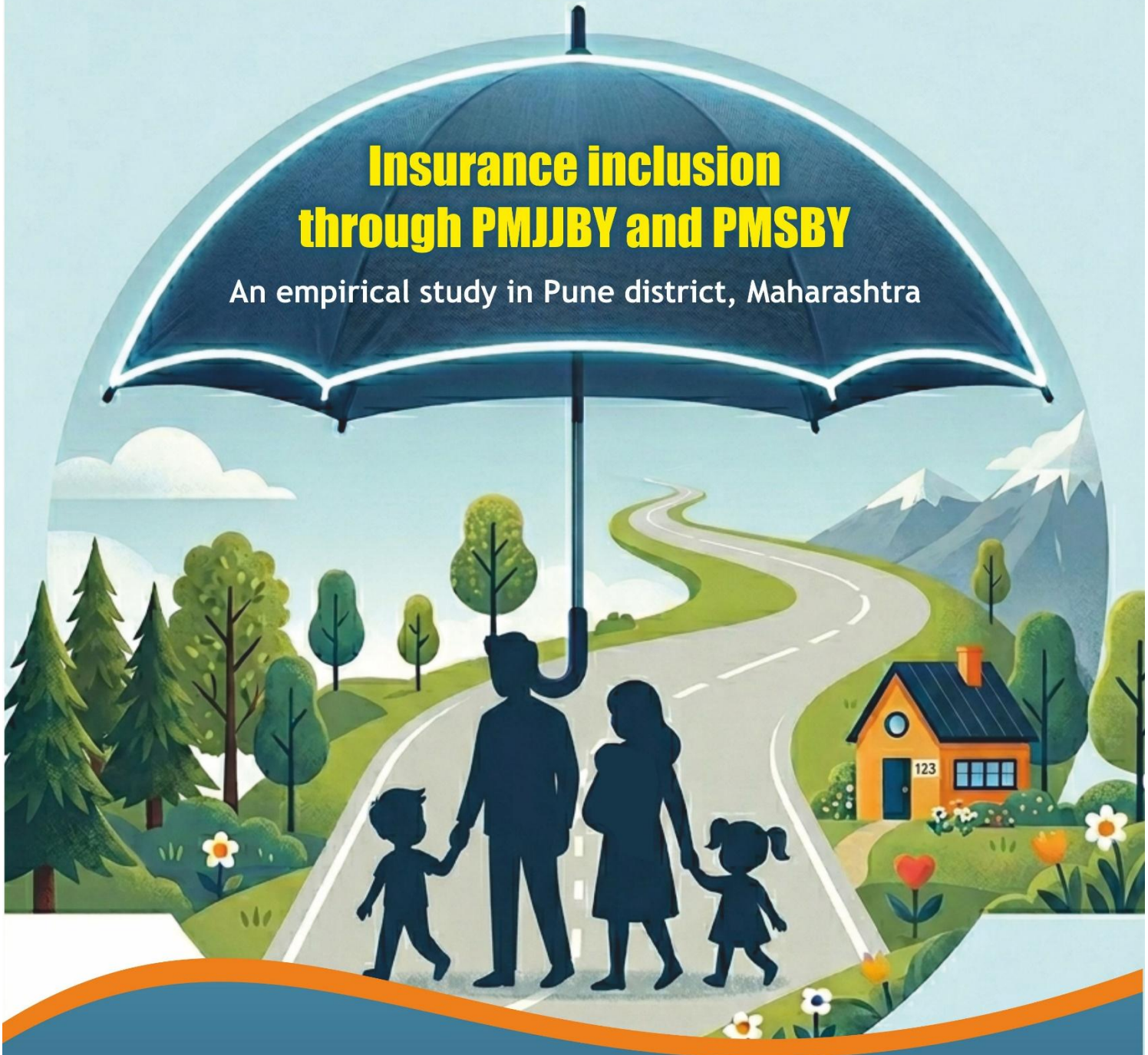
NATIONAL INSURANCE ACADEMY

Insurance inclusion through PMJJBY and PMSBY

An empirical study in Pune district, Maharashtra



Study Team:

Dr. Deepali Garge | Mr. Sandeep Moghe | Mr. P. R. Mishra

TABLE OF CONTENTS

ACKNOWLEDGEMENT

"Vision without action is merely a dream. Action without vision just passes the time.

But vision with action can change the world."

- Joel A. Barker

This research is the product of a shared vision; one that combines academic curiosity with a mission to strengthen social security for India's underserved. It would not have reached its present form without the insightful guidance and relentless motivation provided by two stalwarts of thought leadership of NIA, National Insurance Academy, Pune.

First and foremost, the research team expresses profound appreciation to Shri B. C. Patnaik, *Director, National Insurance Academy*. A leader who not only envisions impact but empowers those around him to achieve it, Shri Patnaik's steadfast encouragement served as both a compass and a catalyst. His belief in the transformative power of insurance and inclusion set the tone for this study's direction and ambition.

The research team is grateful to Shri P. R. Mishra, *Chair Professor – Financial Inclusion and Social Security*, whose intellectual mentorship shaped every layer of this research. With his vast knowledge and sharp analytical lens, Shri Mishra inspired us to think beyond the obvious and engage deeply with the socioeconomic realities on the ground. His role was not merely supervisory; it was foundational.

Credit is also due to the spirited students, Mr. Ishan Godiyal, Mr. Pranjal Bajaj, Ms. Niyathie Iyer, Mr. Kshitij Parashar, and Mr. Yuvraj Singh Panwar of the PGDM Batch 2024–26. That energy, discipline, and tenacity brought fieldwork to life. In an age of shortcuts, they took the long road, knocking on doors, engaging households, and collecting first-hand data with care and integrity. Their contributions transformed research design into meaningful evidence.

The research team expresses heartfelt thanks to all the NIA team for their support and guidance during the entire project. The team also thanks Mr. Jitendra Warhady & Mr. Arun Khaple from the publications department for their support in shaping this report.

To each of these contributors, this report stands as a collective achievement; a testament to what is possible when purpose meets resolve.

EXECUTIVE SUMMARY

The Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and the Pradhan Mantri Suraksha Bima Yojana (PMSBY), launched concurrently in 2015, together form the foundational microinsurance framework of India's social security and financial inclusion agenda. Conceptualised as complementary instruments, PMJJBY addresses the universal risk of death from any cause through a low-cost life insurance cover, while PMSBY focuses on accidental death and disability—risks that are particularly acute among informal workers and economically vulnerable populations. When assessed jointly, these schemes provide a comprehensive risk mitigation mechanism that seeks to protect households from both predictable life-cycle risks and sudden, catastrophic shocks. This study undertakes a comparative evaluation of PMJJBY and PMSBY using primary data from a sample survey of 539 respondents across rural, semi-urban, and urban geographies, supported by descriptive statistics, Chi-square tests, and correlation analysis, to examine enrollment patterns, socioeconomic determinants, inclusivity, and systemic effectiveness.

From a design perspective, PMJJBY and PMSBY differ significantly in premium structure, risk coverage, and behavioural appeal, yet share common institutional delivery mechanisms. PMJJBY offers a life cover of ₹2 lakh at an annual premium of ₹436, while PMSBY provides accidental death and disability cover of up to ₹2 lakh at a nominal premium of ₹20 per annum. Both schemes are administered through banks, rely on auto-debit mechanisms for premium collection, and do not require medical underwriting—features intended to minimise transaction costs and behavioural barriers to entry. The statistical evidence from the survey confirms that these design features have played a critical role in driving enrollment, particularly among first-time insurance users and households previously excluded from formal risk protection mechanisms.

The empirical findings reveal notable contrasts and complementarities in enrollment patterns across income groups. PMJJBY demonstrates exceptionally high penetration among lower-income segments, with enrollment rates exceeding 80–90 percent among respondents earning below ₹10,000 per month and those in the ₹10,000–25,000 bracket. Chi-square analysis confirms a statistically significant association between income level and PMJJBY enrollment, underscoring affordability and perceived vulnerability as key drivers of participation. PMSBY, while also popular among lower-income households, shows relatively stronger appeal among

individuals with irregular or physically intensive occupations, reflecting heightened exposure to accident risks. The correlation analysis indicates that respondents engaged in manual or outdoor work exhibit a higher likelihood of PMSBY enrollment compared to salaried or desk-based workers, suggesting that perceived risk salience plays a decisive role in scheme adoption.

Gender-based analysis reveals one of the most striking contrasts between PMJJBY and PMSBY. The study finds that female respondents exhibit significantly higher enrollment in PMJJBY (72.2 per cent) compared to males (17.3 per cent). This difference is statistically significant and consistent across income and geographic categories. This pattern can be attributed to targeted outreach through women-centric institutional channels such as Self-Help Groups (SHGs), Anganwadi networks, and ASHA workers, which have been effective in embedding PMJJBY within household financial decision-making. PMSBY, in contrast, shows relatively higher enrollment among male respondents, reflecting occupational exposure to accident risks and greater mobility. This divergence highlights the importance of gender-sensitive design and communication strategies and suggests that while PMJJBY has successfully leveraged social infrastructure to reach women, PMSBY requires more inclusive messaging to engage women working in informal and unpaid roles who also face accident-related vulnerabilities.

Age-wise enrollment patterns further illuminate the complementary nature of the two schemes. The 30–45 age group exhibits the highest enrollment in PMJJBY, a finding supported by statistically significant Chi-square results. This cohort is typically characterised by rising family responsibilities, dependent children, and heightened awareness of mortality risk, making life insurance more salient. PMSBY, on the other hand, shows stronger uptake among younger respondents (18–35 years), particularly those engaged in commuting-intensive or high-risk occupations. The correlation between age and scheme preference suggests that life-cycle considerations strongly influence insurance behaviour, and that a bundled or integrated communication strategy emphasising both schemes could enhance overall household coverage across age groups.

Occupational analysis reveals both successes and critical gaps in scheme outreach. Homemakers and farmers demonstrate high enrollment in PMJJBY, reflecting both vulnerability awareness and effective institutional mediation through banks and local networks. However, a particularly concerning finding of the study is the zero enrollment of daily wage labourers in PMJJBY, despite their high economic fragility and income volatility. This gap is statistically significant and points to a structural outreach failure. PMSBY, while marginally

better represented among this group, still falls short of universal coverage. Qualitative insights from the field suggest that factors such as irregular bank account usage, migration, lack of documentation, and limited trust in formal institutions contribute to exclusion. These findings underscore the need for expanding enrollment touchpoints beyond traditional banking channels, including worksites, labour contractors, and local governance institutions.

Education emerges as a subtle determinant of enrollment, exhibiting a non-linear relationship with scheme participation. Interestingly, both extremes of the education spectrum—respondents with no formal schooling or only primary education, and those with graduate-level education and above—show near-universal participation in PMJJBY. In contrast, respondents with secondary and higher secondary education display relatively lower enrollment. Correlation analysis suggests that this middle-education cohort may experience cognitive dissonance, scepticism regarding government schemes, or overestimation of alternative risk-coping mechanisms. PMSBY exhibits a similar, though less pronounced, pattern. These findings challenge conventional assumptions that higher education uniformly leads to higher insurance uptake and point to the importance of tailored communication strategies that address specific informational and perceptual gaps across educational strata.

Geographic analysis indicates that both PMJJBY and PMSBY have achieved relatively uniform penetration across rural, semi-urban, and urban areas, with semi-urban regions showing marginally higher enrollment. Chi-square tests reveal no statistically significant geographic disparity in coverage, suggesting that the schemes' delivery architecture has been effective in transcending spatial barriers. However, qualitative feedback highlights localised challenges, including limited banking infrastructure in remote rural areas and low perceived relevance in urban informal settlements. These insights emphasise the need for localised customisation of outreach and trust-building efforts, even in the absence of statistically significant aggregate disparities.

From a systemic perspective, simplified enrollment processes and auto-debit mechanisms have been central to the success of both schemes. A majority of respondents cited ease of enrollment, absence of medical tests, and low premium burden as primary reasons for participation. Claim settlement mechanisms, facilitated through bank-led processes, have also contributed to scheme credibility. Nevertheless, anecdotal evidence from the field reveals persistent challenges related to documentation requirements, FIR procurement in accident cases under PMSBY, delays in medical certification, and limited awareness among nominees regarding

claim procedures. These issues disproportionately affect rural households and first-generation insurance users, potentially undermining long-term trust in the schemes.

Behavioural and cultural factors continue to shape insurance uptake in complex ways. The study identifies fear of discussing death, superstition, and fatalistic attitudes as barriers to PMJJBY enrollment among certain segments, while limited understanding of accidental risk coverage constrains PMSBY participation. Additionally, the phenomenon of passive or uninformed enrollment—where beneficiaries are enrolled through bank initiatives without full comprehension—raises ethical and policy concerns. While auto-enrollment has enhanced scale, it has also diluted informed consent and scheme ownership, as evidenced by a significant proportion of respondents who were unaware of their coverage details. Statistical correlations between awareness levels and satisfaction with the scheme reinforce the importance of informed participation for long-term sustainability.

When assessed collectively, the comparative performance of PMJJBY and PMSBY offers important policy lessons. The schemes demonstrate that microinsurance can achieve unprecedented scale when affordability is combined with institutional integration and simplified processes. At the same time, the empirical evidence highlights that universal coverage cannot be achieved through price mechanisms alone. Demographic heterogeneity, occupational risk profiles, behavioural biases, and institutional trust deficits must be addressed through data-driven, targeted interventions. The study's findings support the case for multi-level reforms, including enhanced financial literacy initiatives, proactive nominee education, expanded enrollment and servicing touchpoints, and adoption of global best practices, such as community-based risk pooling and health savings integration.

In conclusion, PMJJBY and PMSBY together represent a bold and largely successful attempt to democratize insurance access in India. The statistical evidence from this study validates their relevance to intended beneficiaries while simultaneously exposing critical gaps in inclusivity and awareness. By integrating life and accident insurance within a coherent social protection framework, these schemes have laid the foundation for universal risk coverage. However, realising their full potential requires a shift from a coverage-centric approach to a capability-centric model—one that prioritises informed participation, responsive administration, and trust-building at the last mile. This research contributes to the policy discourse by providing empirical validation, refined insights, and actionable recommendations to strengthen India's microinsurance ecosystem and move closer to the goal of true financial security for all.

1. INTRODUCTION- PMJJBY and PMSBY

1.1 Social Security Scenario in India

1.1.1 Historical Context

Social security in India has traditionally been fragmented and limited in scope, largely covering workers in the formal sector while leaving the vast informal sector with minimal safety nets. Post-independence, the government prioritised employment generation, poverty alleviation, and food security, but comprehensive social insurance systems remained limited in reach.

For decades, social protection in India was characterised by schemes like the Employees' Provident Fund (EPF), Employees' State Insurance Scheme (ESIS), and pension plans for government employees. While these provided critical benefits for salaried workers in the organised sector, they did not extend coverage to the informal workforce, which still accounts for over 90% of total employment.

This left millions of workers, daily wage labourers, small farmers, street vendors, and self-employed people, without reliable protection against income loss from death, disability, illness, or old age. The need to broaden the social security net became especially urgent with rapid urbanisation, changing family structures, and increasing life expectancy.

1.1.2 Current Challenges

Despite economic growth, India continues to face structural challenges in ensuring equitable social security coverage:

- Large informal sector: Difficult to register, monitor, and deliver benefits.
- Low insurance penetration: Life insurance penetration was ~3.2% in 2024, skewed toward urban, higher-income populations.
- Financial literacy gap: Limited understanding of insurance and savings products among low-income groups.
- Administrative complexity: Challenges in verifying eligibility, delivering benefits, and reducing leakages. The COVID-19 pandemic starkly exposed these gaps, pushing millions into poverty and highlighting the need for robust, universal social security.

1.1.3 Policy Push for Inclusive Social Security

Recognising these challenges, successive governments have emphasised "inclusive growth," resulting in a series of targeted initiatives:

- Expanding the scope of direct benefit transfers (DBTs).
- Promoting universal financial inclusion through Jan Dhan accounts.
- Introducing targeted micro-insurance and pension schemes.

These efforts aim to move India toward a more comprehensive social security system that includes even the most marginalised citizens.

1.2 Initiatives taken by the Government of India

1.2.1 Financial Inclusion as a Foundation

Financial inclusion is the backbone of any universal social security system. The Pradhan Mantri Jan Dhan Yojana (PMJDY), launched in 2014, marked a watershed moment by enabling universal access to banking services. Over 50 crore accounts have been opened under PMJDY (as of 2023), laying the groundwork for delivering insurance and pension products.

The emphasis on bank accounts, Aadhaar-linked identification, and mobile technology has allowed the government to streamline subsidy delivery, reduce leakages, and improve beneficiary targeting.

