Research Paper MANAGEMENT

A Combo Scheme of PMSBY and PMJJBY - the Success Story of Suraksha Bandhan

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ABSTRACT

Government Launched Suraksha Bandhan Drive to Facilitate Enrolment under Pradhan Mantri Suraksha Bima Yojana (PMSBY) and Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) through the Jeevan Suraksha Gift Cheques (Rs. 351), the Suraksha Deposit Scheme (Rs. 201) and Jeevan Suraksha Deposit Scheme (Rs. 5001) Initiatives to build on the very encouraging response to the social security schemes, namely; Pradhan Mantri Suraksha Bima Yojana (PMSBY) for accident and disability cover of up to Rs. 2 Lakh at an annual premium of Rs. 12 and the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) for a term life cover of Rs. 2 Lakh at an annual premium of Rs. 330, launched by the Prime Minister Mr. Narendra Modi on 9th May 2015 at Kolkata, a special enrolment drive had been launched by participating Banks and Insurance Companies during August-September 2015, in the backdrop of the festival of Raksha Bandhan. The drive is reaching out to the pool of eligible Bank account holders who are yet to be enrolled under these schemes.

KEYWORDS

Suraksha bandhan, Pradhan Mantri Suraksha Bima Yojana (PMSBY) Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) Jeevan Suraksha Gift Cheque Suraksha Deposit Scheme Jeevan Suraksha Deposit Scheme

INTRODUCTION

It was mentioned in the Budget Speech for 2015-16, that a large proportion of India's population is without insurance of any kind, that is, health, accidental or life. Further, as the young population of India ages, it is also going to be pension and insurance-less. Therefore, Government has decided to work towards creating a universal social security system for all Indians, specially the poor and the under-privileged, to address longevity risks among workers in the unorganised sector and to encourage workers in the unorganised sector to voluntarily save for their retirement. Such workers constitute 88 percent of the total labour force of 47.29 crore according to the 66th Round of NSSO Survey of 2011-12.

OBJECTIVES OF THE STUDY:

- To through light on Government efforts for Financial Inclusion through Suraksha Bandhan by Combo schemes of PMSBY and PMJJBY
- To highlight the implemented projects and schemes and their success with regard to PMSBY and PMJJBY with special reference to Suraksha Bandhan

RESEARCH METHODOLOGY:

This research paper is based on secondary data for which various published reports from various journals, magazines, websites, articles and government & NGO reports have been reviewed.

SURAKSHA BANDHAN

The "Suraksha Bandhan" drive aims to take forward the Government's objective of creating a universal social security system in the country, targeted especially at the poor and the under-privileged. Participating Banks supported by the participating Insurance Companies are carrying out local outreach, awareness building and enrolment facilitation under the drive. All eligible citizens are requested to contact their Bank branches for enrolment.

Public service organizations supported by peoples representatives, field functionaries of Govt. Departments, Ministries working with the unorganized, informal sector, Non-Governmental Organisations (NGOs), Banks and Insurance companies are participating in these efforts through various outreach activities such as enrolment drives, camps etc. in large numbers during this period.

The last date for enrolling under the PMSBY and PMJJBY schemes has been extended till 30th September 2015, and persons enrolling within this period would not be required to submit a certificate of good health for PMJJBY. PMSBY enrolment does not in any event require any such certification.

SPECIAL DRIVE ON RAKSHA BANDHAN

The drive envisaged in the backdrop of Raksha Bandhan, is supported through a specially launched instrument the "Jeevan Suraksha Gift Cheque", which is available for purchase for Rs. 351 in Bank Branches by persons wishing to gift them to facilitate one year payment of premium for PMJJBY and PMSBY by the recipient.

Expressing satisfaction over the public response to government programmes for social security, Prime Minister Mr. Narendra Modi on 30th August 2015, said 11 crore families have so far been enrolled in the recently launched 'Suraksha Bandhan' scheme. "So far, 11 crore families have joined the 'Suraksha Bandhan' scheme, of which approximately half the beneficiaries are our mothers and sisters," Modi said during his Mann ki Baat address. "I regard this as a good augury, and many greetings to mothers and sisters on Raksha Bandhan," he added.

As part of celebrations on Raksha Bandhan, banks have vowed to push the social security schemes launched by the prime minister, including Suraksha Bandhan Yojana, Pradhan Mantri Suraksha Bima Yojana and Pradhan Mantri Mudra Yojana.

In 9th August 2015, The Government launched a special 'Suraksha Bandhan' enrolment drive for its social security schemes through innovative plans like gift cheques and special deposits coinciding with the Raksha Bandhan festival, it was announced.

