary consideration. The creator likewise suggested alerts as far as security and responsibility for that would be produced simultaneously.

Bhanot and Bapat (2016) concentrated on monetary consideration while joining the commitment of SHG-bank linkage program accordingly featuring multiplier impact of Self improvement gatherings (SHGs). Monetary consideration was assessed dependent on information on branch infiltration, credit entrance, and store entrance gathered during 2000-12. The creators presumed that in country regions, branch entrance had deteriorated, however, credit and store infiltration had improved with a promising improvement because of the SHG-bank linkage program.

Mukhopadhyay (2016) brought up an imbalance in assessing monetary incorporation from the supply side and request side factors. The creator utilized information from a dish India study of a delegate grown-up populace, to register a monetary consideration list for 22 states catching interest side data. The creator discovered differential admittance to bank credit among poor and non-poor in the greater part of states and that non-helpless person were bound to save in a bank contrasted with poor. Likewise, to set aside cash, keeping it at home and in chit reserves was favored even in non-helpless states. He noticed that just offering admittance to monetary

administrations may not assist with accomplishing acceptable outcomes as real use of these administrations was not ensured.

Ghosh and Vinod (2017) utilized All India Obligation and Venture Review information (2013) to dissect admittance to and utilization of money credits by families and pertinence of sexual orientation. The creators tracked down those female-headed families who were less disposed to get to formal methods of money and more leaned to get to casual money. Ladies confronted restrictions because of both interest and supply factors that blocked their admittance to and utilization of formal monetary administrations.

Sat Pal Wadhwa., (2015), in the research article on, "Financial Inclusion Plans and Its Performance Evaluation", seen that accomplishment of money related thought plans is possible exactly when banks go into towns, to oblige the fiscally banished segment, completely aim at giving monetary organizations. The survey contemplated that Government is endeavouring to go into 6 lakh towns to oblige the fiscally dismissed part, intending to give monetary organizations in unbanked and under-banked locales.

RESEARCH METHODOLOGY

Fundamentally, every single resident participates in the monetary parts of the country. It is crucial to note that the Financial Inclusion of the helpless will help in carrying them to the standard of development. This part of the country's monetary incorporation has seen a transcendent quick development because of the PMJJBY and PMSBY schemes. This is viewed as a more noteworthy jump in the monetary improvement of the country. Subsequently, this review has been embraced to think about the PMJJBY Scheme and PMSBY and its advantages among account holders of both the plans.

Objectives of the study

Primary Objective: To understand and compare the benefits of PMJJBY AND PMSBY.

Secondary Objectives:

1. To study how best the banks and Government of India have succeeded in reaching these schemes to the whole Indian population
2. To know how much expenditure the Government of India has to bear for uplifting these schemes.
3. To understand which scheme is more obtained by the people.

DATA ANALYSIS:

PRADHAN MANTRI JEEVAN JYOTI BEEMA YOJANA:

PMJJBY was presented on first June 2015, under the promising Pradhan Mantri Jan Dhan Yojana with the mean to offer monetary help through less expensive term protection to all the residents of India with a maxim of "Jan-Dhan Se Jan Suraksha".

Details of the Scheme: The course of action will be a one-year cover, sensible beginning with one year then onto the following, Insurance Scheme offering extra security cover for death considering any explanation. The course of action would be offered/facilitated through LIC and other Life Insurance affiliations willing to offer the thing on basically indistinguishable terms with crucial backings and tie-ups with Banks thusly.