1.2.2 Insurance and Pension Initiatives

Beyond banking inclusion, the government has sought to extend risk protection to vulnerable populations through affordable, easy-to-understand insurance and pension products:

- Pradhan Mantri Suraksha Bima Yojana (PMSBY): Accidental death and disability cover for ₹ 20 premium per year. It includes coverage of ₹2 lakh for accidental death or permanent total disability; ₹1 lakh for permanent partial disability.
- Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY): Low-cost life insurance at ₹436 premium per year.
- Atal Pension Yojana (APY): Guaranteed pension for workers in the informal sector.

These schemes are designed to encourage formal risk management among low-income groups who historically relied on informal coping mechanisms, such as borrowing from moneylenders

or selling assets during crises.

1.2.3 Leveraging Technology

Digital India initiatives have greatly supported these schemes. Aadhaar-based KYC, mobile banking, and the Unified Payments Interface (UPI) have reduced transaction costs and improved access. The auto-debit feature under PMJJBY ensures easy premium payment and policy renewal, minimising lapse risk.

1.3 Nuances of PMJJBY

1.3.1 Objective

Launched on 9 May 2015, PMJJBY aims to provide universal access to affordable life insurance. It recognises that the death of an earning member can devastate a low- income family financially, potentially pushing it back into poverty for generations.

Before PMJJBY, formal life insurance coverage among the poor was negligible. High premiums, complex products, paperwork requirements, and lack of trust in insurers discouraged adoption. PMJJBY tackles these barriers through affordability, simplicity, and standardised terms.

1.3.2 Eligibility and Features

- Age eligibility: 18 to 50 years (coverage up to age 55 with continuous renewal).
- Sum assured: ₹2 lakh in case of death.
- Annual premium: ₹436, auto-debited from the bank account.
- Enrollment window: Offered annually, renewable every year.
- Claims process: Streamlined, with standardized documentation and settlement through participating banks and insurers.

1.3.3 Scale and Impact

Since inception, PMJJBY has achieved substantial enrollment. According to government data, over 16 crore people were enrolled by March 2023. The scheme has settled over 7 lakh claims, disbursing thousands of crores in benefits.

Despite this success, challenges remain:

- Significant dropouts and non-renewals.
- Regional disparities in enrollment.
- Limited awareness in remote areas.

These variations underscore the importance of understanding demographic determinants of enrollment.

1.4 Role of LIC in PMJJBY

1.4.1 LIC as a Key Implementing Agency

The Life Insurance Corporation of India (LIC), India's largest insurer, plays a central role in PMJJBY implementation. With its vast branch network, trained agents, and decades of experience, LIC serves as a trusted partner for banks in enrolling customers and managing claims.

LIC's involvement also lends credibility to the scheme. For low-income customers who may mistrust private insurers or complex financial products, LIC's brand provides reassurance of reliability and government backing.

1.4.2 Distribution and Operational Role

LIC works closely with public and private sector banks to:

- Facilitate enrollment at bank branches and through business correspondents.
- Integrate with banks' core systems for auto-debit of premiums.
- Manage policy databases and renewals.
- Process and settle claims in coordination with banks.

This partnership model leverages banks' reach (including rural branches and correspondents) while tapping LIC's insurance expertise.

1.4.3 Ensuring Efficient Claims Settlement

LIC's role in claims management is critical to the scheme's credibility. Quick and transparent settlement builds trust and encourages renewals. The streamlined process typically requires:

- A simple claim form.
- Death certificate.
- Discharge receipt.
- Bank account verification.

This contrasts with traditional retail insurance products, where claim settlement has often been perceived as cumbersome.

1.5 Nuances of PMSBY:

The Pradhan Mantri Suraksha Bima Yojana (PMSBY) translating to the Prime Minister's Safety Insurance Scheme is a landmark government-backed personal accident insurance programme in India. It was first announced in the Union Budget speech delivered by Finance Minister Arun Jaitley in February 2015 and was formally launched by Prime Minister Narendra Modi on 8 May 2015 in Kolkata, alongside its sister scheme, the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY).

PMSBY was conceived as an integral pillar of India's broader social security and financial inclusion agenda, designed to address a critical and long-neglected gap: the near-total absence of accidental risk coverage among the country's vast informal and lower-income workforce. In a nation where millions of daily wage labourers, agricultural workers, street vendors, and self-employed individuals face occupational hazards and accident risks every single day, formal insurance protection was essentially non-existent for this segment. PMSBY was crafted to change this reality.

The scheme sits within the Jan Suraksha umbrella the Jan Dhan-Aadhaar-Mobile (JAM) trinity-backed framework which also includes PMJJBY for life insurance and the Atal Pension Yojana (APY) for old-age security. Together, these schemes constitute India's most ambitious attempt to democratise social protection and extend it to the last mile of the economic spectrum.

1.5.1 Rationale and Necessity

India's pre-2015 insurance landscape was characterised by stark exclusion. Life insurance penetration stood at a mere 2.7% of GDP in 2001, rising modestly to 3.2% by FY 2022, while non-life insurance which encompasses accidental coverage languished at around 1% of GDP.

These figures must be contextualised against the fact that over 90% of India's workforce is engaged in the informal sector, without access to any form of employer-provided risk protection, workers' compensation, or formal safety nets.

Accidents represent one of the most sudden and financially devastating risks for low-income households. The death or permanent disability of an earning member due to an accident can destroy a family's financial stability overnight. Without insurance, such households are forced to liquidate savings, sell productive assets, borrow at usurious rates from informal moneylenders, or descend into poverty. Unlike life insurance where the risk is certain but only the timing is uncertain accidental risks are statistically unevenly distributed and particularly acute among individuals engaged in physically intensive, outdoor, or high-mobility occupations: construction workers, farmers, truck drivers, daily labourers, and factory workers.

The PMSBY was thus born out of an urgent policy imperative: to create an affordable, simple, and universally accessible accidental insurance mechanism that could protect India's most vulnerable workers from this specific category of catastrophic financial risk.

1.5.2 Core Features and Design Architecture

PMSBY is a one-year renewable personal accident insurance scheme, operating on a simple, standardised framework designed to eliminate complexity and lower barriers to entry. The following table captures the scheme's core structural elements:

Feature	Details
Launch Date	8 May 2015
Scheme Type	One-year renewable Personal Accident Insurance
Eligibility	Indian residents / NRIs aged 18 to 70 years with a savings bank or post office account
Annual Premium	₹20 per annum (GST exempted)
Sum Assured – Accidental Death	₹2 lakh (payable to nominee)
Sum Assured – Permanent Total Disability	₹2 lakh (payable to insured)
Sum Assured – Permanent Partial Disability	₹1 lakh (payable to insured)
Policy Period	1 June to 31 May annually (auto-renewed)
Premium Payment	Auto-debit from savings bank / post office account on or before 1st June each year
Medical Examination	Not required
Administering Body	Public Sector General Insurance Companies (under Ministry of Finance, Dept. of Financial Services)
Distribution Channel	Banks and Post Offices
GST Status	Fully GST-exempt
NRI Eligibility	Yes, subject to Indian bank account eligibility; claim paid in Indian Rupees only
Joint Account Holders	All account holders eligible individually at ₹20 per person per annum

1.5.3 Risk Coverage in Detail

PMSBY covers deaths and disabilities arising exclusively from accidents, as confirmed by appropriate documentary evidence. The scheme defines 'accident' broadly to include:

- Road accidents, rail accidents, and aviation accidents
- Natural calamities such as floods, cyclones, earthquakes, and lightning since these are considered accidental in nature
- Drowning and similar unforeseen events
- Workplace accidents and industrial mishaps
- Murder (intentional killing by another person)

The scheme explicitly excludes: suicide or self-inflicted injuries, death or disability arising from pre-existing medical conditions (non-accidental), death due to drug or alcohol intoxication, and war or nuclear risks. Only one PMSBY policy is valid per individual, even if the person holds multiple bank accounts.

1.5.4 Claim Settlement Process

PMSBY's claim architecture is designed for simplicity. In the event of an accidental death or disability, the nominee or insured must:

- Inform the bank or insurance partner as soon as possible after the event
- Download and submit the claim form from jansuraksha.gov.in or the respective bank
- Submit the form along with relevant documents within 30 days of the accident date
- For death claims: submit original FIR, post-mortem report, death certificate, and nominee/claimant details
- For disability claims: submit medical certificate from a qualified doctor confirming disability type and extent

The claim benefit is credited directly to the insured's or nominee's bank account. While the process is designed to be straightforward, empirical findings from the NIA study on Pune highlight that some beneficiaries particularly in rural and semi-urban areas face challenges in procuring FIRs, obtaining timely medical certifications, and navigating the documentation requirements. These administrative friction points remain a key policy challenge.

1.6 Institutional Delivery Architecture

PMSBY operates through a tripartite delivery mechanism involving the Government of India (Department of Financial Services, Ministry of Finance), participating banks and post offices, and public sector general insurance companies. Unlike PMJJBY where LIC plays a dominant role PMSBY is serviced through multiple public sector general insurers such as New India Assurance, United India Insurance, Oriental Insurance Company, and National Insurance Company. Banks serve as the master policyholders and act as the primary interface with subscribers, while insurers underwrite and settle claims.

This institutional architecture leverages the extensive banking infrastructure that was dramatically expanded through the Pradhan Mantri Jan Dhan Yojana (PMJDY), ensuring that any individual with a savings bank account has the potential to access PMSBY. As of 2023, over 50 crore accounts have been opened under PMJDY, theoretically providing the distribution backbone for mass enrollment under PMSBY.

1.7 Current Enrollment and Performance Data

PMSBY has recorded extraordinary scale since its launch, making it one of the largest personal accident insurance programmes in the world by enrollment. The key performance indicators as of the latest available data are:

Metric	Data
Cumulative Enrolments (as of March 2025)	50.54 crore individuals
Enrolments (May 2015 to May 2024)	44.34 crore
Female Beneficiaries	20.34 crore (50.16%) May 2024 data
Rural Beneficiaries	29.30 crore (72.24%)
Urban Beneficiaries	11.26 crore (27.76%)
Total Claims Received (upto May 2024)	1,80,812
Total Claims Disbursed	1,37,404 (₹2,728.85 crore disbursed)

Maharashtra has been particularly notable in the PMSBY story. Data indicates that Maharashtra recorded the highest number and amount of claims paid under PMSBY at the state level, suggesting strong operational efficiency in claims processing even as overall enrollment remained high.

1.8 Structure of the Report

The remainder of this report is structured as follows:

- Section 2: Literature Review, covering existing research on social security, microinsurance adoption, and PMJJBY- PMSBY enrollment patterns.
- Section 3: Research Methodology, detailing data collection, variables, and analytical techniques.
- Section 4: Results and Discussion, presenting statistical findings and interpretation.
- Section 5: Policy Implications and Recommendations, suggesting actionable strategies.
- Section 6: Conclusion, summarizing key insights and future research directions.

1.9 Conclusion

India's vision of inclusive social security requires effective, equitable risk protection for all citizens, particularly the most vulnerable. PMJJBY represents a critical policy effort in this direction, offering low-cost life insurance to underserved populations. However, achieving its full potential demands understanding and addressing the diverse demographic factors that influence enrollment.

This research report aims to contribute to that understanding by analyzing the demographic determinants of PMJJBY enrollment, providing insights to policymakers, insurers, and financial inclusion stakeholders striving to strengthen India's social security net.

1.9.1 Savings habits of lower income households: Income Volatility and Informal Economy

Low-income households in India often work in the informal sector with irregular or seasonal incomes. This variability limits their ability to commit to regular savings or insurance premiums.

1.9.1.a. Daily wage laborers prioritize liquidity for immediate consumption needs.

1.9.1.b. Agricultural households face seasonal income patterns and high uncertainty due to weather risks.

1.9.1.c. Migration for work further complicates stable financial planning.

1.9.2 Informal Savings Mechanisms: Instead of formal financial instruments, many low-income families rely on informal savings methods:

- Cash at home
- Chit funds or rotating savings groups.
- Gold as a store of value.
- Informal lending circles.

These methods offer liquidity and social support but often lack safety, yield, and protection from catastrophic risks.

1.9.3 Barriers to Formal Insurance

Despite the clear need for risk protection, uptake of life insurance among these groups remains low due to:

- Low financial literacy and limited awareness of insurance products.
- Perceived complexity of policy terms.
- Mistrust of financial institutions based on past experiences.
- Opportunity cost of premiums versus immediate consumption needs.

Government-subsidized, simple products like PMJJBY aim to overcome these barriers by offering standard terms, low premiums, and easy enrollment.

1.10Awareness about Life Insurance

1.10.a**.** General Awareness Levels

Life insurance awareness in India is low compared to developed economies. Many people view insurance primarily as an investment or tax-saving instrument rather than risk protection.

Among low-income and rural populations, awareness is even more limited. Studies suggest that:

- Many households are unaware of available insurance products.
- Misconceptions (e.g., insurers rarely pay claims) discourage uptake.
- Literacy barriers limit comprehension of policy documents.

1.10.b. Role of Financial Literacy

Financial literacy initiatives have gained momentum in India, with RBI, SEBI, IRDAI, and NGOs working to educate people about formal savings and insurance. However, the scale of the challenge remains vast.

Without adequate understanding of insurance's purpose and benefits, even affordable schemes may see low uptake or high dropout rates.

1.10.c. Awareness Strategies for PMJJBY

Recognising this, the government and insurers have promoted PMJJBY through:

- Mass media campaigns.
- Posters and leaflets in local languages at bank branches.
- Engagement of business correspondents and bank mitras.
- Integration with other welfare programs (e.g., Jan Dhan accounts).

Despite these efforts, regional disparities in awareness and enrollment persist, reflecting variations in literacy, banking penetration, and outreach quality.

2. THE NEED FOR INTEGRATION OF PMSBY WITH PMJJBY

2.1 The Core Rationale

The foundational argument for integrating PMSBY with PMJJBY lies in the complementary nature of the risks they cover and the overlapping beneficiary base they serve. PMJJBY provides life insurance cover a ₹2 lakh benefit payable upon death from any cause. PMSBY provides personal accident insurance offering ₹2 lakh for accidental death or permanent total disability, and ₹1 lakh for permanent partial disability. Together, they address the full spectrum of catastrophic risks that threaten low-income households: sudden death from any cause, accidental death specifically, and disability that eliminates earning capacity without necessarily resulting in death.

As observed in the NIA study conducted across 539 respondents in Pune district, when assessed jointly, PMJJBY and PMSBY 'provide a comprehensive risk mitigation mechanism that seeks to protect households from both predictable life-cycle risks and sudden, catastrophic shocks.' A household that holds only PMJJBY is protected against death but not disability. A household that holds only PMSBY is protected against accidental risks but not natural death. The integration of both schemes creates a true comprehensive micro-insurance safety net.

2.2 Shared Institutional Infrastructure

Both schemes share identical or near-identical delivery architecture: both are bank-linked, both rely on auto-debit mechanisms for premium collection, and neither requires medical underwriting. Both are administered through government-affiliated institutions (LIC for PMJJBY, public sector general insurers for PMSBY) and distributed through the same banking and post office network. This shared infrastructure makes integration not just desirable but operationally natural a single enrollment event at a bank branch can simultaneously sign up a beneficiary for both schemes, minimising transaction costs, administrative duplication, and behavioral barriers.

The combined annual premium for both schemes is ₹456 (₹436 for PMJJBY + ₹20 for PMSBY) an amount that, as the NIA study recommends, could be seamlessly deducted from existing welfare transfer mechanisms such as PM-Kisan Samman Nidhi payments (which provide ₹6,000 annually to over 10 crore farming households), MGNREGA wage payments, or fertiliser subsidy credits. This integration would institutionalise near-universal coverage for India's agricultural and rural workforce without requiring a single additional administrative touchpoint.

2.3 Differential Enrollment Patterns Revealing Coverage Gaps

The NIA survey data provides compelling statistical evidence for why integration matters. The study finds that PMJJBY demonstrates exceptionally high penetration among lower-income segments (80-90% enrollment among those earning below ₹25,000 per month), while PMSBY shows stronger relative uptake among individuals engaged in physically intensive or irregular occupations the very population most exposed to accidental risks. Yet neither scheme achieves universal coverage in isolation.

Daily wage labourers, identified as the most economically fragile occupational group, showed zero enrollment in PMJJBY in the survey sample. PMSBY, while marginally better positioned for this group due to its alignment with accident risk awareness, also falls short of universal coverage. This occupational exclusion is a structural failure that a bundled, integrated scheme with simplified enrollment and possibly employer-facilitated premium deduction could address far more effectively than two separate schemes marketed and administered independently.