"The drive will reach out to the pool of eligible bank account holders who are yet to be enrolled under these schemes - namely the Pradhan Mantri Suraksha Bima Yojana (PMSBY) for accident and disability cover of up to Rs.2 lakh at an annual premium of Rs.12 and the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) for a term life cover of Rs.2 lakh at an annual premium of Rs.330," the Finance Ministry announced earlier last month.

INITIATIVES TAKEN ON SURAKSHA BANDHAN

With a view to create awareness, acceptability by public and successful implementation of Suraksha Bandhan, steps are being taken for wide publicity of these 3 schemes. The NGOs, SHGs, etc. are being involved in the process. The Jansuraksha enrolment campaign drive to tap all the eligible mass will be led by the people's representatives; MPs, MLAs, Ministers etc. So, they request the concerned Lead District Manager for supply of adequate number of application forms in bulk for purchase of "Jeevan Suraksha Gift Cheque" and enrolment forms under PMJJBY, PMSBY. They also deposit the Jeevan Suraksha Gift Cheques or the fund (cash/cheque) for other two schemes in bulk with the concerned Lead District Managers. The Lead District Manager provides them the forms and accepts the instruments in bulk and distributes those among the concerned Banks. The NGOs and SHGs also purchase the gift instrument in bulk for gifting to their near and dears.

VIEWS OF INSURANCE COMPANIES

Insurance companies have welcomed the initiatives. "It is an empowering initiative, especially when you consider that most women don't give their personal financial security topmost priority. The government is using the festival of Raksha Bandhan to enable women to receive these gift cards instead of receiving cash. They can use the cards to buy the Pradhan Mantri insurance schemes. This should also help the uninitiated learn about banking," said Mr. R. M. Vishakha, managing director and chief executive officer, IndiaFirst Life Insurance Co. Ltd.

ROLES OF LEAD DISTRICT MANAGERS (LDM):

- To contact Life Insurance Corporation India and GIPSA and seek their support under Suraksha Bandhan.
- To contact all the local MPs, MLAs, Ministers and other public representatives and discuss on these schemes with them.
- To keep ready with the application forms for Jeevan Suraksha Gift Cheques and the consent forms for PMJJBY, PMSBY and APY adequately.
- To provide the above said forms in bulk to the public representatives, NGOs and SHGs.
- To accept the applications for gift instruments in bulk from the public representatives, NGOs and SHGs for issuance of gift instrument by concerned Bank.
- The gift instruments so received by the Lead District Managers are to be distributed among the bank branches to which they relate.
- Lead District Manager will ensure that the enrolment forms of the account holders received through the customer himself/herself/NGO/SHG/public representatives, etc. are entered in CBS of the concerned bank immediately for auto debit on due date.

SURAKSHA BANDHAN YOJANA SCHEME DETAILS
PRADHAN MANTRI SURAKSHA BIMA YOJANA

- For all Bank account holders whose age is between 18 to 70 years.
- Insurance amount can also be availed if in a handicapped state.
- Accident insurance worth Rs. 2 lakhs at just Rs. 12 per annum.
- Period of Insurance Annual : 1st June – 31st May
- The premium will be deducted from the account holder's saving bank account through 'auto debit' facility.
- The person would be eligible to join the scheme through one saving bank account only.

PRADHAN MANTRI JEEVAN JYOTI BIMA YOJANA

- For all Bank account holders whose age is between 18 to 50 years.
- Life Insurance amount for your family, in your absence.
- Life insurance worth Rs. 2 lakhs at just Rs. 330 per annum.
- Period of Insurance Annual : 1st June – 31st May
- The premium will be deducted from the account holder's saving bank account through 'auto debit' facility.
- The person would be eligible to join the scheme through one saving bank account only.

SURAKSHA BANDHAN SCHEME

Department of Financial Services, Government of India has now introduced Suraksha Deposit Scheme, Jeevan Suraksha Deposit Scheme and Jeevan Suraksha Gift Cheque, to facilitate payment of Insurance premium under PMSBY & PMJJBY. The facility is aimed to free subscribers from arranging funds in their Bank Accounts every year for keeping PMJJBY and / or PMSBY enrolment alive. The Deposit plans and Gift Cheque are long-term subscription initiatives aimed to boost participation. Product Features and Facilitations:

SURAKSHA DEPOSIT SCHEME OF RS.201:

Under the above Deposit Schemes, Bank account holders to deposit Rs.201/- in their accounts under Suraksha Deposit Scheme. The subscription could be by deposit of cash, cheque etc. on their own or by deposit of cash / cheques etc. received as gifts for long term subscription to PMSBY.