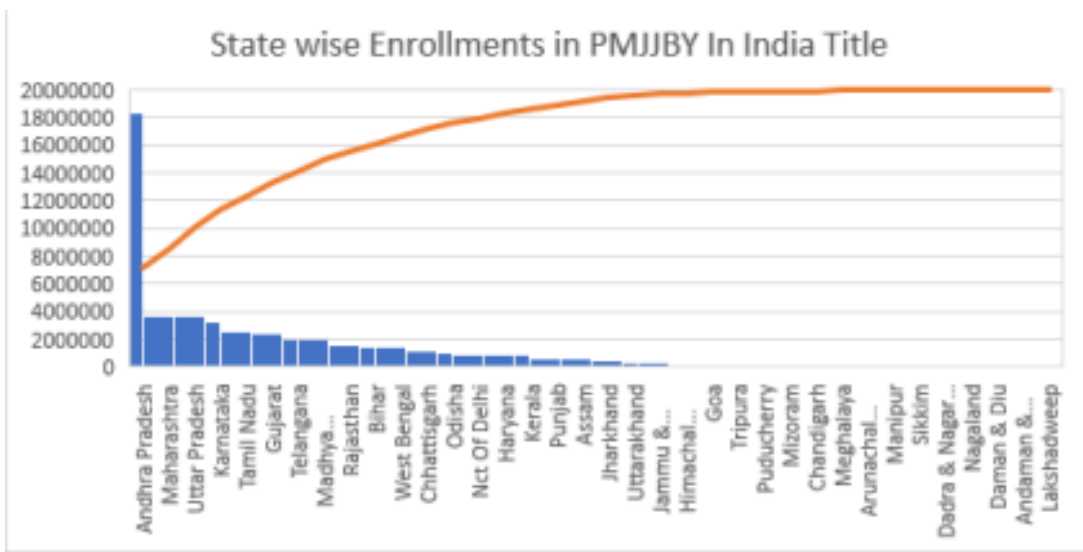


Figure 1 State/UT-wise distribution of gross enrolments disbursed under PMJJBY Interpretation: From the above graph we can ready to see that in India Andhra Pradesh is the state where the biggest number of gross enrolments in PMJJBY is made while Lakshadweep is the state where fewer gross enrolments in PMJJBY. Gujarat is still behind in contrastwith another state if there should be an occurrence of gross enrolment in PMJJBY.

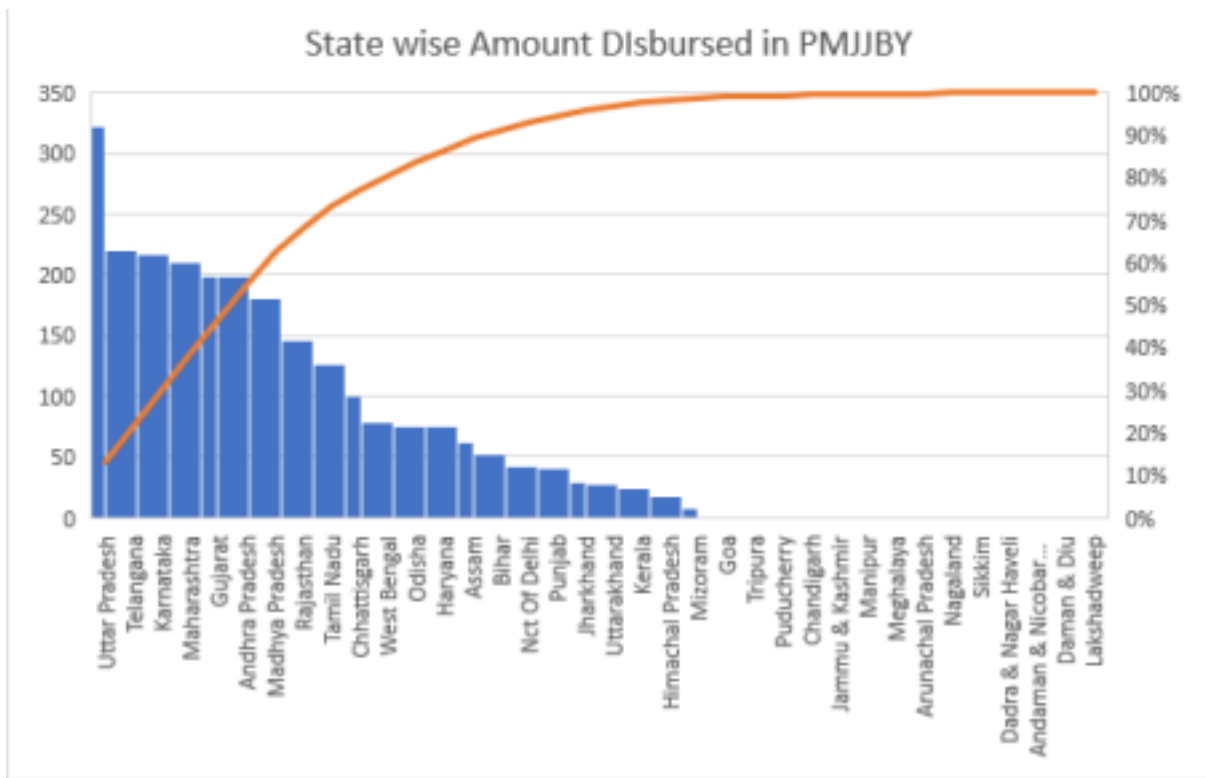


Figure 2 State/UT-wise amount disbursed in PMJJBY

Interpretation: From the above graph we can ready to see that in India Uttar Pradesh is the state where the biggest sum is dispensed in PMJJBY while Lakshadweep is the state where a more modest sum is dispensed in PMJJBY.