2.4 Gender Complementarity in Coverage

The NIA study reveals a striking gender divergence: female respondents exhibit significantly higher enrollment in PMJJBY (72.2%) compared to males (17.3%), attributable to targeted outreach through women-centric channels such as SHGs, ASHA workers, and Anganwadi networks. PMSBY, by contrast, shows stronger uptake among male respondents, reflecting occupational exposure to accident risks. This divergence implies that each scheme is reaching a different gender demographic, leaving each gender group partially unprotected. An integrated scheme with joint enrollment would close this gender protection gap by ensuring that both life and accident cover are simultaneously extended to all enrollees regardless of the channel through which they are recruited.

2.5 Age-Based Life Cycle Risk Coverage

Age-wise enrollment patterns further reinforce the complementarity argument. The 30-45 age group characterised by rising family responsibilities and heightened mortality awareness shows the highest PMJJBY enrollment. Younger respondents (18-35) show relatively stronger PMSBY uptake given their higher engagement in commuting-intensive and physically demanding work. A bundled, integrated scheme would naturally provide comprehensive life-cycle risk coverage across age groups, ensuring that younger workers are not exposed to unprotected accident risk while older household heads are not left vulnerable to non-accidental death.

2.6 Proposed Integration Mechanisms

Based on the NIA study's findings and international best practices, several integration models are proposed:

- Life and Accident Savings Account Model: A nominal monthly deduction of ₹38-40 from each bank account holder, auto-debited to simultaneously finance both PMJJBY and PMSBY premiums, creating a dedicated micro-insurance savings pool.
- PM-Kisan Integration: Automatic deduction of ₹456 from PM-Kisan Samman Nidhi annual credit to cover both PMJJBY and PMSBY premiums for all farming households.
- MGNREGA Wage Linkage: Deduction of PMSBY and PMJJBY premiums from MGNREGA wage payments to cover daily wage labourers currently the most excluded occupational group.
- Unified Enrollment Form: A single consent and enrollment form at the bank branch covering both schemes, with combined auto-debit mandate, reducing administrative friction.
- Jan Dhan Default Enrollment: Auto-enrollment of all Jan Dhan account holders into both schemes with an opt-out provision, leveraging behavioral inertia to maximise coverage.

3. IMPACT OF PMSBY AND ITS ROLE IN INSURANCE PENETRATION

3.1 Macro-Level Insurance Penetration Impact

India's insurance penetration defined as premium underwritten as a percentage of GDP has historically been one of the lowest among major economies. Life insurance penetration rose from 2.2% of GDP in FY 2002 to 3.2% in FY 2022, while non-life insurance penetration (which encompasses accident insurance) grew from 0.5% to 1.0% over the same period. Despite this progress, India's overall insurance penetration of approximately 3.69% in FY 2022-23 remains significantly below the global average, and the non-life segment within which PMSBY operates remains critically underdeveloped relative to international peers.

PMSBY has contributed meaningfully to closing this penetration gap, particularly in the personal accident insurance sub-segment. With over 50 crore cumulative enrollments as of May 2025, PMSBY has effectively created the world's largest personal accident insurance pool at a population scale that no private insurer could have achieved independently. The scheme's contribution to non-life insurance density is significant, even though the premium is so nominal (₹20 per person) that its aggregate impact on penetration ratios appears modest. Its real contribution lies in coverage expansion and risk pool democratisation rather than premium volume.

3.2 Impact on Rural Insurance Penetration

The most transformative impact of PMSBY has been in rural India, where formal insurance of any kind was virtually absent before 2015. With 72.24% of PMSBY enrollees being rural beneficiaries (29.30 crore out of 44.34 crore as of May 2024), the scheme has effectively created the foundation of a rural accident insurance infrastructure that had no predecessor. Rural insurance penetration in India has historically suffered from multiple structural barriers: weak banking infrastructure, limited financial literacy, the dominance of informal risk-coping mechanisms (borrowing, asset sales, community support), and a deep-seated mistrust of formal financial institutions.

PMSBY has addressed these barriers through its institutional design: by routing enrollment and premium collection through Jan Dhan bank accounts already used by rural beneficiaries, by eliminating paperwork and medical examinations, and by keeping the premium so low (₹20 per year, or approximately ₹1.67 per month) as to effectively remove the affordability barrier. The scheme has thus served as a gateway product introducing millions of rural households to formal insurance for the first time, potentially creating the behavioral foundation for future uptake of broader insurance products.

The NIA study's geographic analysis corroborates this finding: enrollment under PMSBY and PMJJBY shows no statistically significant rural-urban disparity, suggesting that the schemes' delivery architecture has been broadly effective in overcoming spatial barriers. Semi-urban areas showed marginally higher enrollment (69.4%) in PMJJBY, which likely mirrors PMSBY trends given the shared delivery infrastructure.

3.3 Impact on Urban Insurance Penetration

While PMSBY's rural impact has been more dramatic in relative terms, its urban contribution is equally significant. Urban India particularly the informal urban economy of construction workers, domestic workers, street vendors, gig workers, and factory labour was similarly excluded from formal accident insurance before 2015. PMSBY's urban enrollments stand at approximately 11.26 crore (27.76% of total), reflecting meaningful penetration in urban and peri-urban geographies.

However, the NIA study and corroborating research point to persistent urban gaps. Urban daily wage labourers, domestic workers, migrant construction workers living in temporary settlements, and gig economy workers remain disproportionately excluded. These groups lack stable bank account relationships, face documentation barriers, and are often not reached by the traditional bank-branch enrollment model. The insurance penetration gains in urban India therefore remain skewed toward relatively more stable informal workers with functioning bank accounts rather than the most vulnerable.

3.4 Gender-Based Insurance Inclusion Impact

PMSBY has made significant strides in gender-inclusive insurance penetration. Female beneficiaries represent 50.16% of total PMSBY enrollments (20.34 crore as of May 2024), indicating near gender parity at the aggregate level. This is a remarkable achievement in a context where female financial inclusion has historically lagged due to lower workforce participation, limited account ownership, and restricted financial autonomy.

However, the NIA study's gender-disaggregated analysis reveals that PMSBY unlike PMJJBY where women significantly outpace men tends to show higher male enrollment, reflecting the gendered nature of occupational accident risks. Women in informal unpaid roles (homemakers, subsistence farmers) who also face accident risks from household activities, domestic fires, and agricultural work remain relatively less represented. This suggests that gender-sensitive PMSBY outreach, particularly through SHGs and women's self-help networks, could substantially close this gap.

3.5 Financial Security and Social Impact

Beyond penetration statistics, PMSBY's real impact is measured in the financial protection it has delivered to families in moments of acute crisis. As of May 2024, ₹2,728.85 crore has been disbursed to 1,37,404 claimants each representing a family that received timely financial support following an accidental death or disabling injury. The stories embedded in these statistics are powerful: for a family earning ₹8,000 per month, a ₹2 lakh accident insurance payout represents over two years of household income, potentially preventing asset liquidation, debt cycles, and intergenerational poverty.

The study also notes that PMSBY, like PMJJBY, has played a normalisation role in the Indian insurance landscape: by making insurance a lived experience for hundreds of millions of first-time users, the scheme has contributed to building insurance literacy, trust in formal institutions, and a culture of risk awareness in populations that had previously operated entirely outside the formal insurance ecosystem.

3.6 Impact on the Insurance Industry

From an industry perspective, PMSBY has expanded the non-life insurance market's reach dramatically, even if its direct premium contribution is modest. Public sector general insurance companies administering the scheme have gained massive distribution scale, claims processing experience in rural and semi-urban contexts, and operational learnings that inform their broader strategy. More importantly, PMSBY has helped demonstrate to the broader insurance industry that low-income rural and urban populations are insurable at appropriate premium points challenging the historical industry assumption that serving this segment is commercially unviable.

The scheme has also catalysed regulatory and industry thinking on microinsurance product design, distribution through non-traditional channels (banking correspondents, post offices, CSCs), and the use of digital infrastructure for claim settlement. IRDAI's Insurance for All vision by 2047 is significantly informed by the learnings of PMSBY and its companion schemes.

4. LITERATURE REVIEW

4.1 Social Protection and Microinsurance in Developing Economies

Social security systems in developing countries often struggle with low coverage and informality, making microinsurance an important tool to extend risk protection to underserved populations (Churchill, 2006). Studies show that in countries with large informal sectors, state-sponsored microinsurance products can significantly improve social resilience by protecting low-income households against catastrophic financial shocks (Roth et al., 2007).

India's unique demographic and economic composition makes microinsurance schemes particularly relevant. The penetration of life insurance among the poor has historically remained low due to affordability issues, lack of trust, and limited financial literacy (Sinha, 2005). Products like PMJJBY attempt to bridge this gap by offering simplified, low-cost life cover, but their effectiveness depends on multiple demographic and behavioral variables.

4.2 Determinants of Insurance Uptake

Empirical literature identifies several key factors that influence an individual's decision to purchase life insurance. According to Beck and Webb (2003), income level, financial literacy, and urbanization strongly predict insurance participation.

Other studies highlight the role of gender, education, and occupation type in shaping risk perception and insurance behavior (Outreville, 1996; Giné et al., 2008).

For instance, male-headed households or salaried workers are more likely to enroll in formal insurance schemes, whereas daily wage laborers or women in rural areas often remain outside the ambit of coverage (Banerjee et al., 2014). Educational attainment is consistently associated with higher insurance awareness and willingness to enroll (Cole et al., 2013). Geographic location, particularly rural- urban differences, also plays a crucial role in influencing access to and adoption of insurance services.

4.3 Barriers to Insurance Penetration in Low-Income Segments

Multiple researchers have noted that even when insurance is available and affordable, uptake remains low due to behavioral and informational constraints. Mullainathan and Shafir (2013) argue that financial decision-making among low- income individuals is

deeply shaped by cognitive overload and liquidity constraints. This is particularly relevant in the Indian context, where income volatility, seasonal employment, and informal saving mechanisms dominate the financial lives of the poor (Deshpande & Sharma, 2016).

Moreover, empirical studies on microinsurance schemes such as SEWA Insurance and Yeshasvini in India have found that mistrust of institutions, low claim experience, and poor after-sales service negatively impact retention rates (Roth et al., 2007; Ruchismita & Churchill, 2012). This aligns with observed dropout rates in PMJJBY, highlighting the importance of not just access, but also engagement and customer trust.

4.4 Impact of PMJJBY: Emerging Evidence

PMJJBY has been the subject of limited but growing scholarly attention. According to the IRDAI Annual Reports and studies by NITI Aayog (2020), the scheme has achieved significant enrollment, yet retention and claim awareness remain weak areas. A study by Lahoti and Somani (2021) found that although PMJJBY reached a large number of rural households, enrollment often occurred passively—bank

customers were signed up without fully understanding the policy, leading to confusion during claim settlements.

An evaluation by IndiaSpend (2022) suggested regional disparities in PMJJBY uptake, driven by differences in banking infrastructure, awareness campaigns, and LIC-bank coordination. States with high financial inclusion and literacy rates—such as Kerala and Maharashtra—recorded higher enrollments and lower lapse rates compared to less developed states like Bihar or Jharkhand.

4.5 Role of LIC and Financial Intermediation

The role of insurance intermediaries is critical in driving awareness, onboarding, and policy servicing in low-cost schemes. Studies on public-sector insurers indicate that trust in LIC is a major factor in rural insurance uptake, particularly among first-time buyers (Ray & Pathak, 2018). LIC's partnership with banks under the PMJJBY framework leverages this trust, but the effectiveness varies across geographies and banking partners.

Importantly, schemes like Antyodaya Yojana that focus on the poorest households provide a complementary platform to extend PMJJBY coverage to ultra-marginalised populations. At the same time, India's 29 lakh life insurance agents can be mobilised as last-mile distributors of PMJJBY, particularly to excluded groups such as daily wage labourers who are otherwise

difficult to reach through formal banking channels. This integration of government safety nets with agent-based distribution would substantially enhance outreach and inclusivity.

4.6 Social Protection and Microinsurance in Developing Economies

The scholarly foundation for understanding PMSBY lies in the broader literature on social protection and microinsurance in low-income developing country contexts. Churchill (2006) in his seminal edited volume 'Protecting the Poor: A Microinsurance Compendium' established the theoretical framework for microinsurance as a tool for extending formal risk protection to underserved populations. Churchill defined microinsurance as the protection of low-income people against specific perils in exchange for regular premium payments proportionate to the likelihood and cost of the risk involved. PMSBY conforms almost precisely to this definition, offering catastrophic risk protection at a premium calibrated to be affordable for the poorest segments.

Roth, McCord, and Liber (2007) in their comprehensive global study documented that state-sponsored microinsurance products in countries with large informal sectors can significantly improve social resilience by protecting low-income households against catastrophic financial shocks. They identified government backing as a crucial credibility signal that overcomes the trust deficit which typically impedes private microinsurance uptake. PMSBY's explicit government branding and sovereign backing replicates this design insight. Their finding that retention rates in microinsurance are highly sensitive to the quality of claim experience is particularly relevant: PMSBY's documented challenges in timely claim settlement, particularly in rural areas, echo the concerns raised by Roth et al. regarding the risk of trust erosion through unsatisfactory claims handling.

Sinha (2005), writing specifically about India's insurance landscape, identified affordability issues, lack of trust, and limited financial literacy as the three primary barriers to insurance penetration among the poor. PMSBY's design directly addresses the first two barriers through its ₹20 annual premium and government institutional backing, while broader financial literacy campaigns attempt to address the third. Sinha's work also highlighted the role of informal risk-coping mechanisms rotating savings groups, gold, and community mutual aid as substitutes for formal insurance that PMSBY must compete with and ultimately supplement.

4.7 Determinants of Insurance Uptake: Empirical Evidence

The determinants-of-insurance literature provides a rich empirical backdrop for understanding PMSBY enrollment patterns. Beck and Webb (2003) in their cross-country study published in the

Journal of Risk and Insurance found that income level, financial literacy, and urbanisation are the strongest predictors of insurance participation across 68 countries. Their finding that insurance penetration rises sharply with per capita income is consistent with the NIA study's data showing highest PMSBY uptake among lower-middle income groups (earning ₹10,000-25,000 monthly) rather than either the poorest (who face affordability and banking access barriers) or the wealthiest (who have alternative risk management tools).

Outreville (1996) provided an extensive review of the determinants of life insurance consumption in developing countries, identifying education, the young dependency ratio, and expected inflation as key predictors. His work on the role of education is particularly relevant: PMSBY's enrollment patterns suggest a non-linear educational relationship where both the least educated (often enrolled through community outreach campaigns) and the most educated (with high insurance awareness) show higher participation than middle-education groups who may exhibit scepticism about government schemes. Cole, Gine, Tobacman, Topalova, Townsend, and Vickery (2013) in their randomised control trial study in Gujarat found that financial literacy training approximately doubled insurance uptake among agricultural households, underscoring the demand-side intervention potential for schemes like PMSBY.

Banerjee, Duflo, Glennerster, and Kinnan (2014) in their evaluation of microfinance in rural India found that even after six years of microfinance access, uptake of life insurance remained extremely low, highlighting the depth of behavioral and informational barriers that go beyond mere affordability. Their findings suggest that passive enrollment mechanisms such as PMSBY's auto-debit through Jan Dhan accounts may be more effective in achieving scale than active voluntary enrollment, a design principle embedded in PMSBY's architecture.

Gine, Townsend, and Vickery (2008) in their landmark study of rainfall insurance in India found that while insurance demand increases with wealth and education, basis risk (the gap between what is covered and what is actually experienced) significantly depresses uptake. For PMSBY, the analogous concern is the mismatch between covered accident types and the lived accident experience of specific occupational groups. Workers in specific hazardous settings may find that their most common accidents fall outside PMSBY's coverage definitions, limiting perceived value and constraining enrollment.

4.8 *Barriers to Insurance Penetration in Low-Income Segments*

Mullainathan and Shafir (2013) in their influential work 'Scarcity: Why Having Too Little Means So Much' argue that financial decision-making among low-income individuals is fundamentally shaped by cognitive bandwidth constraints arising from the experience of poverty itself. The

mental load of managing day-to-day survival leaves limited cognitive capacity for abstract financial planning, making it difficult for even well-intentioned low-income individuals to prioritise insurance premiums over immediate consumption needs. This 'scarcity mindset' framework has profound implications for PMSBY: it suggests that active enrollment requires deliberate decision-making that may be systematically impaired among the most economically vulnerable, while passive enrollment (auto-debit, default coverage) bypasses these cognitive constraints.

Deshpande and Sharma (2016) analysed the financial lives of poor Indians and documented the dominance of informal saving and risk-sharing mechanisms among low-income urban and rural households. Their findings show that even relatively low insurance premiums compete with what are perceived as more tangible and controllable savings instruments (rotating credit cooperatives, gold, cash at home). The implication for PMSBY is that communicating insurance as a complement to, rather than a substitute for, these informal mechanisms may be more effective in driving enrollment.

