

# A STUDY ON POLICYHOLDER'S ATTITUDE TOWARDS SOCIAL INSURANCE SCHEME – WITH SPECIAL REFERENCE TO PMJJBY AND PMSBY SCHEME IN VIRUDHUNAGAR DISTRICT

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## Abstract

*In India, a large proportion of India's population is without insurance of any kind, that is, health, accident or life. In order to facilitate penetration of insurance to the lower income and unorganized employee, Government of India launched two innovative term insurance schemes namely Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and Pradhan Mantri Suraksha Bima Yojana (PMSBY) on 09 May, 2015 from Kolkata with the motto of "Jan Dhan se Jan Suraksha" Social inclusion through financial inclusion. The primary motto of these schemes is to creating a universal social insurance system, targeted especially for the poor and the under-privileged people. The number of beneficiary during the financial year 2019-2020 was 18.22 crores and 6.85 crore in PMSBY and PMJJBY, respectively. The number of subscribers under these schemes is raises at increasing pace. Therefore it is necessary to investigate about the policyholder's attitude towards the social insurance scheme. The study found that, publication of social insurance scheme performance, extending the risk coverage like medi-claim benefits, temporary sickness benefits in addition to the existing coverage, offering concessional premium amount to existing policyholders to renew their policy of the scheme, joint policy features, will definitely attract many people and increase the insurance penetration rate.*

## Keywords:

*Penetration, PMJJBY, PMSBY, Social Inclusion, Unorganized Employee*

## 1. INTRODUCTION

There are numerous risks in everyday life of human being. The chances of occurrences of the events causing losses are uncertain because the risk may or may not be taken place. Insurance is assurance against instabilities of life. It provides assured sum as recompense to misfortunes emerging out happening of unforeseen events, protected under the strategy of insurance. Insurance is a financial instrument in which losses of few are compensated out of funds collected (insurance premium) from many insured (insurance policyholders). Insurance provides economic security to the insured from the losses arising out of happening of insured events for example in personal accident policy death due to accident. In India a large part of the population lives in rural areas. Many of the rural populations do not have any kind of security/ insurance scheme [1].

As per the statistics of Ministry of Finance's, only 20% of Indian citizens have Life Insurance, 11% workers are registered under Pension Schemes and only 4% citizens are taking Accidental Insurance schemes [15]. In order to provides the insurance coverage to all people especially to rural and unorganized workers the Government of India launched insurance schemes namely Pradhan Mantri Suraksha Bima Yojana (for Accidental Death and Disability), Pradhan Mantri Jeevan Jyoti

Bima Yojana (for life insurance). The motto of the scheme is covering the uncovered, serving the unserved and blessing the unblessed segment of the society and ensure in India no citizen will never worry about illness, accidents or penury in old age [2].

## 1.1 PMJJBY AND PMSBY SCHEME

The Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) is term insurance scheme. It is a non-participating, non-linked, yearly renewable, which provides a risk cover against death on the life of the policyholder for any reasons. PMJJBY scheme provides risk coverage of Rs.2 lakh in case of death of the insured, due to any reason including suicide and murder with a nominal premium of Rs.330 for a period of one year commencing from June 1 to May 31 [3].

Pradhan Mantri Suraksha Bima Yojana (PMSBY) is an accident Insurance Scheme providing accidental death and disability cover to the insured for death or disability due to accident with an affordable/ very nominal insurance premium of Rs.12/- per annum per member. The risk coverage under the scheme is Rs.2 lakh for accidental death and full disability and Rs.1 lakh for partial disability. In brief it is a Government-backed accident insurance scheme and it covers accidental death, permanent disability, and partial disablement. It offers one year insurance coverage for accident risk and it is renewable from year to year [4].

## 1.2 STATEMENT OF THE PROBLEM

The term social security means collective action by the society to help a member against misfortunes and wants; he/she cannot meet with their own resources [11]. It is not a new term, its mention in the early Vedic hymns which wishes everyone to be happy, enjoy a bright future free from ill-health and suffer no sorrow [12]. However, in modern days, it is based on the "ideals of human dignity and social justice". A large proportion of Indian populations are down-trodden and they do not have insurance of any kind like life, health or accidental [13] [16]. As per the statistics of Ministry of Finance's, only 20% of Indian citizens have Life Insurance, 11% workers are registered under Pension Schemes and only 4% citizens are taking Accidental Insurance schemes [14]. In order to provide the insurance services to all the citizen, on 9th May, 2015, Government of India (GOI) introduced ambitious Social Security Schemes [17] [18] pertaining to the Insurance namely Pradhan Mantri Suraksha Bima Yojana (PMSBY) as accidental death and disability scheme, Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) as a term life insurance, to move towards creating a universal social security system, targeted especially for the poor and the under-privileged citizen. The present study analyzes the attitude of the