UNIT 15 FINANCIAL SCHEMES OF GOVERNMENT OF INDIA

Objectives

After studying this unit, you should be able to:

- explain the need for Government Sponsored Socially Oriented Insurance Schemes
- state the benefits of the financial schemes of Government of India
- explain the important features of Pradhan Mantri Jan Dhan Yojana
- explain the scope and benefits of Pradhan Mantri Suraksha Bima Yojana
- discuss the features and benefits of Pradhan Mantri Vaya Vandana Yojana
- explain the claims settlement procedure under Pradhan Mantri Jeevan Jyoti Bima Yojana
- describe the key features of Pradhan Mantri Jan Arogya Yojana
- explain the objectives of Pradhan Mantri Fasal Bima Yojana
- explain the importance of Restructured Weather Based Crop Insurance Scheme

Structure

15.1 INTRODUCTION

The Union Government launches several schemes for the citizens of India from time to time. The schemes launched by the Union Government which concentrates on providing benefits for an individual are the Union Government Schemes for Individuals in India. They are launched for the purpose of improving the livelihood of the people and providing security for leading a better life. Each scheme is launched to provide benefits to the individual in certain areas of their life. Some schemes grant financial security while others aim to provide socio-economic measures.

The beneficiaries covered under most of the individual schemes are the rural people, urban poor, low-income families, economically backward sections or weaker sections of the society. Generally, the meaning of a scheme is a plan, design, or program of action involving many people which is formulated by the government. The different Ministries of the Government of India have launched various government programmes known as schemes or Yojana.

The Government has set up several schemes to improve the lives of communities and individuals who have been treated unequally for several centuries. These schemes are to ensure greater opportunity for people who have not had this in the past.

15.2 FINANCIAL SCHEMES OF GOVERNMENT OF INDIA

The salient features of the important Government Sponsored Socially Oriented Insurance Schemes are enumerated below:

15.2.1 Pradhan Mantri Jan Dhan Yojana (PMJDY)

Pradhan Mantri Jan Dhan Yojana program under the National Mission for Financial Inclusion was launched initially for a period of 4 years on August 28, 2014. It envisages universal access to banking facilities with at least one basic banking account for every household, financial literacy, access to credit, insurance and pension. Later, the Government extended the comprehensive PMJDY program with the modification in the accidental insurance cover wherein accidental insurance cover for new RuPay card holders is raised from existing one lakh rupees to two lakh rupees, to new PMJDY accounts opened after August 28, 2018.

While launching the scheme, it was referred to the ancient Sanskrit verse: Sukhasya Moolam Dharma, Dharmasya Moolam Artha, Arthasya Moolam Rajyam - which puts the onus on the state to involve people in economic activity. Under this, a person not having a savings account can open an account without the requirement of any minimum balance and, in case they self-certify that they do not have any of the officially valid documents required for opening a savings account, they may open a small account. Further, to expand the reach of banking services, all over 6 lakh villages in the country were mapped into 1.59 lakh Sub Service Areas (SSAs), with each SSA typically comprising of 1,000 to 1,500 households, and in the 1.26 lakh SSAs that did not have a bank branch, Bank Mitras were deployed for branchless banking.

Thus, PMJDY offers unbanked persons easy access to banking services and awareness about financial products through financial literacy programmes. In addition, they receive a RuPay debit card, with inbuilt accident insurance cover of Rs. 2 lakh, and access to overdraft facility upon satisfactory operation of account or credit history of six months. Further, through Prime Minister's Social Security Schemes, launched by the Hon'ble Prime Minister on 9th May 2015, all eligible account holders can access through their bank accounts, personal accident insurance cover under Pradhan Mantri Suraksha

Bima Yojana, life insurance cover under Pradhan Mantri Jeevan Jyoti Bima Yojana, and guaranteed minimum pension to subscribers under Atal Pension Yojana.