Roth et al. (2007) and Ruchismita and Churchill (2012) evaluated several earlier Indian microinsurance schemes including SEWA Insurance (serving self-employed women in Gujarat) and Yeshasvini (a cooperative health insurance scheme in Karnataka). Their findings identified three systemic barriers to retention: mistrust of institutions arising from historical experiences with non-payment or delayed claims, low claim experience (most premium-payers never claim, eroding perceived value), and poor after-sales service including inadequate communication about policy terms, renewal processes, and claim procedures. All three barriers are directly relevant to PMSBY, particularly the documentation challenges in FIR procurement and medical certification that the NIA study identifies as friction points in the claims process.

4.9 Empirical Studies on PMSBY and Related Social Insurance Schemes

Direct academic literature on PMSBY remains limited relative to PMJJBY, reflecting the broader challenge that PMSBY's contribution to social security research has been underrepresented despite its extraordinary scale. However, emerging evidence from multiple sources provides a growing empirical foundation.

Studies using data from IRDAI Annual Reports and NITI Aayog evaluations (2020) confirm that PMSBY has achieved significant enrollment scale while noting persistent gaps in retention, claim awareness, and actual claim utilisation rates. The claim settlement rate (approximately 76% of received claims successfully disbursed as of May 2024 data) indicates that while the scheme's underwriting and administration are broadly functional, a meaningful proportion of claimants face

procedural barriers that prevent settlement. IRDAI data further shows that claim settlement timelines remain a concern, with a significant proportion of claims taking longer than the stipulated 30-day processing period particularly in rural geographies.

A descriptive study by researchers published on ResearchGate evaluated both PMJJBY and PMSBY schemes' progress, awareness levels, operational challenges and outreach among rural and informal segments. Using secondary data from official disclosures, IRDA reports, and prior empirical research, the paper evaluated enrollment trends and found that the role of banking channels and digital enrollment is crucial but unevenly effective. It concluded that targeted awareness campaigns, simplified claim procedures, and enhanced delivery mechanisms are necessary to bolster financial inclusion through accident insurance under PMSBY.

The NIA study on Pune district (2024-25) the study that forms the primary context for this analysis provides the most granular empirical evidence on PMSBY's demographic determinants of enrollment, drawn from a primary survey of 539 respondents across rural, semi-urban, and urban geographies in Pune district. The study's findings on gender divergence (higher PMSBY uptake among males reflecting occupational exposure), age patterns (stronger PMSBY uptake among younger workers aged 18-35), and occupational gaps (zero enrollment among daily wage labourers) provide specific policy-actionable insights that supplement the broader national-level evidence.

An assessment of PMSBY's performance in Maharashtra specifically confirms that the state recorded the highest claims volume and amount under PMSBY among all states a finding that the NIA study notes as a marker of relatively strong operational efficiency in claims processing in Maharashtra, even as overall state-level enrollment data remains consolidated at the national level in public reporting.

4.10 Insurance Penetration, Financial Inclusion and Social Security Nexus

A broader strand of literature examines the relationship between insurance penetration and financial inclusion outcomes, which is directly relevant to understanding PMSBY's macro-level contribution. Research on India's insurance penetration trajectory published in IJRIAR and related journals documents that overall insurance penetration increased from 2.71% of GDP in 2001 to 3.69% in FY 2022-23, with life insurance density rising from $9.1 per capita in FY 2002 to $69 in FY 2022 and non-life density from $2.4 to $22. While PMSBY's individual premium of ₹20 contributes minimally to this density figure, its contribution to coverage extension the number of people holding at least one insurance product is transformational.

Research from ICRIER's working paper series on India's insurance sector challenges and opportunities identifies low penetration and density rates, deficient rural participation, and inadequate access to insurance products as the three most significant structural challenges facing the Indian insurance industry. PMSBY directly addresses all three: it has dramatically expanded penetration among previously uncovered populations, achieved extraordinary rural reach (72%+ rural beneficiaries), and leveraged banking infrastructure to create the most accessible insurance product India has ever offered.

Bimabazaar.com's analysis of rural insurance in India (2025) notes that despite the presence of capable insurers and large uninsured populations, rural insurance penetration remains very low outside of crop insurance under PM Fasal Bima Yojana. The analysis identifies product-distribution mismatch, weak last-mile networks, and trust gaps as the primary constraints. PMSBY has addressed the product and distribution barriers more effectively than any prior initiative, but the trust gap which manifests in low claim awareness, passive enrollment without informed consent, and procedural barriers to claim settlement requires sustained policy attention.

4.11 International Comparative Perspectives

International literature on analogous low-cost accident insurance programmes offers useful comparative benchmarks for PMSBY. Research on Taiwan's National Health Insurance, Korea's universal social insurance mandate, and Singapore's Medisave architecture all referenced in the NIA study's recommendations section suggests that voluntary schemes like PMSBY can achieve high penetration in the short term but require either mandated enrollment or strong default-enrollment architectures to approach universal coverage over the medium term.

Studies on microinsurance programmes in Sub-Saharan Africa and Latin America (Dercon et al., 2014; Barnett & Mahul, 2007) document that community-based risk pooling mechanisms, which leverage existing social networks for enrollment and claims adjudication, can significantly improve both uptake and retention in low-income settings. This literature supports the NIA study's recommendation to expand PMSBY enrollment touchpoints beyond banking channels to include SHGs, MGNREGA worksites, cooperative societies, and panchayat bodies each of which embeds insurance enrollment within pre-existing trusted social relationships.

The literature on index-based and parametric insurance products (Skees et al., 2007) suggests a future evolution pathway for PMSBY: parametric accident insurance for specific occupational groups (e.g., automatic payouts triggered by death or hospitalization registered in government databases, without requiring manual claim filing) could address the documented barriers of documentation complexity and beneficiary awareness in rural claim settlement.

4. A Research Gap

Despite the vast enrollment base of PMJJBY, there is a paucity of empirical studies exploring demographic determinants of enrollment and renewal behavior at the micro level. Most existing studies are either national-level evaluations or anecdotal case studies. There is limited disaggregated analysis using field data to understand how variables like age, gender, occupation, and income intersect to affect scheme participation.

This study attempts to fill that gap by offering a quantitative assessment of demographic factors influencing PMJJBY uptake, thereby contributing actionable insights for both policy makers and practitioners. Despite the growing body of evidence, significant research gaps remain in the PMSBY literature. As the NIA study specifically notes, there is a paucity of empirical studies exploring the demographic determinants of PMSBY enrollment and renewal behavior at the micro level. Most existing studies are national-level evaluations or anecdotal case studies without disaggregated analysis using field-collected primary data. Specific gaps include:

- Longitudinal studies tracking individual PMSBY enrollment, lapsation, and re-enrollment behavior over multiple policy years to understand sustained coverage dynamics.
- Comparative studies evaluating PMSBY claim experience across different occupational categories to identify whether coverage definitions adequately match actual accident profiles.
- Gender-disaggregated studies examining why female enrollment in PMSBY lags behind PMJJBY enrollment despite similar delivery infrastructure.
- Qualitative studies on the lived experience of PMSBY claimants, particularly in rural geographies, to identify specific process bottlenecks in claim settlement.
- Cost-benefit analyses quantifying the household financial resilience impact of PMSBY coverage relative to equivalent uninsured households.
- Studies on the potential integration effects of bundling PMSBY with PMJJBY, including enrollment spillovers and cross-scheme awareness effects.

The NIA study on Pune district represents a meaningful step toward addressing the micro-level empirical gap, though its findings are geographically limited to Pune and require replication across diverse state contexts to establish generalisable conclusions. Future research should also incorporate insights from daily wage labourers, gig workers, PM SVANidhi beneficiaries, and Mudra loan holders all of whom remain substantially underinsured despite being the primary target population for schemes like PMSBY.

5. RESEARCH METHODOLOGY

5.1 Background:

As mentioned in the previous chapter, although insurance is known to many people, its importance for spending is not yet recognised by the lower class of the population. Insurance plays a critical role in providing a safety net against unexpected events, and its importance is arguably even greater for lower-income groups who are most vulnerable to financial shocks. However, a significant gap exists in both the penetration and awareness of insurance among these populations. For individuals and families with limited financial resources, even a small, unexpected expense can be catastrophic, pushing them deeper into poverty. Insurance offers crucial protection in several ways.

India has adopted a national scheme of insurance called PMJJBY for the deprived class with extremely low premiums, but its awareness and reach have not achieved the expected results.

5.2 Rationale: Need to focus on the reach of the PMJJBY scheme

This study explores the impact of various demographic factors—age, gender, occupation, income, location, and educational level—on the likelihood of individuals enrolling under the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY). A combination of descriptive statistics, Chi-Square tests for independence, and correlation analysis was used to analyse data collected from survey respondents.

The analysis highlights that age, occupation, income, location, and education level have a statistically significant impact on enrollment under PMJJBY, while gender does not appear to play a major role.

5.3 Data collection and Sampling:

Descriptive Statistics

The initial phase of the analysis involved summarising the demographic profile of the respondents. Frequencies and percentages were calculated to represent the distribution of participants across categories:

- Age Groups: The Majority of the respondents were in the 25–40 age bracket.
- Gender: A balanced representation of male and female respondents was observed.
- Occupation: Occupations varied from daily wage workers to salaried employees and self-employed individuals.
- Income Levels: Most respondents belonged to the lower- and middle-income categories.
- Location: Both urban and rural areas were covered.
- Educational Level: Respondents ranged from no formal education to graduates and postgraduates.

6. DISCUSSION AND ANALYSIS

6.1 Overall awareness and enrollment of people under PMJJBY

The PMJJBY scheme has achieved remarkable success in expanding life insurance penetration across India.

- Affordable Coverage: The scheme offers a one-year renewable life cover of ₹2 lakh for death due to any reason, at an annual premium of just ₹436 (revised from ₹330 in June 2022). This affordability has been key to its widespread adoption.
- Massive Enrollment: As of April 2025, the scheme has achieved a cumulative enrollment of over 23.6 crore individuals across India. This demonstrates its significant reach in providing financial security.
- Claim Settlement: The scheme has successfully settled a large number of claims, providing crucial financial support to families in times of distress. As of April 2025, claims worth ₹18,398 crore have been settled for over 9 lakh families.
- Focus on Inclusivity: A key achievement is its reach to traditionally underserved segments. Over 53% of beneficiaries are women, and more than 72% are from rural areas, indicating its success in promoting financial inclusion.
- Simplified Process: The auto-debit facility from bank accounts and the absence of a medical examination makes enrollment and renewal hassle-free.

6.1.1 Achievement in Maharashtra

Maharashtra has been a significant contributor to the PMJJBY's overall success. While specific, up-to-the-minute enrollment figures exclusively for Maharashtra are not always readily segregated in publicly available pan-India reports, earlier data indicate substantial participation:

6.1.1.1 As of December 31, 2018, Maharashtra had 37,06,638 enrolments under PMJJBY, with ₹211.20 crore disbursed as claim benefits.

6.1.1.2 More recent data from February 23, 2022, shows that Maharashtra had 27,564 claims paid under PMJJBY during the period of April 1, 2017, to February 23, 2022. This suggests continued active participation and benefit disbursement.

6.1.1.3 It's worth noting that a study indicated that while Uttar Pradesh had the highest number of enrollments under PMJJBY, Maharashtra had the highest number and amount of claims paid under PMSBY (Pradhan Mantri Suraksha Bima Yojana - accidental insurance), which often goes hand-in-hand with PMJJBY enrollment. This suggests a good level of operational efficiency in claim processing in the state.

6.1.2 Achievement in Pune

Detailed city-specific enrollment and awareness data for Pune under PMJJBY are generally not separately reported at a granular level in public government releases. Data is typically aggregated at the state or national level.

However, given Pune's status as a major urban centre in Maharashtra with high banking penetration, it can be reasonably inferred that:

6.1.2.1 Awareness: Awareness of the scheme in Pune is likely to be relatively higher than in remote rural areas, due to better access to banking services, digital literacy, and information dissemination channels. Banks and financial institutions in Pune actively promote such government schemes.

6.1.2.2 Enrollment: Enrollment in Pune would contribute significantly to Maharashtra's overall PMJJBY figures. Individuals within the eligible age group (18-50 years) with savings bank accounts in Pune would have easy access to enroll through their respective banks.

6.1.3 Awareness and Enrollment Challenges & Successes

6.1.3.1 Awareness: The government has utilized various channels like electronic media, radio, newspapers, and public camps to publicize the scheme. Banks play a crucial role in promoting the scheme to their account holders, often facilitating auto-debit for premiums.

6.1.3.2 Challenges: Despite widespread efforts, low awareness levels persist, particularly in remote rural areas and among financially illiterate populations. Many eligible individuals may still not be fully informed about the scheme's benefits or the simple enrollment process. This gap highlights the need for continued and targeted awareness campaigns.

6.1.3.3 Successes: The scheme's simple eligibility criteria (18-50 years, savings bank account) and the auto-debit facility have facilitated large-scale enrollment. The

focus on financial inclusion and reaching the "uninsured population" has driven significant numbers.

6.1.3.4 Enrollment Challenges: While enrollment numbers are high, sustaining renewals year-on- year requires continuous engagement and awareness. Some individuals might opt out due to various reasons, including a lack of understanding of the long- term benefits or changes in financial circumstances. Ensuring seamless auto- debit and addressing any technical glitches in the process are also ongoing challenges.

6.2 Analysis of the data collected under the study

- **Primary Enrolment Driver: Family security** is the dominant reason for enrolment, cited by 78.7% of respondents (424 out of 539).
- **Key Mobilisation Channel: Bank Sakhis** are the single most critical referral source, driving 82% of the entries (411 out of 504).
- **Widespread Awareness: Indirect claim awareness** ("Yes (someone I know)") is extremely high, representing 57.1% of all respondents (308 out of 539), suggesting community knowledge of the claim process is strong across most groups.
- **Affordability Perception:** 82.7% of respondents (446 out of 539) perceive the scheme as not affordable.
- **Income/Claim Correlation:** The > ₹50,000 monthly income group has the highest proportional rate of direct claims (17 out of 56), with zero respondents reporting "No" claim experience.
- **Target Group Engagement:** Self-employed (N=236$) and Farmers (N=186) account for 78.3% of the total sample (422/539) and are the source of the largest number of claims (27 and 13, respectively).
- **Education Gap in Direct Claims:** Respondents with No formal Education have **0** self-reported claims, indicating a potential barrier in accessing the direct claim process compared to higher educational groups.

These insights recommend strategic actions to overcome barriers and leverage existing strengths:

1. Address the Affordability Perception Barrier

- **Action:** Launch targeted awareness campaigns that focus on the cost-benefit ratio rather than the absolute premium amount.
- **Messaging:** Directly address the perception of non-affordability by framing the premium as an essential, small investment for the ₹2 lakh risk coverage. Highlight the *monthly* cost breakdown (e.g., "less than ₹1 per day") to make it seem negligible.
- **Insight:** The high "not affordable" perception (82.7%) is the scheme's main deterrent. Converting this perception is crucial for wider adoption.

2. Empower and Scale the Bank Sakhi Network

- **Action:** Invest in advanced training and resource provision for Bank Sakhis to transform them from mere enrollers into *claim facilitators* and *financial literacy educators*.
- **Incentive:** Review incentive structures to reward the successful completion of the claim **cycle** (i.e., payment disbursement) rather than just enrollment numbers.
- **Insight:** The Bank Sakhi network is the engine of the scheme (82% of referrals). Optimizing this channel is the most effective way to improve overall service delivery.

3. Develop Targeted Strategies for Low/No Formal Education Groups

- **Action:** Since No formal Education respondents had 0 self-claims, the communication and claim procedures need to be simplified and made fully verbal/visual.
- **Implementation:** Utilize local community events, radio announcements, and simplified pictorial materials to explain the enrolment and claim steps, bypassing literacy barriers.
- **Insight:** A lack of formal education correlates with a complete absence of direct claim experience, suggesting a structural barrier in the claim process for the least educated.

4. Leverage Indirect Claim Awareness for Trust Building

- **Action:** Create a formal testimonial program using those who reported **"**Yes (someone I know)" to share success stories within their communities.
- **Messaging:** Convert the high indirect awareness (308 respondents) into direct trust by showcasing local beneficiaries and the ease of the claim payout process.

- **Insight:** Widespread indirect awareness indicates a ready audience for social proof. Converting this awareness into confidence can drive up the proportional rate of self-enrollment.

claims * education Crosstabulation

Count

		education				
			Graduate and above	No formal Education	Primary	Secondary	Total
claims		3	3	1	0	5	12
	No	1	53	5	17	88	164
	Yes	2	28	0	6	19	55
	Yes (someone i know)	4	123	7	40	134	308
Total		10	207	13	63	246	539

Interpretation

This crosstabulation table shows the joint distribution of two variables: claims (the type of claim experience a respondent has) and education (the highest level of formal education achieved by the respondent). The table contains the count of respondents falling into each category combination.

The total number of respondents in this dataset is 539.