- Rs.12 will be paid to the Insurance Company towards subscription under PMSBY as first years' premium for coverage upto May 31, on receipt of enrolment form.
- Rs.12 will remain in SB account of the Insured towards payment of second years' premium.
- Balance amount of Rs.177 will be first invested in a Short Term Deposit for such tenor so as to mature on following May 31 and thereafter the same would be auto-renewed for 5 to 10 years as per the request of the customer with interest payout on May 31 for payment of future PMSBY subscriptions from the interest accrued every year, which will facilitate payment for PMSBY over a period of several years.

JEEVAN SURAKSHA DEPOSIT SCHEME OF RS. 5001:

Under the above Deposit Schemes, Bank account holders to deposit Rs.5001/- in their accounts under Jeevan Suraksha Deposit Scheme. The subscription could be by deposit of cash, cheque etc. on their own or by deposit of cash / cheques etc. received as gifts for long term subscription to PMSBY + PMJJBY.

- Rs.342 (Rs.12 for PMSBY and Rs.330 for PMJJBY) will be paid to the Insurance Companies as first years' premium for coverage upto May 31, on receipt of enrolment forms.
- Rs.342 will remain in SB account for payment of second years' premium under PMSBY and PMJJBY.
- Balance amount of Rs.4317 will be first invested in a Short Term Deposit for such tenor so as to mature on following May 31 and thereafter the same would be auto-renewed for 5 to 10 years as per the request of the customer with interest payout on May 31 for payment of future PMSBY and PMJJBY subscriptions from the interest accrued every year, which will facilitate payment for both PMSBY and PMJJBY over a period of several years.

JEEVAN SURAKSHA GIFT CHEQUE (RS.351):

The Jeevan Suraksha Gift Cheque would be an inter-bank operable gift instruments in the nature of Bankers Cheque for one time subscription to PMJJBY and PMSBY.

- The recipient of the gift cheque would deposit the instrument in his/her bank account for a realizable value of Rs.342 (Rs.12 + Rs.330) to cover one year subscription to PMMJBY and PMSBY.
- Subsequent Insurance premium will have to be deposited by the Insured for continuing the insurance cover.
- The balance of Rs.9 from the purchase price of Rs.351/- would be retained by the issuing bank as a service charge

Scheme	Amount in Rs.	Type of Instrument	Premium for PMSBY	Premium for PMJJBY	Total amount in Rs.	Balance to be retained by the issuing Branch as Service Charge	FDR to be issued for Balance Amount in Rs.	Remarks
	A		B	C	D=B + C	A-B-C	A-B-C	
Jeevan Suraksha Gift Cheque	351	DD	Rs.12/- for 1 Year	Rs.330/- for 1 year	Rs 342/-	9		NO TDR should be issued, one year premium only
Suraksha Deposit Scheme	201	FDR	Rs.12/- for 1st year + Rs.12/- for 2nd year = Rs.24/	NA	Rs 24/-	NA	Rs.177/- (interest of Rs14.16/- yearly @ applicable ROI (8% p.a)	TDR to be issued for 5/10 years, yearly interest to be credited to SB account for insurance premium payment.
Jeevan Suraksha Deposit Scheme	5001	FDR	12*2=24	330 *2=660	Rs 684/-	NA	Rs 4317/-(Rs.345.36/- yearly @ applicable ROI (8%p.a)	TDR to be issued for 5/10 years, yearly interest to be credited to SB account for insurance premium payment.

CONCLUSION

On May 9, Prime Minister Mr. Narendra Modi had launched two insurance schemes, Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and Pradhan Mantri Suraksha Bima Yojana (PMSBY). Finance Minister Mr. Arun Jaitley told reporters at press meet at New Delhi on 12th June 2015. "As far as the two insurance schemes, Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and Pradhan Mantri Suraksha Bima Yojana (PMSBY) are concerned we have now touched a figure of 10.17 crore. In just one month and three days, we have already crossed the 10 crore figure,"

At the state level launch of PMJJBY, PMSBY at Chennai on 09.05.2015, Governor of Tamil Nadu Dr. K. Rosaish in his key note address insisted that, "I am confident that the bank and insurance officers and Staff will be sincere and dedicated and showcase their dedication when claims are made by unfortunate victims or their surviving kin. The test of success of these schemes and today's launch would be solemnized only when the Insurance companies and the Banking sector take a pledge to ensure that the claims when received are handled with care, sympathy and processed expeditiously."

So it is very evident that, the success lies in the hands of Banks and insurance companies from the first stage of policy enrolment to the final stage of claim settlement.

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