



## ROLE OF PRADHAN MANTRI JEEVAN JYOTI BIMA YOJANA - A CASE STUDY

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**ABSTRACT** Pradhan Mantri Jeevan Jyoti Bima Yojana was started with the aim of insuring social security for all Indians, especially the poor and the under privileged. The PMJJBY scheme was introduced on 1st June 2015 with the life coverage of Rs.2,00,000 with an annual premium of Rs.330. The scheme provides social security for their families even after the death of a policyholder between the ages of 18 and 50 years. The present study analyses the performance and silent features of Pradhan Mantri Jeevan Jyoti Bima Yojana. The study was based on secondary data collected from different websites and IRDA Journals.

**KEYWORDS :** PMJJBY, Social Security

### Introduction

PMJJBY is an insurance scheme offering life insurance cover for death for any reasons. It is a one-year cover, renewable from year to year. The scheme is administered through LIC, other life insurance companies with tie-ups with banks or post offices. The PMJJBY initially offers an annual premium of Rs.330 and it was revised to an annual premium on 1st June 2022 to Rs. 436.

### Features of PMJJBY

- To purchase the PMJJBY you do not need to undergo any type of medical examination
- To benefit from PMJJBY, you must be between the ages of 18 to 50 years.
- The PMJJBY reaches maturity at the age of 55 years.
- The maximum sum insured under this scheme is Rs.2,00,000
- The policy is renewed on a year on-to-year basis.
- The PMJJBY enrollment period runs between June 1st to May 31st
- The policyholder is mandatorily required to have a bank account under this scheme.
- Policyholders cannot make claims for 45 days after registration is completed.

### Review of literature

Dr. Rajesh K. Yadav (2016). The study finds that Pradhan Mantri Jeevan Jyoti Bima Yojana is attractive due to its flexibility, through an easy and clear process, easy claim process, highly reliable and economical-term insurance service. The study is based on secondary data collected from different websites and IRDA Journals.

Dr. V. Balachandran (2017). The study describes what the status and progress is of Pradhan Mantri Jan Dhan Yojna and what are various challenges in the way of financial inclusion in India. The study suggests that private and public sector banks along with the government and RBI have to play a very active role in the creation of awareness among deprived sections of society, and to design more innovative products for the poor section to promote financial inclusion in India.

Rajat Deb (2016). The present study seeks to report the motivating factors of the sample respondents of Dharmanagar, a town in the north-eastern Indian state of Tripura, for taking term insurance under PMSBY and PMJJBY. The outcome of Multiple Regressions has documented that financial literacy and uncertainties have a significant influence in purchasing the plans. An analysis of the relevance of each policy has been drawn.

Shivam Azad (2020). The study concentrates on the insurance sector in general and life insurance in particular, discovering the current and potentials of the insurance industry through descriptive and analytical research.

**Table: 01 Cumulative number of Enrolment and Claims of PMJJBY**

Year	Cumulative Number of Enrolment (in Crore)	Cumulative Number of Claims	Cumulative Claims Delivered	Ratio
2016-17	3.10	-	62,166	-
2017-18	5.33	2.23	98,163	35,997
2018-19	5.92	0.59	1,45,763	47,600
2019-20	6.96	1.04	1,90,175	44,412
2020-21	10.27	3.31	2,50,351	60,176

	Number	Trend	Number	Trend	Number	Trend	
2016-17	3.10	-	62,166	-	59,188	-	-
2017-18	5.33	2.23	98,163	35,997	89,708	30,520	84.78
2018-19	5.92	0.59	1,45,763	47,600	1,35,212	45,504	95.60
2019-20	6.96	1.04	1,90,175	44,412	1,78,189	42,977	96.77
2020-21	10.27	3.31	2,50,351	60,176	2,34,905	56,716	94.25

Source: Cumulative Enrolment Data as uploaded by banks on the Jansuraksha portal. Enrolments also include converged schemes Enrolment data.

Table number 1 shows the cumulative number of enrollment, number of claims and claims delivered during 2016-17 to 2020-21. Highest enrolment in year 2020-21 i.e., 3.31 crore, lowest enrolment in the year 2018-19 i.e., 0.59 crore, Highest number of claims took place during 2020-21 i.e., 60,176 and lowest number of claims took place during 2017-18 i.e., 35,997, Highest number of claims delivered during 2020-21 i.e., 56,716 and lowest number of claims delivered during 2017-18 i.e., 30,520, Highest Claim Received to claims paid/ disbursed ratio is 96.77% during 2019-20 and lowest Claim Received to claims paid/ disbursed ratio is 84.78% during 2016-17.