Key Observations by Claim Type

1. "No" Claim Experience

- A total of 164 respondents reported having No claims experience themselves.
- The largest proportion of these respondents are in the Secondary education group (88), followed by Graduate and above (53).
- Respondents with No formal Education (5) and Primary education (17) form smaller groups in this category.

2. "Yes" (Self-Reported Claim)

- A total of 55 respondents reported they Yes have made a claim themselves.
- The Secondary education group has the highest count (19) of self-reported claims.
- The Graduate and above group is close behind (28), showing that people across various educational levels have made personal claims.
- The No formal Education group has 0 respondents who made a personal claim.

3. "Yes (someone I know)" (Indirect Claim Experience)

- The largest group overall is the 308 respondents who have indirect claim experience (Yes (someone I know)).
- The majority of these respondents are in the Secondary education group (134), followed by the Graduate and above group (123). This suggests that indirect knowledge of claims is very common, especially among those with at least a secondary level of education.

Key Observations by Education Level

1. Secondary Education

- This is the largest education group, with 246 total respondents.
- It accounts for the highest count across all three claim categories: 88 for "No", 19 for "Yes", and 134 for "Yes (someone I know)". This is likely due to it being the largest group in the sample.

2. Graduate and Above

- This group has 207 total respondents.
- A high number of people in this group (123) know someone who has made a claim.
- This group has the second-highest counts across all three claim categories.

3. No Formal Education

- This is the smallest group with only 13 total respondents.
- Notably, 0 people in this group reported making a claim themselves ("Yes").

4. Primary Education

- This group has 63 total respondents.
- The majority of respondents in this group (40) know someone who has made a claim, while only 6 have made a claim themselves.

Summary and Potential Inferences

The distribution suggests that indirect experience with claims (Yes (someone I know)) is the most common experience across all educational levels, accounting for 308 out of 539 total responses.

While the higher-frequency educational categories (Secondary and Graduate and above) have the

highest raw counts for personal claims ("Yes"), these counts need to be viewed in relation to the Total for that education level to determine a proportional risk or rate.

claims * Occupation Crosstabulation

Count

	Occupation									
		Daily Wage Worker	Farmer	Homemaker	Other	Retired	Salaried (Private/G	Self-employeed	Student	Total
claims	3	2	0	0	0	0	1	5	1	12
No	1	26	70	8	5	0	3	50	1	164
Yes	0	2	13	4	2	0	4	27	3	55
Yes (someone i know)	2	13	103	19	2	5	8	154	2	308
Total	6	43	186	31	9	5	16	236	7	539

Interpretation of Claims * Occupation Crosstabulation

The table presents the count of respondents (Total N=539) categorised by their occupation and their claim experience

---

Key Observations by Occupation

Occupation	Total Count (N)	No Claim Experience (Count)	Yes (Self Claim) (Count)	Yes (Someone I Know) (Count)
Self-employed	236	50	27	154
Farmer	186	70	13	103
Homemaker	31	8	4	19
Daily Wage Worker	43	26	2	13
Salaried	16	3	4	8

(Private/G)				
Student	7	1	3	2
Other	9	5	2	2
Retired	5	0	0	5

1. Self-employed (Highest Group)

- This is the **largest occupational group** with N=236 respondents.
- **Indirect Claim Experience is Dominant:** A substantial majority (154) know someone who has made a claim, suggesting a high level of community awareness regarding insurance claims among this group.
- **Personal Claims:** The highest number of self-reported claims (27) comes from this group, which is expected given their large population size.

2. Farmer (Second Highest Group)

- This is the second-largest group with N=186 respondents.
- **Indirect Claim Experience:** High number of respondents (103) know someone who has claimed.
- **Claim Rate:** Farmers have 13 self-reported claims. Given the PMJJBY is often linked to Jan Dhan accounts and targets rural/unorganized sectors, the claims and awareness levels are significant here.

3. Daily Wage Worker

- The majority of this group (26 out of 43) reports no claim experience, which is interesting compared to the high "No" claim count among Farmers (70 out of 186).
- They have a very low number of self-reported claims (**2**).

4. Salaried (Private/G)

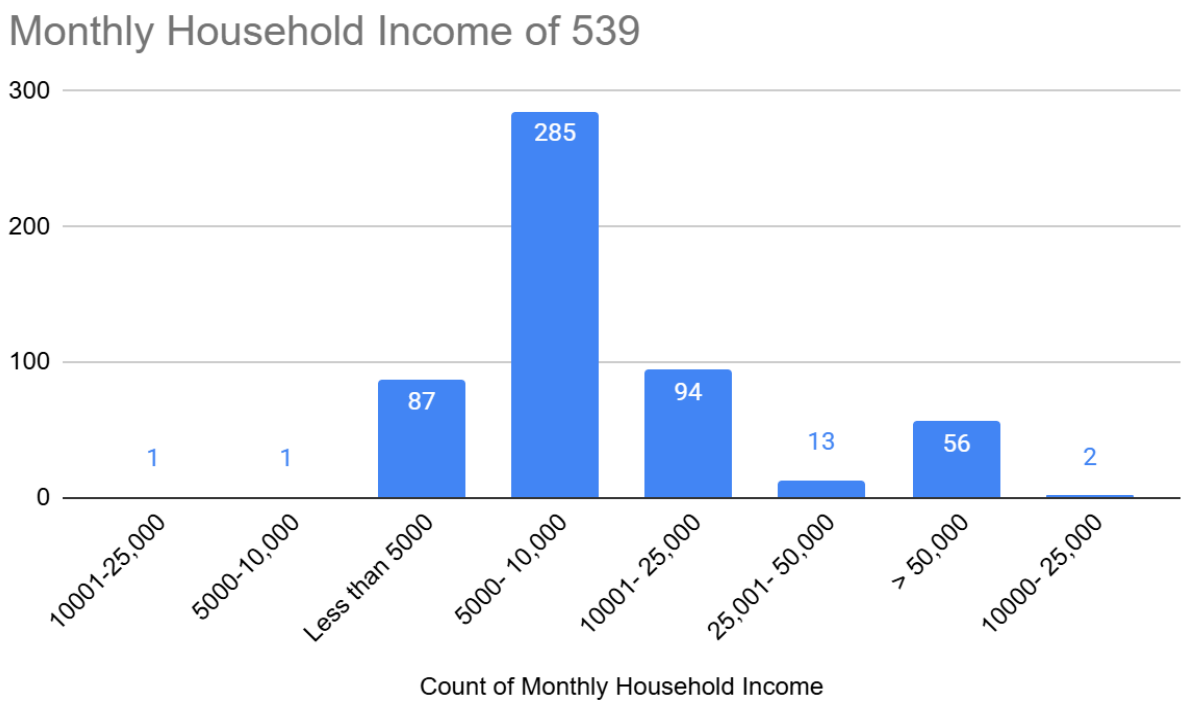
- This is a small group (N=16), but the distribution shows **8** know someone with a claim, **4** have made a claim themselves, and **3** have no experience. This group appears to have a relatively high proportional rate of direct or indirect claim experience.

5. Retired

- All **5** respondents in this small group report **knowing someone** who has made a claim, and **0** have reported a personal claim or no claim experience. This suggests 100% indirect awareness in this sample.

Inferences for PMJJBY (Pradhan Mantri Jeevan Jyoti Bima Yojana)

1. **High Awareness (Indirect Claims):** The overall prevalence of **"Yes (someone I know)"** (Total 308 out of 539) is very high across most key occupational categories (Self-employed, Farmer, Homemaker). This indicates that awareness of insurance claims, likely including schemes like PMJJBY, has successfully penetrated these target segments.
2. **Focus on Self-Employed and Farmers:** The bulk of the data (422 out of 539) comes from the Self-Employed and Farmer categories. Any interpretation regarding the success or claim patterns of a social security scheme like PMJJBY would need to heavily focus on these two groups.
3. **Low Personal Claim Count:** The total number of self-reported claims (55) is significantly lower than the number of people who know someone who claimed (308). This is expected for a life insurance product, as personal claims are based on specific, usually tragic, life events.



claims * MonthlyIncome Crosstabulation

Count

		MonthlyIncome						Total
			> 50,000	10001- 25,000	25,001- 50,000	5000- 10,000	Less than 5000	
claims		3	1	4	0	3	1	12
	No	0	0	33	5	100	26	164
	Yes	1	17	9	3	17	8	55
	Yes (someone i know)	4	38	46	4	165	51	308
Total		8	56	92	12	285	86	539

Interpretation

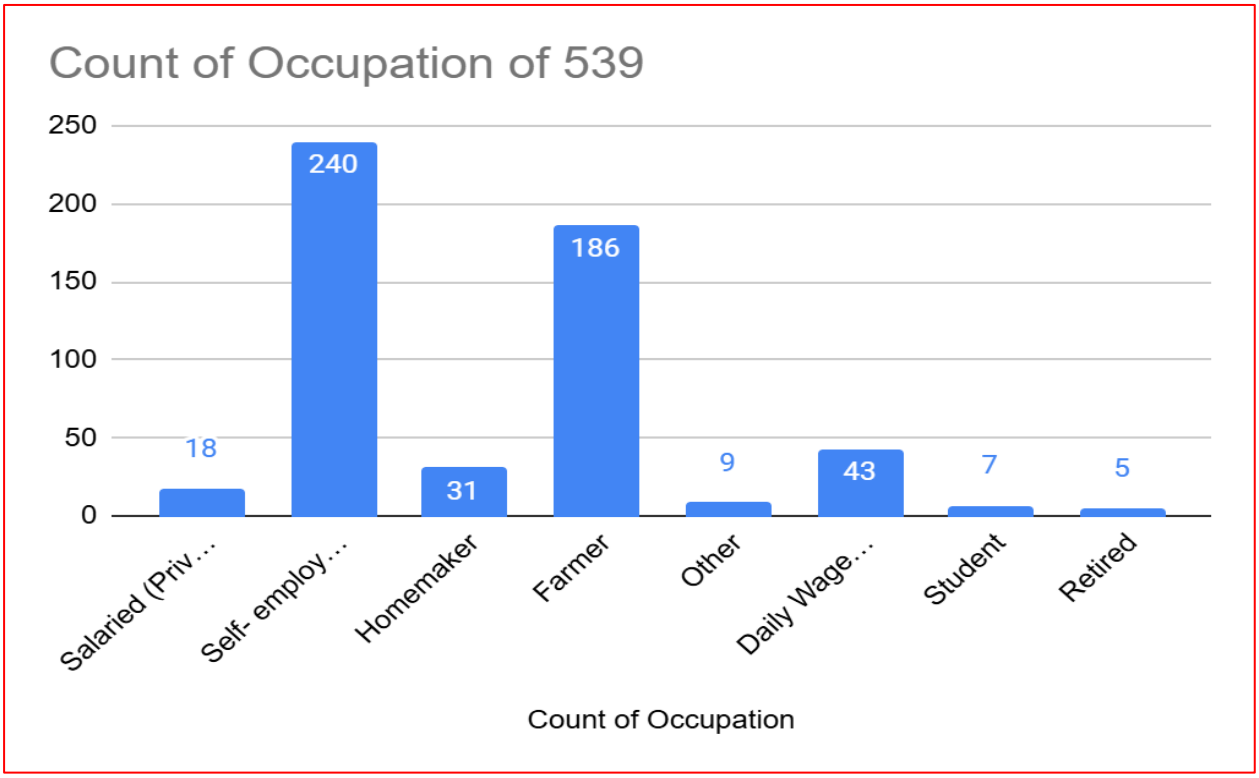
This table relates the respondent's claim experience (No, Yes, Yes (someone I know)) to their monthly income bracket.

Key Findings by Income

- **Largest Group (₹5,000 - ₹10,000):** This is the largest income group (N=285), and it shows the highest count of No claim experience (100) and the highest count of indirect claim experience ("Yes (someone I know)," 165). This suggests that claim awareness is very high in this middle-to-lower income segment.
- **Highest Income Group (> ₹50,000):** This group (N=56) exhibits a highly concentrated claim experience:

- Zero respondents reported having No claim experience.
- It has the highest count of self-reported claims ("Yes," 17), despite not being the largest group.
- 67.9% (38/56) of this group knows someone who has claimed, showing high overall claim exposure.

- **"Less than 5000":** This group (N=86) also shows high indirect claim awareness (51 respondents) relative to their size, indicating that claim information has reached the lowest income brackets.



Interpretation

This table relates the respondent's claim experience to their occupation.

Key Findings by Occupation

- **Dominant Occupations:** The Self-employed (N=240) and Farmer (N=186) categories are the largest in the sample and account for the majority of claims and claim awareness.
- **Self-employed:** This group has the highest counts in all claim categories: No (50), Yes (27), and Yes (someone I know) (154). The high indirect awareness (154) suggests strong community knowledge of the claiming process.
- **Retired Group:** This small group (N=5) shows 100% claim exposure, as none reported "No" experience or a self-claim, but all **5** reported knowing someone who claimed.

- **Daily Wage Worker:** This group (N=43) has a relatively high proportion of "No" claim experience (26) compared to the other large groups, with only 2 self-claims.
- **Salaried (Private/G):** This small group (N=16) shows a high proportional rate of direct claim experience, with 4 self-claims and 8 indirect claims.

Combined Conclusion

The data strongly suggests that **indirect knowledge of claims** (knowing someone who claimed) is widespread across almost all income and occupational groups, totaling **308** respondents.

- **Claim Concentration:** The **> ₹50,000 income group** stands out for its high proportional rate of direct claim experience and a complete absence of "No" claim reporters.
- **Target Group Engagement:** The primary target groups for many social security/insurance schemes, the **Farmers** and **Self-employed** in the **₹5,000 - ₹10,000** income bracket, show high overall exposure to the claim process, predominantly through knowing someone who claimed.

claims * referral Crosstabulation

Count

		referral											
			Bank	Bank sakhi	Bank Sakhi	CRP	CRP, Block officer	CRP/ Bank Sakhi	CRP/Bank Sakhi	Friends/family	Govt Official	Newspaper/TV	Self Help Group	Social Media
claims		8	2	0	0	0	0	0	0	1	0	0	0	1
	No	3	101	0	1	3	0	1	1	31	20	1	0	2
	Yes	1	40	0	0	3	0	0	0	8	2	0	1	0
	Yes (someone i know)	2	268	1	0	4	1	0	0	21	11	0	0	0
Total		14	411	1	1	10	1	1	1	61	33	1	1	3

Interpretation

The table analyzes 504 total entries (claims + non-claims) across four categories of 'claims' and various 'referral' sources.

Key Referral Sources and Their Impact

Referral Source	Total Referrals	No Claim	Claim (Self)	Claim (Someone I Know)
Bank	14	8	1	2

Bank Sakhi	411	101	40	268
Friends/Family	61	31	8	21
Govt Official	33	20	2	11

---

1. Dominance of Bank Sakhi

The **Bank Sakhi** is the overwhelmingly dominant referral source, accounting for 411 out of 504 total entries (around 82%).

- **Bank Sakhis** are associated with the highest numbers in every claims category:
    - "No" Claim: 101
    - "Yes" Claim (Self): 40 (This is the largest number of successful self-reported claims)
    - "Yes (someone I know)" Claim: 268

This suggests that **Bank Sakhis** are the **primary agents for mobilization**—both for scheme enrollment and assisting with the claim process, especially for helping people get claims for others they know.

2. Claim Status Breakdown

The table categorizes claims into three outcomes:

Claim Status	Total Count	Interpretation
No	187	The entry resulted in *no claim* being pursued or successful.
Yes	44	The individual made a *successful claim* for themselves.

Yes (someone I know)	352	The individual helped *someone else* make a successful claim (or reported on a claim made by someone else they know).
Total	583	(Note: The sum of row totals in the "claims" column is 583, but the column total is 504. The "claims" row categories likely represent the nature of the *referral conversation* rather than mutually exclusive participants, but the *Total* row is the reliable count of unique entries.)

- **High Proportion of "Yes (someone I know)":** The highest count is in the "Yes (someone I know)" category (352 entries across all referral types), suggesting a strong community-level engagement where individuals are facilitating claims for others, particularly in rural areas where PMJJBY operates.

3. Role of Other Channels

- **Friends/Family (61 total):** This is the second-largest referral source, indicating that **word-of-mouth** is a significant driver, especially for the "No" claim (31) and "Yes (someone I know)" (21) categories.
- **Government Official (33 total):** Government officials are also a notable source, primarily for people who end up in the "No" claim (20) and "Yes (someone I know)" (11) categories.
- **Low-Volume Referrals:** Sources like Newspaper/TV, Self Help Group, Social Media, and various CRP categories (excluding Bank Sakhi) are minor contributors, with totals of 1 to 10 entries each.