PROGRESS OF PRADHAN MANTRI JEEVAN JYOTI BEEMA YOJANA:

Parameters	As on 01.11.2016	As on 01.12.2016	As on 02.01.2017	As on 01.02.2017
Gross enrolment reported by Banks subject to verification of eligibility, etc. (Amt. in Rs. Crores)	3.0652	3.0743	3.07949	3.0829
Total No. of claims recd.	46490	49477	51916	55371
Total No. of claims disbursed	42229	44644	48277	51601

(Source of data: Data are based on information provided by Banks and Insurance companies to

Jan Suraksha Mission Office (DFS))

Table 3 Progress of PMJJBY

BANK-WISE NUMBER OF PAID CLAIMS UNDER PMSBY REPORTED BY BANK AND UPDATED BY INSURANCE COMPANIES ON JANSURAKSHA PORTAL AS OF 31.10.2018 (FROM: MINISTRY OF FINANCE)

S No.	Name of Bank	Number of Claims Paid
1	Allahabad Bank	648
2	Andhra Bank	2053
3	Axis Bank Ltd	20
4	Bank of Baroda	1726
5	Bank of India	1585
6	Bank of Maharashtra	233
7	Coopara Bank	812
8	Central Bank of India	1445
9	Cooperation Bank	660
10	Dena Bank	801
11	Department of Animal Husbandry, Dairy & Fisheries	12
12	Federal Bank Ltd	43
13	HDFC Bank Ltd	203
14	ICICI Bank Ltd	68
15	IDBI Bank Ltd.	16
16	IDFC Bank Ltd.	1
17	Indian Bank	1017
18	Indian Overseas Bank	788
19	IndusInd Bank Ltd	7
20	Jammu & Kashmir Bank Ltd	1
21	Karnataka Bank Ltd	125
22	Karur Vyasa Bank Ltd	33
23	Kotak Mahindra Bank Ltd	42
24	Lakshmi Vilas Bank Ltd	15
25	Oriental Bank of Commerce	1132
26	Punjab & Sind Bank	334
27	Punjab National Bank	1665
28	Ratnakar Bank Ltd	5
29	South Indian Bank Ltd	50
30	State Bank of India	863
31	Syndicate Bank	1315
32	Tamilnad Mercantile Bank Ltd	42
33	UCO Bank	563
34	Union Bank of India	1089
35	United Bank of India	190
36	Vijaya Bank	410
37	Yes Bank Ltd	1
38	Rural Cooperative Banks	280
39	Urban Cooperative Banks	148
Grand Total	Grand Total	20441

Sources: <https://jansuraksha.gov.in/Performance.aspx>

Table 4 Bank-wise number of paid claims under PMSBY reported by bank and updated by insurance companies

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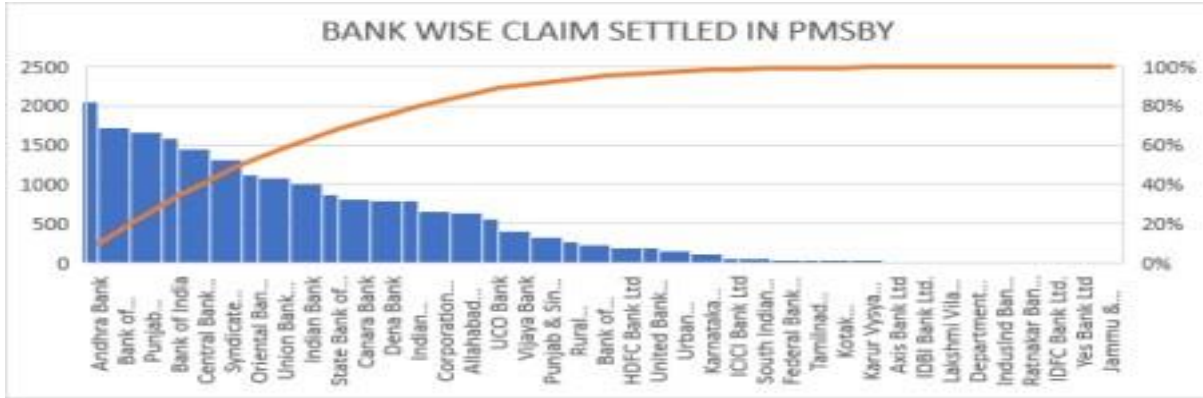


Figure 3 Bank wise claim settled in PMSBY

Interpretation: From the above diagram we can ready to see that Andhra Bank has settled more case of PMSBY while Yes Bank and Jammu and Kashmir Bank has settled only one case of PMSBY.