**Table: 02 Cumulative number of Claims received and amount distributed of PMJJBY**

Year	Claims Received	Trend	Amount Distributed (Rs. in Crore)	Trend
2016-17	59,118	-	1,182.36	-
2017-18	89,708	30,520	1,794.16	611.80
2018-19	1,35,212	45,504	2,704.24	910.08
2019-20	1,78,189	42,977	3,563.78	859.54
2020-21	2,34,905	56,716	4,698.10	1,134.32

Source: Claims Data including convergence schemes as updated by Insurance Companies

Table number 2 reveals the cumulative number of claims received and amount distributed during 2016-17 to 2020-21. Highest number of claims received during 2020-21 i.e., 56,716 and lowest number of claims received during 2017-18 i.e., 30,520, Highest amount distributed during 2020-21 i.e., 1,134.32 Crore and lowest amount distributed during 2017-18 i.e., 611.80 crore.

**Table: 03 State-wise Cumulative Enrolment, Distribution of PMJJBY Claims as on 27.10.2021**

SI No.	State/UT	Number of Enrolment	No. of Claims Paid	Claims Amount Paid (in Rs. Crore)	Percent age
1	ANDAMAN & NICOBAR ISLANDS	29,155	79	1.58	0.02
2	ANDHRA PRADESH	65,40,146	2,03,640	4,072.80	39.70
3	ARUNACHAL PRADESH	76,766	233	4.66	0.05

4	ASSAM	16,91,426	6,922	138.44	1.35
5	BIHAR	42,85,468	12,479	249.58	2.43
6	CHANDIGARH	72,277	371	7.42	0.07
7	CHHATTISGARH	24,09,761	15,493	309.86	3.02
8	DADRA & NAGAR HAVELI and DAMAN & DIU	78,113	186	3.72	0.04
9	GOA	1,57,499	641	12.82	0.12
10	GUJARAT	40,57,002	31,417	628.34	6.13
11	HARYANA	19,42,521	9,351	187.02	1.82
12	HIMACHAL PRADESH	4,40,777	2,285	45.70	0.45
13	JAMMU & KASHMIR	4,10,069	1,279	25.58	0.25
14	JHARKHAND	18,86,299	4,042	80.84	0.79
15	KARNATAKA	47,10,766	34,714	694.28	6.77
16	KERALA	11,11,836	3,315	66.30	0.65
17	LAKSHADWEEP	2,357	1	0.02	0.00
18	MADHYA PRADESH	50,67,140	22,709	454.18	4.43
19	MAHARASHTRA	69,17,286	29,446	588.92	5.74
20	MANIPUR	68,048	393	7.86	0.08
21	MEGHALAYA	1,31,873	344	6.88	0.07
22	MIZORAM	1,21,450	953	19.06	0.19
23	NAGALAND	74,057	153	3.06	0.03
24	DELHI	12,65,706	8,457	169.14	1.65
25	ODISHA	31,45,850	11,093	221.86	2.16
26	PUDUCHERRY	91,532	504	10.08	0.10
27	PUNJAB	18,61,298	4,637	92.74	0.90
28	RAJASTHAN	42,27,061	20,381	407.62	3.97
29	SIKKIM	56,783	130	2.60	0.03
30	TAMIL NADU	40,58,715	14,356	287.12	2.80
31	TELANGANA	37,98,510	20,517	410.34	4.00
32	TRIPURA	2,29,925	805	16.10	0.16
33	UTTAR PRADESH	85,70,908	38,444	768.88	7.50
34	UTTARAKHAND	5,87,525	3,120	62.40	0.61
35	WEST BENGAL	42,96,384	10,025	200.50	1.95
36	LADAKH	8,674	0	0.00	0.00
37	Others & Non-CBS Enrolments*	3,84,56,132	-	-	-
	Total	11,29,37,095	5,12,915	10,258.30	100

Source: Banks and Insurance Companies

\*Others & Non-CBS Enrolments' includes enrolments by Urban Co-operative Bank and enrolments under Central/State converged schemes where data is not available at State Level.

Table number 3 shows State-wise Cumulative enrollment, number of claims and claims amount paid by PMJJBY, highest enrolment in Uttar Pradesh state, i.e., 85,70,908, lowest enrolment in Lakshadweep i.e., 2,357, Highest number claims took place in Andhra Pradesh state i.e., 2,03,640 and Claims amount paid Rs. 4,072.80 Crore. Ladakh hasn't received any claims. The total enrolment was 11,29,37,095, the total number of claims received was 5,12,915 and the amount paid was Rs.10,258.30 crore. It shows that the total claims received to the total enrolment ratio is 0.45%.

### Conclusion

Pradhan Mantri Jeevan Jyoti Bima Yojana was started with the aim of insuring social security for all Indians, especially the poor and the under privileged. The total enrolment was 11,29,37,095, the total number of claims received was 5,12,915 and the amount paid was Rs.10,258.30 crore. The total claims received to total enrolment ratio is 0.45%. It reveals that the insurance companies were more profitable

during the period. The number of enrollments is increasing from year to year but Pradhan Mantri Jeevan Jyoti Bima Yojana must reach a large number of the population in the coming years.

### REFERENCE

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