In summary, the data clearly points to the Bank Sakhi network as the most critical pillar for both enrollment and claim facilitation within the PMJJBY scheme.

claims * affordable Crosstabulation

Count

		affordable			
			no	yes	Total
claims		9	3	0	12
	No	1	147	16	164
	Yes	0	42	13	55
	Yes (someone i know)	11	254	43	308
Total		21	446	72	539

Interpretation

The table analyzes 539 total entries based on the four categories of 'claims' and two categories of 'affordable' (Yes/No).

1. Overall Perception of Affordability

The overwhelming majority of respondents considered the scheme not affordable or were associated with the "no" category:

- "no" (Not Affordable): 446 entries (82.7% of the total 539)
- "yes" (Affordable): 72 entries (13.4% of the total 539)

The data suggests that for the people captured in this study, the perception of non-affordability is significantly higher than the perception of affordability.

2. Relationship between Affordability and Claim Status

The analysis shows how the affordability perception correlates with the nature of the claim:

Claim Status	Total Entries	"no" (Not Affordable) Count	"yes" (Affordable) Count	% of Claim Status who said "yes"
No	164	147	16	9.8%
Yes (Self Claim)	55	42	13	**23.6%**
Yes (someone I know)	308	254	43	13.9%
Total	539	446	72	13.4%

Successful Self-Claims vs. Affordability: The category of people who successfully made a claim for themselves ("Yes") has the highest proportion who considered the scheme affordable (13 out of 55, or 23.6%). This suggests that individuals who actively benefit from the scheme (by making a self-claim) are more likely to perceive the scheme as affordable.

- "No" Claims and Non-Affordability: The largest number of entries overall falls into the intersection of "No" claim and "no" affordability (147). This indicates that people who did not make a claim are also most likely to perceive the scheme as not affordable.
- Claims for Others ("someone I know"): Even in the largest category of "Yes (someone I know)" (308 total), the perception of non-affordability (254) vastly outweighs the perception of affordability (43).

claims * enrolmentPurpose Crosstabulation

Count

		enrolmentPurpose						
			Bank suggested	easy process	family security	Govt scheme	Low premium	Total
claims		9	0	0	3	0	0	12
	No	2	23	3	105	23	8	164
	Yes	0	1	3	46	3	2	55
	Yes (someone i know)	1	13	3	270	14	7	308
Total		12	37	9	424	40	17	539

Interpretation

The table analyzes 539 total entries based on the four categories of 'claims' and five primary reasons for enrolment, Purpose (excluding the first column, which may be a general 'Other' or 'No specific reason').

1. Dominant Enrolment Purpose

The most significant reason people enrolled in the scheme is family security, accounting for 424 out of 539 total entries (approximately 78.7%).

Enrolment Purpose	Total Count	% of Total
family security	**424**	**78.7%**
Govt scheme	40	7.4%
Bank suggested	37	6.9%
Low premium	17	3.2%
easy process	9	1.7%

The scheme's core value proposition—providing security for the family—is the overwhelming primary driver for enrollment.

2. Relationship between Enrolment Purpose and Claim Status

The table shows how the purpose for enrollment correlates with the nature of the claim:

Claim Status	family security	Bank suggested	Govt scheme	Low premium	easy process
No (164 Total)	105	23	23	8	3
Yes (55 Total)	**46**	1	3	2	3
Yes (someone i know) (308 Total)	**270**	13	14	7	3

Family Security & Claims: Family security is the primary enrolment reason across *all* claim categories, reinforcing its importance as the scheme's main motivator.
It accounts for **46 out of 55** successful self-claims ("Yes").
It accounts for **270 out of 308** claims made for others ("Yes (someone i know)").

- **Bank Suggested:** This category is most associated with people who eventually made **"No"** claims (23 out of 37 total for this column), suggesting that enrollment purely based on a bank suggestion might lead to less proactive claim behavior, or that these enrollees were simply less likely to have a need to claim.

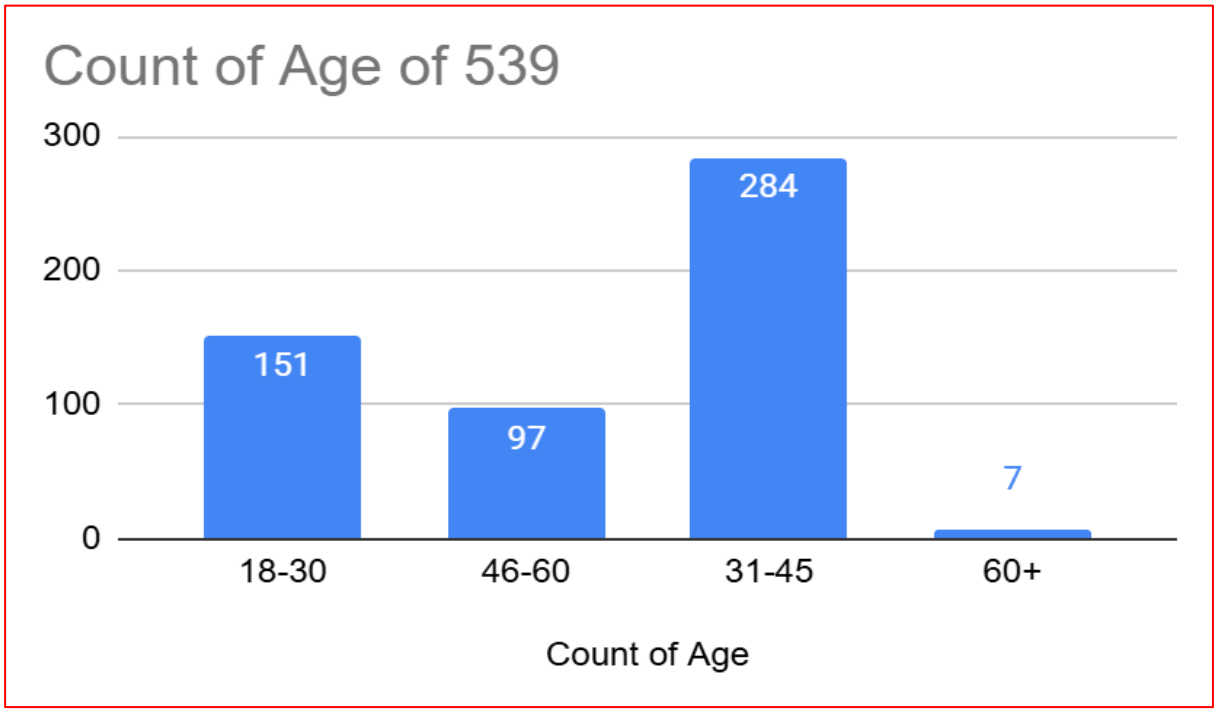
- **Low Premium:** This purpose is a relatively minor driver, indicating that while a low premium is important, **family security** (the benefit) is a much stronger motivator than the **cost** (the premium).

7. RECOMMENDATIONS/SUGGESTIONS

For Enhancing PMJJBY Enrollment: Survey Insights and International Perspectives Recent survey analysis (SPSS-based) revealed that demographic factors significantly influence PMJJBY enrollment, underscoring the need for targeted interventions.

Gender: Women exhibit higher enrolment rates than men, suggesting that outreach via women's self-help groups and health workers has been effective and should continue. Conversely, men have lagged in uptake, indicating a need for workplace campaigns and messaging that appeals to men's provider roles.

Age: Enrollment peaks in the 31–45 age group (~64.5%) and is relatively high among youth (~60%) but drops to ~41% for those 45–60 age group. This trend calls for retention efforts for prime-age adults (e.g. auto-renewal reminders) and reassurance outreach for middle-aged individuals (emphasizing no medical exam and ease of claims for older enrolees).

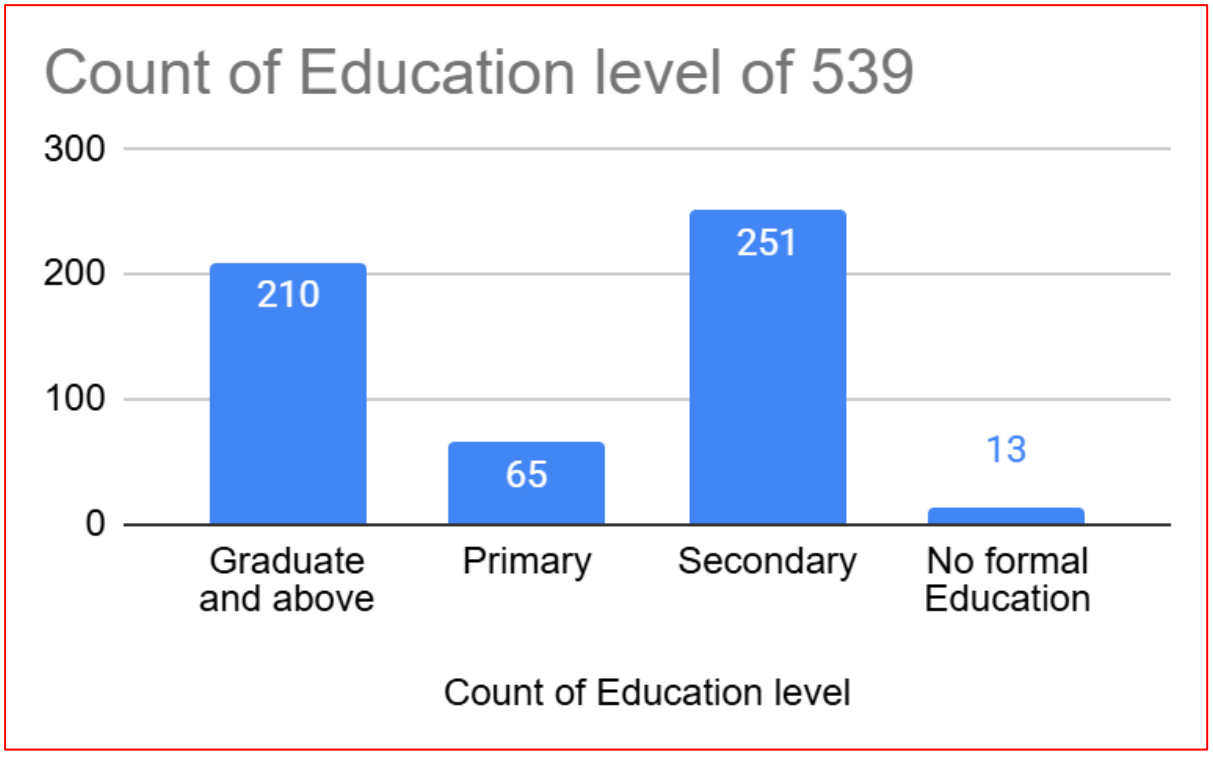


Occupation: Stark contrasts emerge across occupations – alarmingly, none of the surveyed daily wage labourers were enrolled, whereas farmers had near 100% enrollment. Homemakers (primarily women) showed an enrollment rate of ~83%, while salaried formal-sector workers were enrolled at a rate of ~33%. These gaps highlight the need to prioritise informal and vulnerable workers (with on-site enrollment drives and possible premium subsidies for daily wagers), while also engaging the formal workforce through HR departments and bundling of

PMJJBY with other benefits.

Income: The scheme currently attracts lower-income households the most – nearly 90% uptake in the <₹10k/month group – but participation plummets to ~12% among those earning >₹50k. This suggests affordability and value-proposition are key: continuing to subsidize or facilitate premiums for the poor, while repositioning the scheme for higher-income groups as a *social responsibility or easy add-on* could improve balance.

Education: Interestingly, the least educated (no schooling or primary) and the highly educated (college graduates) both showed ~100% enrollment, whereas those with secondary schooling had slightly lower rates (~82%). This "middle education" segment may harbour scepticism or lack nuanced understanding, so targeted educational campaigns (using simple cost-benefit illustrations and myth-busting about claims) should focus on secondary-school educated adults.



Geography: The survey found no statistically significant rural–urban gap in enrollment; however, given typically lower awareness and access in rural areas, proactive rural outreach (mobile enrollment vans, village camps) is warranted to prevent exclusion. In sum, these insights point to a strategy of data-driven targeting: identify under-enrolled groups and tailor interventions accordingly. Regular monitoring of enrollment by gender, age, occupation, etc., should inform ongoing adjustments in campaign focus and resource allocation.

Enhance Awareness and Financial Literacy

Widespread lack of insurance awareness remains a fundamental barrier. A multi- pronged education campaign is recommended to improve public awareness and financial literacy regarding insurance. This includes launching multi-channel awareness drives in local languages via radio, TV, social media, and community meetings to explain the benefits of PMJJBY in simple, relatable. Grassroots networks (self-help groups, NGOs, microfinance circles) should be leveraged to disseminate information and answer questions at the community level. Integrating basic insurance concepts into existing financial literacy programs and even school curricula will build long-term understanding; survey data showed higher education correlates with uptake, so improving general financial education can demystify insurance for those with less schooling. In villages and towns, workshops and skits can cover how life insurance works, why PMJJBY is important for family security, and how to enroll. It is also vital to highlight success stories – for example, sharing real-life cases of families promptly receiving the ₹2 lakh payout, which makes the scheme tangible and builds a narrative that PMJJBY is a reliable safety net rather than an abstract. Such storytelling, showing how claim settlements helped bereaved families, can motivate enrollment by putting a human face on the benefits, especially for first-time insurance. Overall, sustained and culturally resonant awareness efforts will build an informed population that understands the value of life insurance and is motivated to participate.

Improve Accessibility and Affordability

Even when awareness exists, practical barriers to access and cost hinder enrollment. To enhance accessibility, the scheme's availability must extend beyond bank branches. Enrollment touchpoints should proliferate: India Post offices, Common Service Centres, mobile vans, and local government offices can serve as additional sign-up venues. This expansion ensures even remote and underserved areas have nearby access to PMJJBY, addressing distribution gaps identified by policymakers. Community leaders can be enlisted to host "insurance camps" in marketplaces or panchayat gatherings, offering on-the-spot information and enrollment assistance. Simultaneously, the enrollment process should be simplified to encourage participation. Application forms must be short, available in regional languages, and assistance provided for those with low literacy. Embracing digital solutions (e.g. a mobile app or OTP-based sign-ups) can attract younger, tech-savvy users, while retaining paper options and personal help for other. A more user-friendly and streamlined process will mitigate the "complexity" barrier that often deters people from insurance.

Affordability is another critical factor, even though PMJJBY's annual premium of ₹436 is modest. For India's poorest, this amount can still be a hurdle. Policymakers should consider targeted subsidies or flexible payment options for low-income. For example, a partial premium subsidy or first-year fee waiver for below-poverty-line households could be introduced. Allowing micro-payments – such as daily or weekly contributions of just a few rupees – would enable wage labourers to pay in instalments, aligning with their cash flow. Employers and local authorities might facilitate collecting these small contributions or deduct the premium from wages or welfare payments to spread out the cost. These measures ensure that those who live day-to-day are not excluded from coverage due to an inability to pay a lump sum. In summary, making the scheme physically reachable and financially accessible – by broadening enrollment channels, simplifying procedures, and subsidising or staggering payments for the very poor will significantly boost participation among marginalised populations.

Build Trust through Transparency and Cultural Alignment

Low trust in insurance providers and misaligned cultural perceptions can suppress enrollment, even when people are aware and able to pay. It is therefore essential to build public trust in PMJJBY's fairness and reliability and to align the scheme with cultural values.

Transparency and Prompt Service: The government and insurers must demonstrate that PMJJBY delivers on its promises. A key step is ensuring timely claim settlements – nothing erodes trust faster than families struggling to get a payout. Clear service standards should be set and publicized (e.g. claim decisions within a strict timeline, such as two weeks of submitting documentation. In addition, a dedicated grievance redressal mechanism is needed to help nominees file claims and resolve issues, assuring participants that their families will receive benefits without undue hassle.

Consumer protection measures should be strengthened: there have been reports of bank accounts being auto-debited for enrollment without informed consent, which breeds mistrust. To counter this, every enrollee must get a clear confirmation (SMS or receipt) when they join, plus annual reminders before renewal, so they are fully aware of their coverage. Any malpractices like mis-selling or enrolling individuals unknowingly should attract penalties. By safeguarding customer rights and making the scheme's terms and processes transparent (what is covered, how to claim, etc.), PMJJBY will earn greater credibility. Furthermore, local trust-builders should be leveraged in promotions: respected community figures – teachers, elders,

social workers, even religious leaders – can endorse the scheme and vouch that it is beneficial and Sharia-compliant or culturally acceptable if needed. Hearing from trusted peers and authorities can allay fears that insurance is a scam or against community norms. Organising small community events where current beneficiaries (or their families) share positive experiences (e.g. "I received the claim without hassle, and it helped my family") can transform the idea of insurance from an abstract concept into a concrete, trusted support system. Such peer testimony is powerful in converting sceptics.