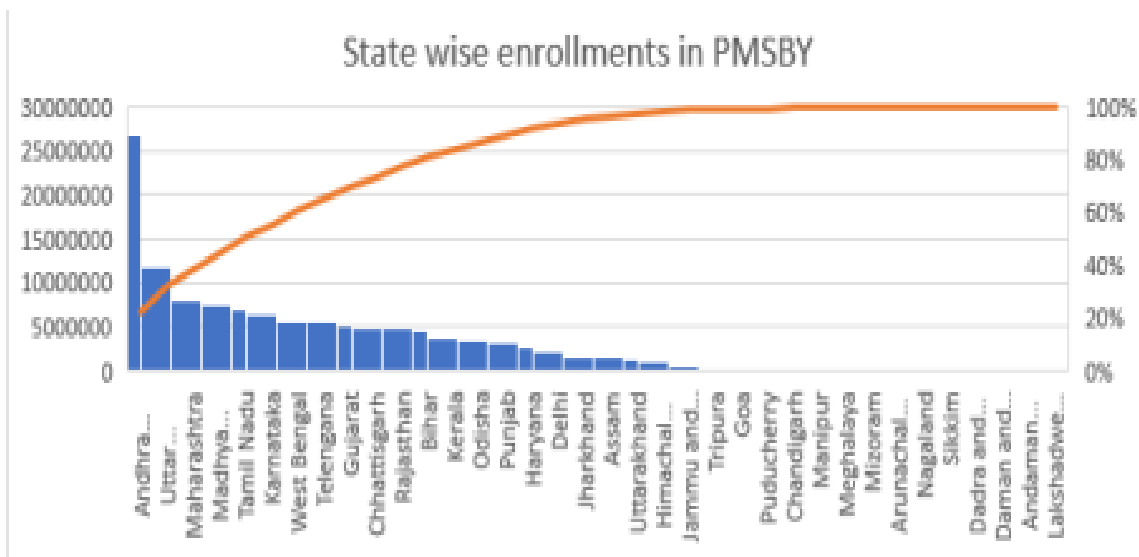


Figure 4 State-wise enrollments in PMSBY

Interpretation: From the above diagram we can ready to see that in India Andhra Pradesh is the state where the biggest number of gross enrolments in PMSBY is made while Lakshadweep is the state where fewer gross enrolments in PMJJBY. Gujarat is still behind in contrast with another state if there should be an occurrence of gross enrolment in PMJJBY.

PROGRESS OF PRADHAN MANTRI SURAKSHA BEEMA YOJANA:

Parameters	As 01.11.2016	on 01.12.2016	As 02.01.2017	on. 01.02.2017
Gross enrolment reported by Banks subject to verification of eligibility, etc. (Amt. in Rs. Crores)	9.752	9.781	9.8795	9.891
Total No. of claims recd.	9,262	9714	10131	11163
Total No. of claims disbursed	6,387	6904	7351	7820

Table 6 Progress of PMSBY

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Features	PMJJBY	PMSBY
Eligibility	18-50 years	18-70 years
Number of Policy	One Policy Per Person	One Policy Per Person
When to Join the Scheme?	Any time	Any time
Sum Assured (Fixed)	Rs 2 lakhs	Rs 2 lakhs
Premium	Rs. 330 per annum	Rs 12 per annum
Cover stops at age	At the age of 55 years	At the age of 70 years
Maturity Benefit	Nil	Nil
Death Benefit (Natural Death)	Rs 2 lakhs	Nil
Death Benefit (Accidental Death)	Rs 2 lakhs	Rs 2 lakhs
Disability of both eyes, both hands, both legs or one eye and one limb	Nil	Rs 2 lakhs
Disability of one eye or one limb	Nil	Rs 1 lakh
Maximum Insurance cover	Rs 2 lakhs	Rs 2 lakhs
Risk Period	1st June to 31st May every year.	1st June to 31st May every year.
Mode of Payment	Premium will be auto debited from account in the month of May every	Premium will be auto debited from account in the month of May every year.

(Source: <https://simpleinterest.in/compare/jeevan-jyoti-bima-yojana-vs-suraksha-bima-yojana/>)

Table 7 Comparison of PMJJBY and PMSBY

FINDINGS

1. PMJJBY and PMSBY both the schemes are beneficial for the people especially who are staying at rural area and poor people and youngsters.
2. Andhra Pradesh is the state where the largest enrolment has been made in both PMJJBY and PMSBY schemes since 2015.
3. The Government and banks have accepted a huge part in the accomplishment of these plans.
4. Both metropolitan and rural people are comparably getting these plans.
5. Comparatively, then male-female enrolment into these schemes is almost 50% less than males.
6. The government is spending around 12,520 crores for quite a long time on PMJJBY and PMSBY.

CONCLUSION

From the above concentrate on one might say that starting to give government-managed retirement advantage to the huge number of disorderly individuals is great. The endorsers for these plans are at expanding pace, but whenever carried out even more appropriately and the advantage is given to the genuine supporter it will go far in setting up a federal retirement aid framework to the huge part of society that has stayed uncovered.

1. The Government and banks need to make even more strides in arriving at these plans for every one individual.
2. The Government and banks need to keep up with even more straightforwardness in illuminating how the cash gathered from these plans will be used by the Government/bank.
3. Individuals from every one of the areas need to come up willfully to elevate these plans.

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