

MINOR RESEARCH PROJECT
Impact and Implementation of Prime Minister's
Insurance Schemes (with special reference to PMSBY
and PMJJBY) in Karur District – Tamilnadu.

By

DR.R.ANITHA, Assistant Professor in Commerce,
Sri Sarada Niketan College of Science for Women,
Karur- 639 005.

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Executive Summary:

Insurance is a means of protection from financial loss. It is an arrangement under which people facing common risks come together and make their small contributions to the common fund. When risk occurs the loss is made good out of the common fund. The sector of life insurance has witnessed immense growth in the past few years. Today, it is second only to banks for mobilized savings and forms a formidable part of the capital market. The life insurance sector controls more than Rs. 35,696 crore of deployed capital, over Rs. 31,61,137 crore of managed assets, investments in infrastructure exceeding Rs 3,53,040 crore, another indication of the sector's growth is its infrastructural strength. Today the life insurance sector comprises of over 10,989 branches, more than 20.99 lakh agents, 2.54 lakh direct employees and growing significantly, 32.24 crore in-force policies.

In this context my minor research topic is based on the implementation and impact of the insurance schemes PRADHAN MANTRI SURAKSHA BIMA YOJANA (PMSBY) and PRADHAN MANTRI JEEVAN JYOTI BIMA YOJANA (PMJJBY). Government announced insurance schemes Pradhan Mantri Suraksha Bima Yojana for Accidental Death and Disability, Pradhan Mantri

Jeevan Jyoti Bima Yojana for life insurance. PMSBY a social security scheme is an accidental death and disability insurance scheme. The approach of this scheme is to it is the sheer size and depth of inclusion to bring and get covered the maximum number of people under this scheme, which kind of makes it very ambitious and challenging. All the payments will be directly credited to the beneficiary's account with no scope for leakages. PMJJBY a group life insurance plan, which offers pure protection to the members of the master policy in case of loss of life. A group term life insurance product is a life insurance scheme in which a single contract covers an entire group of people. Under this product, the life insurance scheme owner is the bank and risk coverage is provided to members holding a savings bank account with the participating bank. Government data on the gross enrolments reported by banks shows that total subscriptions to the PMJJBY and PMSBY, stood at about 18 crore .This research gives the highlights of these schemes. These schemes came into effect from 1 June 2015.The government has asked the banks and public sector insurers to tie up with each other to cover 40 crore account holders (out of total 80 crore).These schemes launched by Prime Minister are aimed at providing affordable universal access to essential social security protection in a convenient manner linked to auto-debt facility from the bank account of a subscriber. The two insurance schemes PMSBY and PMJJBY will cover insurance in case of death as well as death/disability due to an accident. As per the Project plan the researcher have collected the review of literature for the research as per the past studies related to insurance. Further, the details about the insurance schemes PMSBY and PMJJBY have been collected. Information about the participating banks also has been gathered. Questionnaire has been framed to gather the primary data from the insured. Field work has been undergone to gather information from the study area. The data were to be analyzed by using appropriate statistical techniques such as percentage analysis and chi-

square test. Further popular statistical techniques like tabulation, bar diagram and pie diagram will be adequately employed to highlight the impact and implementation of insurance schemes.

The research reveals the following important findings of the schemes.

- It is found that most of the respondents have availed PMSBY insurance policy.
- Majority of the respondents pay their premium yearly once by Auto debit system.
- Most of the respondents say that habit of saving of the influencing factor to invest in insurance schemes.
- Most of the respondents opine that the procedure to take the insurance policy is easy and moderate.
- Majority of the respondents are satisfied with the services of government insurance schemes.
- It is found that most of the respondents are aware about the government backed socially oriented insurance schemes.
- All the respondents say that there is accessibility of the employee / agents of insurance companies and participating banks.
- Majority of the respondents have neutral opinion about the parameters like premium, charges, policy term, rider benefits, bonus and interest, pre and postpaid service, accessibility, company image. While purchasing in the insurance policy.
- Most of the respondents opine that maximum coverage of people of the outstanding feature which makes the schemes different from other government backed insurance schemes.

The outcome of the study has relevance for existing and potential insurers of the schemes in a number of ways. Pradhan Mantri Surakha Bima Yojana (PMSBY) is focused to provide insurance coverage for death due to accident to all the citizen of India especially unorganized sector workers with motto of “Jan-Dan se Jan Surakhsa”. Through all these schemes Government of India is planning to secure life for the poor people, they also know that the mortality rate is very high especially unorganized sector workers due to not able to maintain a healthy life.

From the above study it can be said that at the beginning to provide social security benefit to large number of unorganized people is really good. The subscribers for these schemes are at increasing pace, however if implemented still more properly and the benefit is passed on to the real subscriber it will go a long way in establishing a social security system to the large section of society which has remained uncovered.

Dr.R.Anitha.