Cultural Alignment: Outreach efforts must respect and resonate with India's diverse cultural attitudes towards insurance. In some communities, insurance has been viewed with suspicion – either as unnecessary (due to reliance on joint family support) or even as inviting misfortune by discussing death. It is crucial to frame the messaging in culturally positive terms. For example, emphasise that enrolling in PMJJBY is an act of protecting one's family and fulfilling one's responsibility, rather than focusing on the risk of death. By casting life insurance as an act of love and prudence (not pessimism), we address the superstition that insurance equals courting bad luck. All communication should use local languages and idioms. Materials need to be translated into regional dialects and employ familiar analogies or proverbs that convey the idea of preparing for a rainy day. For low-literacy audiences, non-textual formats are vital: pictorial brochures, comics, community radio spots, even folk songs or street plays can effectively communicate the scheme's benefit. By aligning outreach with local culture and language, PMJJBY will no longer feel like an "alien" concept imposed from outside, but rather a natural extension of community safeguarding traditions. Community institutions should also be partners in this cultural alignment. Self-help groups (especially women's groups) can incorporate PMJJBY promotion in their meetings, and religious or social gatherings can include brief, respectful mentions of the scheme's benefits. For instance, informational sessions after worship services or announcements during festivals (handled sensitively without a commercial tone) can normalize the idea of insurance in spaces people trust. Such community-based, culturally tuned outreach ensures the program is presented in a familiar, trust-rich environment, which is critical for overcoming deep-seated reservations and ensuring all social segments view life insurance as acceptable and beneficial.

Strengthen Policy Design and Strategic Collaboration

Achieving massive coverage under PMJJBY and broader health insurance requires not just grassroots efforts but also policy-level innovations and cross-sector collaboration. A more robust policy design can support the above recommendations and ensure long- term sustainability:

Data-Driven Policy and Monitoring: Policymakers should use empirical insights (like the survey results) to continually refine the scheme. The analysis has identified specific gaps – for example, zero enrollment in certain worker groups or lower rates in certain education brackets. These findings should directly inform where to focus next. A system of data-driven targeting can allocate more resources and tailored campaigns to lagging segments or regions. The government should institute regular monitoring of enrollment metrics across demographics and geographies, creating a feedback loop for continuous improvement. If uptake remains low in a group despite efforts, further research (including qualitative studies and field feedback) should investigate why, enabling timely course-corrections. In essence, treat PMJJBY's implementation as iterative and evidence-based, adjusting strategies as new data on challenges emerge.

Cross-Sector Collaboration: Expanding insurance coverage is a multi-stakeholder endeavour. The government can enact enabling policies – for instance, permitting a broader range of distribution partners (mobile payment firms, India Post, telecom companies) to enroll people, or offering modest incentives to banks and business correspondents for each enrollment. Insurance providers could innovate products that complement PMJJBY, such as bundled offerings or occupation-specific variants. For example, insurers might link PMJJBY enrollment with other popular products (a farmer's crop loan package, or a migrant worker's remittance service) to reach target groups in context. NGOs, microfinance institutions, and community health workers should be formally integrated into outreach campaigns – their door-to-door contact and grassroots credibility can drive enrollment among hard-to-reach populations. By forging partnerships between government agencies, financial institutions, insurers, and civil society, the campaign gains both scale and trust: each stakeholder contributes its strengths to a unified push for greater coverage.

Continuous Improvement and Adaptability: The policy framework for PMJJBY should allow flexibility to adapt over time. As the scheme matures, policymakers could explore tweaks like auto-renewal by default (with an opt-out option) to prevent lapses for those who forget annual renewal, since evidence suggests many drop out unintentionally. If certain demographics (e.g., those ageing out of eligibility at 55–60 years) face coverage gaps, consider introducing follow-on affordable schemes for senior citizens or raising the age limit slightly to ensure continuity. Regular feedback from beneficiaries and field agents is invaluable: setting up a forum or helpline for suggestions can uncover procedural bottlenecks or misinformation that top-down views miss. Additionally, an emphasis on ongoing research is needed – commissioning studies

that evaluate PMJJBY's impact and uptake annually will provide accountability and fresh ideas. In summary, a forward-looking policy design that encourages innovation, inter-departmental cooperation, and responsiveness to data will underpin the scheme's success.

Integrate International Best Practices in Insurance Strategy:

One innovative approach could be the introduction of a mandatory Life and Accident Savings Account, wherein a nominal deduction (e.g., ₹40 per month) is auto-debited from each individual's bank account. This accumulated fund would directly finance the annual premiums for PMJJBY and PMSBY. Such a mechanism would guarantee universal coverage, reduce lapsation, and create a sustainable pool of resources without placing undue burden on individuals.

India can strengthen its life and health insurance ecosystem by learning from international models that have successfully expanded coverage. In particular, experiences from Singapore, Japan, and South Korea offer valuable lessons on structuring insurance (and the balance between voluntary and mandatory approaches).

Mandatory Savings and Tiered Coverage (Singapore's Model):

Singapore's health financing system emphasises individual *accountability* and pre- funding of care. Each worker contributes a portion of income (about 3–4%, matched by employers) into a dedicated Medisave health savings account. These savings pay for routine and hospital expenses, while a complementary MediShield insurance scheme (with premiums drawn from Medisave funds) covers catastrophic illnesses. The government provides substantial subsidies for basic care – for example, it underwrites costs in public clinics and hospital wards – but expects patients to shoulder more of the cost if they choose higher levels of service. A tiered co-payment system means that those opting for the most basic ward pay only ~20% of costs, whereas patients in deluxe facilities pay ~80%. This model has ensured broad coverage and cost containment by marrying mandatory personal savings with insurance for big risks, and by using price signals to encourage cost-conscious choices.

Recommendation for India: A similar approach could be adapted to complement existing schemes – for instance, introducing mandatory health savings accounts for formal sector workers (as a percentage of salary) matched by employers, ensuring every worker accumulates funds for health needs. Alongside, a catastrophic insurance layer (analogous to MediShield) can

be funded from these accounts to protect against major illnesses. India's government could also increase subsidies for essential services in public hospitals to keep care affordable for the poor. Such structural changes would foster a culture of savings for health, reduce out-of-pocket expenditures, and create a more accountable insurance system. Importantly, any mandatory contributions must be transparently managed (perhaps via a digital platform tracking each individual's contributions and claims) to build trust in this system.

Sickness Funds and Universal Mandates (Japan & Korea's Model):

Several countries have achieved near-universal coverage by making insurance compulsory and using non-profit insurers or "sickness funds" to administer coverage. In Japan, a comprehensive social insurance system covers virtually the entire population through a mix of employment-based and community-based insurance plans. Employers and employees jointly finance premiums, and benefits are standardized to ensure equitable access. Germany's system is similar: health insurance is compulsory for about 90% of the population (with only the highest earners allowed to opt out), and is run by not-for-profit insurance societies known as sickness funds. Employers and workers share the premium cost, and the government defines the benefit package, ensuring essential services are covered for all. South Korea offers a pertinent example for India: the government mandated universal health insurance, achieving coverage of 90% of citizens through contributory schemes and the remainder via a public assistance program for the poor. Notably, Korea initially had hundreds of independent regional sickness funds (313 at one point) managing healthcare for different groups (corporate employees, civil servants, self-employed etc.), before later consolidating them for efficiency. These sickness funds are non-profit insurance pools that collect contributions and pay providers, under government regulation of benefits and co-payment rates. The overall lesson is that compulsion and risk pooling have been critical to these nations' success: by law, everyone contributes according to their ability (via payroll or income- based premiums), which spreads risk broadly and prevents adverse selection.

Recommendation for India: Policymakers should evaluate the feasibility of expanding mandatory elements in the insurance system. While PMJJBY is voluntary, India could consider mandating at least a basic life or health insurance contribution for certain groups (for example, formal sector workers could be automatically enrolled) to widen the risk pool. The idea of regional or sectoral insurance societies could be piloted – non-profit trusts or cooperatives that manage life/health insurance for informal workers, with perhaps government seed funding or reinsurance support. These would function akin to Japan/Korea's sickness funds, focusing on

coverage of their member base and operating under guidelines for minimum benefits and claims processing standards. By requiring broad participation (or at least strongly incentivizing it) and organizing contributors into collective pools, India can move toward universal coverage in a way that pure voluntary schemes have struggled to achieve. It is worth noting that in countries where insurance is left purely voluntary and market-driven (such as the United States), large portions of the population tend to remain uninsured, especially in developing contexts where private insurance covers under 5% of people. Thus, a calibrated shift toward mandated coverage – even if initially for specific sectors or via default enrollment with opt-out – could dramatically increase insurance penetration.

Balancing Voluntary and Mandatory Approaches:

The trade-off between voluntary enrollment and mandatory insurance needs careful consideration. Voluntary schemes like PMJJBY offer freedom of choice and have the advantage of being politically palatable and flexible. They also encourage an ethos of personal responsibility – individuals opt in to protect themselves from risk. However, as international experience shows, voluntary insurance alone often yields suboptimal coverage; many vulnerable individuals will remain uninsured due to inertia, lack of awareness, or cost concerns. Mandatory schemes, on the other hand, ensure inclusion but require strong administrative capacity and public buy-in. A pragmatic path for India is to blend these approaches: continue voluntary mass schemes like PMJJBY to cover the uncovered in the short term but gradually introduce mandates or automatic enrollment for segments that can afford it (with government subsidies for those who cannot). This could involve, for example, automatically enrolling all Jan Dhan Yojana bank account holders into PMJJBY with an option to opt out, rather than opt in – leveraging inertia to increase coverage. In parallel, building the regulatory and digital infrastructure (Aadhaar-linked databases, etc.) to administer large-scale insurance pools will pave the way for more universal, possibly mandatory insurance in the future, akin to how Japan and Korea built their systems. Learning from abroad, India should also emphasize accountability and sustainability in any expanded insurance model: whether funds are collected via mandatory contributions or tax-subsidies, mechanisms to prevent misuse and ensure efficient healthcare delivery (such as standardized pricing, anti-fraud systems, and co-payment provisions to prevent overuse) must be instituted. By integrating global best practices with local innovations, India's insurance policy can evolve into a more comprehensive system that provides financial protection to all citizens while remaining financially viable.

Targeted Strategies for Diverse Demographic Groups:

To make PMJJBY truly inclusive, strategies should be tailored to specific demographic segments identified by the survey as having distinct behaviours or needs. Below are targeted recommendations for key groups:

- Women as Insurance Catalysts: With women enrolling in PMJJBY at higher rates than men, leveraging their role can amplify coverage. Outreach programs should continue to focus on women-centric platforms – e.g. through Anganwadi workers, self-help groups, and microfinance networks that educate women on insurance. Women can be empowered as "ambassadors" to convince spouses and relatives; for instance, when a woman signs up, encouraging her to bring her husband on board (couple enrollment drives) can help close the gender gap. Enrollment camps should be scheduled at times and places convenient for homemakers, with female staff available, to maintain the welcoming environment that has driven women's participation. These efforts both protect more women (who often are financially vulnerable) and use women's higher receptivity to pull the entire family into coverage.

- Engaging Men and Breadwinners: Men's enrollment lags partly due to misconceptions (e.g. "I already have insurance through work" or seeing PMJJBY as a poor man's scheme). Workplace campaigns are crucial to reach men: employers in factories, offices, and even informal sectors should facilitate on-site sign-ups and include PMJJBY in HR orientations. Messaging for men should appeal to their provider instinct, framing the scheme as a simple way to secure their family's future even if they are not around. Clearing up misunderstandings (that one can have PMJJBY *in addition* to other insurance, or that it's not only meant for the very poor) will help normalise it among middle-class males. Additionally, involving women in persuasion (as noted above) can be effective: a family-based approach where wives encourage husbands, or children remind parents about insurance, can nudge men who might otherwise be complacent.

- Daily Wage and Informal Workers: The survey's most concerning gap was among daily wage labourers, none of whom were enrolled. This group, often illiterate and living hand-to-mouth, faces both awareness and affordability barriers.

- Policy action: Government ministries (labour and rural development) should collaborate to target this segment. One idea is to tie PMJJBY enrollment to public works programs like MGNREGA – whenever a labourer is employed under such a program or at construction

sites, local officials and contractors facilitate their enrollment on the spot. The government could even mandate that employers of informal labour (where feasible) include PMJJBY enrollment as part of the job on-boarding or provide small incentives (e.g. a bonus day's wage) for workers who enroll.

- Outreach action: Use ultra-simple, visual messaging since many in this group have limited education. NGOs and community organizations working with informal workers (e.g. street vendor unions, rickshaw puller associations) should be funded to conduct door-to-door campaigns in slums and labor colonies. To address affordability, as discussed, flexible payment schedules or subsidies are key – even ₹436/year can be difficult during lean seasons. Aligning premium collection with cash-flow (for example, deducting a small amount each workday, or during harvest for agricultural laborers) can prevent drop-offs. Bringing this vulnerable group under the insurance net is urgent, as they are most likely to face financial ruin from a breadwinner's death.

- Farmers and Rural Populations: Farmers in the sample had among the highest enrollment (100% of surveyed farmers), likely due to concerted drives via banks and Kisan Credit Card linkages. This success should be maintained and expanded. Every time a farmer interacts with institutional touchpoints – whether taking crop loans at a bank, buying seeds at a cooperative, or meeting an agricultural extension officer – is an opportunity to (re)enroll or remind them about PMJJBY.

- The PM-Kisan Samman Nidhi scheme already reaches over 10 crore farmer households, providing an annual transfer of ₹6,000. By automatically deducting ₹456 (₹436 for PMJJBY and ₹20 for PMSBY) from this transfer, every beneficiary could be seamlessly covered under both life and accident insurance schemes, thus ensuring near-universal protection for India's farming community.

- The program can be piggybacked on agricultural routines: for example, deduct the premium from crop sale proceeds or include an insurance brochure with subsidy checks. Farmers often trust government-endorsed schemes, so branding PMJJBY clearly as a government-backed safety net for farmers' families will reinforce uptake. Given the seasonal nature of farm income, timing premium payments right (e.g. after a harvest) or offering a grace period in drought years could prevent lapses. Ensuring rural banks and cooperatives are well-trained to handle PMJJBY inquiries will further solidify the rural gains. More broadly, rural outreach should intensify in any areas that might still lag: deploy mobile vans to remote villages, organize village insurance days, and use traditional media (like folk songs, puppet

shows, or wall paintings) to sustain awareness. The goal must be to leave no village behind, even if overall rural uptake looks high – continuous monitoring can catch pockets of low enrollment for targeted interventions.

- Salaried and High-Income Individuals: Paradoxically, formal sector workers and higher-income earners show lower interest in PMJJBY (only ~33% of surveyed salaried employees enrolled, and mere ~12% of >₹50k income group). Many in these categories assume they don't need this scheme – either they have employer-provided insurance, or they consider ₹2 lakh coverage too meager to bother. To engage middle and high-income groups, the narrative around PMJJBY must shift. It should be presented not as a charity or low-end product, but as a "no-friction" supplemental cover that even the well-off can benefit from. For instance, highlight that PMJJBY involves no medical tests or paperwork and will pay out quickly – making it a useful quick liquidity source for family emergencies, even if one also holds a larger life policy. Essentially, portray it as a simple way to add an extra layer of financial protection with negligible effort or cost. Another approach is to appeal to a sense of civic duty or solidarity: enrolling in PMJJBY despite having other insurance can be framed as contributing to the wider risk pool, keeping the scheme viable for poorer subscribers (a concept of social responsibility). For the very well-off, policymakers might consider introducing tiered options – for example, a higher premium for a higher sum insured (say ₹5 lakh cover). Even if not under PMJJBY's current structure, parallel schemes for higher sums could attract those who find ₹2 lakh insufficient. Banks and insurers should also market PMJJBY enrollment during the sale of other products to these clients, as a tiny add-on when opening an account, taking a loan, or buying investment products. The convenience and goodwill factor can be selling points. Finally, it's important to prevent drop-offs as incomes rise: families that joined PMJJBY when poorer might drop it as their earnings grow and they purchase private insurance. Financial advisors and bank relationship managers should encourage clients to retain this basic cover as a complement (because its cost-benefit remains favourable) and not become complacent when their economic status improves. Keeping the middle class engaged in PMJJBY both expands the risk pool and ensures they have a baseline protection if other policies lapse or jobs change. Students, Youth, and No-Income Groups: A segment identified with 0% enrollment was individuals with no personal income (unemployed youth, students over 18, non-earning dependents). Many of these young adults may not realize they are eligible for PMJJBY (since it's tied to having a bank account, not an income). Inclusion of non-earners can be improved by family-centric enrollment policies. For example, when a household head enrolls, banks could allow

adding dependent college students or unemployed spouses under the same policy or via a simple process. The government might even sponsor premiums for certain no-income groups – e.g. full-time students or registered job-seekers – recognizing that covering them yields social benefits (reducing the burden on families if a tragedy strikes). Colleges and vocational institutes are strategic venues for outreach: financial literacy sessions for final-year students can inform them that as they turn 18 and open Jan Dhan accounts, they too can (and should) enroll in schemes like PMJJBY. For unemployed urban youth, tying insurance awareness to job fairs or skill training programs could capture those entering adulthood. Essentially, no adult should remain uninsured simply due to lack of income – either their family includes them, or the state provides a backstop for certain categories (as is done in some countries via student insurance or unemployment benefits).

- Similar integration could be achieved by linking premium deductions to existing welfare flows such as fertiliser subsidies and MSP (Minimum Support Price) payments. A nominal deduction of ₹456 from these periodic credits, with automatic premium transfer to insurers, would institutionalise coverage and significantly expand the beneficiary base without requiring additional administrative steps.
    - This analysis of enrollment by monthly household income reveals a positive trend of inclusivity among low-income groups, while also highlighting crucial exclusions of the poorest households. Policy efforts must now be fine-tuned to ensure no one is left behind, especially those who are most vulnerable. By improving outreach, simplifying processes, and focusing on digital inclusion, this gap can be bridged.
    - Urban vs. Semi-Urban vs. Rural: While our data did not show a significant location effect, it is prudent to ensure urban populations (especially the urban poor and migrants) are not overlooked. Urban settings have different challenges: people are busy, heterogeneous, and many live in informal settlements. To improve urban enrollment beyond the current ~59% rate, digital channels can be powerful – for instance, urban banks could have their mobile apps and ATMs prompt users about PMJJBY, and city governments can send SMS blasts about the scheme. Municipal integration is a novel idea: when citizens interact with city services (registering births/deaths, paying property tax, getting trade licenses), those touchpoints can be used to disseminate PMJJBY information or even incorporate sign-up links. Special focus is needed for migrants and slum residents who may lack stable access to banks – partnerships with urban NGOs and community health centers can bring enrollment camps into slums and construction sites, mirroring the approach for rural

outreach. In semi-urban areas (small towns), the survey actually saw slightly higher enrollment (~69%), possibly due to strong penetration of banking schemes. Continuing bank-led drives in these peri-urban hubs is important, as is using local influencers (popular town councilors, school principals, etc.) to endorse the scheme in community gatherings.

Overall, maintaining geographic equity means uniform training and motivation for field staff across India: a bank officer in a metro city and a banking correspondent in a remote village should both be knowledgeable and proactive in facilitating PMJJBY enrollment. The quality of implementation and follow-up (e.g. handling claims, resolving issues) should be kept high everywhere – regulators should track if any region reports unusual issues or low performance and intervene quickly. By treating urban, semi-urban, and rural communities each with tailored outreach while upholding the same standard of service nationally, the program can ensure location does not become a barrier to access.

- **Leveraging Life Insurance Agents**

  India has a vast network of nearly 29 lakh life insurance agents, representing one of the largest trust-based distribution channels in the world. This cadre can be strategically integrated into PMJJBY promotion and servicing, particularly in semi-urban and rural regions. Agents, being locally embedded, can assist with enrollment, claims support, and financial literacy campaigns. Providing them with incentives for PMJJBY enrollments alongside their conventional sales portfolios would ensure that the scheme's reach extends to even the most vulnerable daily wage earners and informal workers.

8. CONCLUSION

The Pradhan Mantri Suraksha Bima Yojana stands as one of independent India's most consequential social policy achievements in the domain of financial inclusion and social protection. By delivering personal accident insurance to over 50 crore individuals at an annual premium of ₹20 less than the cost of a cup of tea PMSBY has fundamentally altered the insurance landscape of the world's most populous nation, particularly for its rural, informal, and economically vulnerable population.

The scheme's design genius lies in its alignment of structural simplicity with institutional scale: by plugging into the banking infrastructure created by Jan Dhan, leveraging auto-debit technology, and eliminating every traditional insurance friction point (medical tests, paperwork, complex policy terms), PMSBY has achieved coverage expansion at a speed and scale that decades of conventional insurance market development never could. Its 72%+ rural beneficiary base represents a historic reversal of the urban bias that had characterised India's insurance landscape since independence.

Yet PMSBY's unfinished agenda is significant. The zero enrollment of daily wage labourers, the persistent documentation barriers in rural claim settlement, the gender gaps in accident insurance coverage, and the limited informed consent among passively enrolled beneficiaries all point to a scheme that has conquered the scale challenge but must now address the quality and depth challenge. The path forward as the NIA study and the broader literature both affirm lies in integrated delivery with PMJJBY, expanded enrollment touchpoints, proactive financial literacy, responsive claims administration, and a capability-centric model that prioritises informed and sustained participation over mere enrollment numbers.

In the words of the NIA study that contextualises this analysis, PMSBY and PMJJBY together have 'laid the foundation for universal risk coverage. However, realising their full potential requires a shift from a coverage-centric approach to a capability-centric model one that prioritises informed participation, responsive administration, and trust-building at the last mile.'

9. SCOPE FOR FURTHER RESEARCH AND ENHANCEMENTS

This study offers valuable insights into the implementation and beneficiary experience of PMJJBY in the Pune district, serving as an important starting point for understanding the reach and perception of microinsurance schemes in similar socio-economic settings. With a sample of 539 respondents drawn from rural, semi-urban, and urban pockets, the findings provide meaningful perspectives that can guide deeper inquiries. While the geographic focus is limited to Pune, this concentrated lens allows for a more context-specific analysis, which future studies may expand upon to capture interstate and pan-India variations in socioeconomic and cultural contexts.

The use of self-reported data enables direct engagement with beneficiaries and captures their lived experiences. Recognizing the inherent challenges of self-reporting—such as recall or social desirability biases—this approach nonetheless highlights the perceptions, awareness levels, and behavior patterns that are crucial for program evaluation. Further triangulation with administrative data and stakeholder interviews can enrich the findings in future research.

While the current study focuses on beneficiaries, a natural next step would be to include insights from complementary stakeholders such as bank officials, insurance providers, and community outreach agents. Their perspectives can add depth to the analysis of service delivery mechanisms and operational challenges. Similarly, the broad categorization of variables like education and occupation has enabled pattern identification, while a more detailed classification in future research may unveil finer distinctions—such as how different types of informal workers access and engage with insurance schemes.

The study's scope did not extend to comparative benchmarking with other microinsurance models, either domestic or international. However, this opens an exciting avenue for subsequent research to assess relative effectiveness and identify best practices. Additionally, exploring cost-benefit dimensions and long-term impacts—such as household financial resilience and post-death economic stability—would provide a more comprehensive evaluation of PMJJBY's contribution to social protection.

While this study focused on core demographic factors influencing PMJJBY enrollment, future research should broaden its scope to cover additional vulnerable groups. This includes gig workers, beneficiaries under the Vishwakarma scheme, street vendors enrolled under PM SVANIDHI loans, and Mudra loan beneficiaries. These categories, although sizable and economically active, remain underinsured and deserve special policy attention. Incorporating them into the insurance discourse will enhance inclusivity and strengthen the social security net in India.

Finally, the brief mention of nominee awareness suggests further opportunities to explore claim processing outcomes and utilization patterns. A closer examination of how benefits are accessed and applied by nominees would significantly enhance the understanding of the scheme's real-world efficacy and influence on financial security.

In conclusion, while this study establishes a solid foundation, it also invites a range of research extensions that can further illuminate the transformative potential of microinsurance in India.

10. SURVEY QUESTIONNAIRE: ASSESSING THE EFFICACY OF PMJJBY & PMSBY

(This survey is conducted to evaluate the effectiveness of the Pradhan Mantri Jeevan Jyoti Bima Yojana and Pradhan Mantri Suraksha Bima Yojana. Your responses will be kept confidential and used for research purposes only.)

Section 1: Respondent Demographics

1. **Name (Optional):** _____
2. **Age:** ☐ 18-30 ☐ 31-45 ☐ 46-60 ☐ 60+
3. **Gender:** ☐ Male ☐ Female
4. **Education Level:**

   ☐ No formal education ☐ Primary ☐ Secondary ☐ Higher Secondary ☐ Graduate & Above
5. **Occupation:**

   ☐ Farmer ☐ Self-employed ☐ Salaried (Private/Govt.) ☐ Daily Wage Worker

   ☐ Homemaker ☐ Student ☐ Retired ☐ Other
6. **Monthly Household Income (₹):**

   ☐ <5,000 ☐ 5,000-10,000 ☐ 10,001-25,000 ☐ 25,001-50,000 ☐ >50,000
7. **Location:** ☐ Rural ☐ Semi-Urban ☐ Urban

Section 2: Awareness and Enrolment in PMJJBY

8. Have you heard about PMJJBY before this survey?

   ☐ Yes ☐ No
9. How did you first learn about PMJJBY?

   ☐ Bank ☐ Insurance Agent ☐ Social Media ☐ Govt. Officials ☐ Friends/Family

   ☐ Newspaper/TV ☐ Other
10. Are you currently enrolled in PMJJBY?

    ☐ Yes ☐ No (If No, skip to Q.17)

11. Since when have you been enrolled in PMJJBY?

    ☐ Less than 1 year ☐ 1-3 years ☐ More than 3 years

12. Have you renewed your policy every year?

    ☐ Yes ☐ No ☐ Don't Remember

13. Do you find the annual premium of ₹436 affordable?

    ☐ Yes ☐ No

14. What was the main reason for enrolling in PMJJBY?

    ☐ Low premium ☐ Easy process ☐ Govt. scheme ☐ Bank suggested it ☐ Family security ☐ Other

Section 3: Ease of Enrollment

15. Where did you enroll in PMJJBY?

    ☐ Bank Branch ☐ Online Banking/App ☐ Common Service Center (CSC) ☐ Other

16. How easy was the process of enrolling in PMJJBY?

    ☐ Very Easy ☐ Somewhat Easy ☐ Neutral ☐ Difficult ☐ Very Difficult

17. What challenges, if any, did you face during enrollment? *(Select all that apply)*

    ☐ Lack of awareness about the scheme

    ☐ Difficulty in submitting the form

    ☐ Bank officials were not cooperative

    ☐ Issues with auto-debit from the bank account

    ☐ No challenges faced

    ☐ Other (Please specify) _____

18. Did you receive a confirmation of your enrollment from the bank/insurer?

    ☐ Yes, immediately ☐ Yes, but after a delay ☐ No, I did not receive confirmation

Section 4: Claim Experience (If Applicable)

19. Have you or anyone you know made a claim under PMJJBY?

    ☐ Yes (Self) ☐ Yes (Someone I Know) ☐ No

20. If yes, how was the claim process?

    ☐ Very Easy ☐ Somewhat Easy ☐ Difficult ☐ Very Difficult

21. Was the claim amount of ₹2 lakh received on time?

☐ Yes ☐ No ☐ Don't Know

22. What were the main challenges faced during the claim process? *(Select all that apply)*

☐ Lack of awareness about claim process

☐ Delay in documentation

☐ Bank-related issues

☐ Insurance company delays

☐ Other (Please specify) _____

Section 5: Awareness and Enrollment in PMSBY

23. Have you heard about PMSBY (Pradhan Mantri Suraksha Bima Yojana) before this survey?

☐ Yes ☐ No

24. Are you currently enrolled in PMSBY?

☐ Yes ☐ No (If No, skip to Q.31)

25. Since when have you been enrolled in PMSBY?

☐ Less than 1 year ☐ 1–3 years ☐ More than 3 years

26. Do you find the annual premium of ₹20 affordable?

☐ Yes ☐ No

27. What motivated you to enroll in PMSBY?

☐ Very low premium ☐ Accidental coverage ☐ Easy process ☐ Bank suggested it

☐ Family security ☐ Government initiative ☐ Other (Please specify) _____

28. Where did you enroll for PMSBY?

☐ Bank Branch ☐ Online Banking/App ☐ Common Service Center (CSC) ☐ Other

29. How easy was the process of enrolling in PMSBY?

☐ Very Easy ☐ Somewhat Easy ☐ Neutral ☐ Difficult ☐ Very Difficult

30. What challenges did you face during enrollment (if any)?

☐ Lack of awareness

☐ Difficulty in documentation

☐ Bank-related issues

☐ Auto-debit failure

☐ No challenges

☐ Other (Please specify) _____

Section 6: Claim Experience under PMSBY

31. Have you or anyone you know made a claim under PMSBY?

    ☐ Yes (Self) ☐ Yes (Someone I Know) ☐ No

32. If yes, how was the claim process?

    ☐ Very Easy ☐ Somewhat Easy ☐ Difficult ☐ Very Difficult

33. Was the claim amount (₹2 lakh for death or total disability, ₹1 lakh for partial disability) received on time?

    ☐ Yes ☐ No ☐ Don't Know

34. What were the main challenges faced during the claim process?

    ☐ Lack of awareness about the claim process

    ☐ Delay in documentation

    ☐ Bank-related issues

    ☐ Insurance company delays

    ☐ Other (Please specify) _____

Section 7: Comparative Satisfaction and Suggestions

35. Which of the two schemes do you find more beneficial?

    ☐ PMJJBY ☐ PMSBY ☐ Both equally ☐ Not sure

36. Do you think PMSBY has helped in providing financial protection against accidents?

    ☐ Yes ☐ No ☐ Not Sure

37. Overall, how satisfied are you with both schemes?

    ☐ Very Satisfied ☐ Satisfied ☐ Neutral ☐ Dissatisfied ☐ Very Dissatisfied

38. What improvements would you suggest for PMSBY? *(Select all that apply)*

    ☐ Increase coverage amount

    ☐ Reduce premium further

    ☐ Simplify claim process

    ☐ Improve awareness campaigns

☐ Extend eligibility age

☐ Other (Please specify) _____

39. Would you recommend PMSBY to others?

☐ Yes ☐ No ☐ Maybe

Section 8: General Remarks

40. Do you believe both PMJJBY and PMSBY together enhance social security among low-income households?

☐ Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree

Section 9: Satisfaction and Suggestions

41. Do you think PMJJBY has helped in providing financial security to families?

☐ Yes ☐ No ☐ Not Sure

42. What improvements would you suggest for PMJJBY? *(Select all that apply)*

☐ Increase the sum assured amount

☐ Reduce premium

☐ Simplify claim process

☐ Improve awareness campaigns

☐ Extend age limit

☐ Other (Please specify) _____

43. Would you recommend PMJJBY to others?

☐ Yes ☐ No ☐ Maybe

11. LIST OF ABBREVIATIONS

PMJJBY: Pradhan Mantri Jeevan Jyoti Bima Yojana RBI:

Reserve Bank of India

PMSBY: Pradhan Mantri Suraksha Bima Yojana

12. REFERENCES

1. RBI (Reserve Bank of India) https://www.rbi.org.in/commonman/Upload/English/Notification/PDFs/CIR43730062016.pdf

2. Department of Financial Services, Government of India

3. https://web.umang.gov.in/landing/scheme/detail/pradhan-mantri-jeevan-jyoti-bima-yojana_pmjjby.html
4. https://bankofmaharashtra.in/pm-jeevan-jyoti-bima-yojana#:~:text=Pradhan%20Mantri%20Jeevan%20Jyoti%20Bima%20Yojana%20(PMJJBY):,31st%20May%20every%20year.&text=Lien%20period%20of%2030%20days%20shall%20be%20applicable%20from%20date%20of%20enrollment
5. https://licindia.in/documents/d/guest/6-claim-settlement-process-1#:~:text=Immediately%20after%20the%20occurrence%20of,insured)%20to%20the%20concerned%20bank%20/

National Insurance Academy (NIA) is a premier institution devoted to equip the insurance industry with the best of talents. Its close association with the Insurance industry provides the 'real life' reference to its training, education, research and consultancy activities.

NIA was established in 1980 jointly by the Ministry of Finance - Government of India, Life Insurance Corporation of India, General Insurance Corporation of India, The New India Assurance Company, National Insurance Company, United India Insurance Company and The Oriental Insurance Company on 16th December, 1980 in Mumbai to be the institute of excellence in learning and research in Insurance, Pension and allied areas. The Academy was shifted to Pune on 4th June, 1990 with the state-of-the-art facilities for learning and research.

NIA offers Post Graduate Diploma in Management to fulfil the growing demand of skilled professionals in Insurance and Risk Management. The programme offers dual expertise in management and Insurance.

This research report has been prepared solely for academic purposes as part of the requirements of the National Insurance Academy (NIA). The analysis, interpretations, and conclusions presented in this study are based on available data and the author's understanding of the subject at the time of preparation.

This report does not constitute professional advice, policy recommendation, or an official position of the National Insurance Academy or any affiliated institution. Any reliance placed on the findings of this study is strictly at the discretion of the reader.

The author(s) have made every effort to ensure the accuracy and reliability of the information presented; however, no responsibility or liability is accepted for any errors, omissions, or outcomes arising from the use of this report.

This work is intended strictly for academic evaluation and learning purposes within NIA.