Objectives

Objective of "Pradhan Mantri Jan-Dhan Yojana (PMJDY)" is ensuring access to various financial services like availability of basic savings bank account, access to need based credit, remittances facility, insurance and pension to the excluded sections i.e. weaker sections & low income groups. This deep penetration at affordable cost is possible only with effective use of technology.

Special benefits attached to the scheme are:

- Interest on deposit
- Accidental insurance cover of Rs.1.00 lac
- No minimum balance required. However, for withdrawal of money from any ATM with Rupay Card, some balance is advised to be kept in account.
- Life insurance cover of Rs.30,000/-
- Easy Transfer of money across India
- Beneficiaries of Government Schemes will get direct benefit transfer in these accounts.
- After satisfactory operation of the account for 6 months, an overdraft facility will be permitted
- Access to Pension, insurance products
- Accidental Insurance Cover, RuPay Debit Card must be used at least once in 45 days.
- Overdraft facility up to Rs.5000/- is available in only one account per household, preferably lady of the household.

The New India Assurance Company is the only insurance company offering the insurance cover under this scheme of the Government of India. In the year 2020-21, under this scheme 20.22 crore lives were covered and gross premium of Rs. 10 crore was collected as against 54.20 crore lives covered and Rs. 27 crore premium collected in the previous year.

The total number of beneficiaries in 2022 are around 44.58 cr. and the deposits in beneficiary accounts are 157098.63 cr. The number of Rupay Debit Cards issued to beneficiaries are around 31.39 cr. Bank Mitras (1.26 lakh) delivering branchless banking services in Sub-Service Areas.

15.2.2 Pradhan Mantri Suraksha Bima Yojana (PMSBY)

PMSBY will be an Accident Insurance Scheme offering accidental death and disability cover for death or disability on account of an accident. It would be a one-year cover, renewable from year to year. The scheme would be offered / administered through Public Sector General Insurance Companies (PSGICs) and other General Insurance companies willing to offer the product on similar terms with necessary approvals and tie up with Banks for this purpose. Participating banks will be free to engage any such insurance company for implementing the scheme for their subscribers.

Scope of coverage: All individual bank account holders in the age group of 18 to 70 years in participating banks will be entitled to join. In case of multiple bank accounts held by an individual in one or different banks, the person would be eligible to join the scheme through one bank account only. Aadhar would be the primary KYC for the bank account.

Enrolment Modality / Period: The cover shall be for the one-year period stretching from 1st June to 31st May for which option to join / pay by auto-debit from the designated bank account on the prescribed forms will be required to be given by 31st May of every year. Joining subsequently on payment of full annual premium would be possible. However, applicants may give an indefinite / longer option for enrolment / auto-debit, subject to continuation of the scheme with terms as may be revised on the basis of past experience. Individuals who exit the scheme at any point may re-join the scheme in future years through the above modality. New entrants into the eligible category from year to year or currently eligible individuals who did not join earlier shall be able to join in future years while the scheme is continuing.

Benefits: As per the following table

Table of Benefits		**Sum Insured**
a.	Death	Rs. 2 Lakh
b.	Total and irrecoverable loss of both eyes or loss of use of both hands or feet or loss of sight of one eye and loss of use of hand or foot	Rs. 2 Lakh
c.	Total and irrecoverable loss of sight of one eye or loss of use of one hand or foot	Rs. 1 Lakh

Premium: Rs.12/- per annum per member. The premium will be deducted from the account holder's bank account through 'auto debit' facility in one instalment on or before 1st June of each annual coverage period under the scheme. However, in cases where auto debit takes place after 1st June, the cover shall commence from the date of auto debit of premium by Bank.

The premium would be reviewed based on annual claims experience. However, barring unforeseen adverse outcomes of extreme nature, efforts would be made to ensure that there is no upward revision of premium in the first three years.

Eligibility Conditions: Individual bank account holders of participating banks aged between 18 years (completed) and 70 years (age nearer birthday) who give their consent to join / enable auto-debit, as per the above modality, will be enrolled into the scheme.

Master Policy Holder: Participating Bank will be the Master policy holder on behalf of the participating subscribers. A simple and subscriber friendly administration & claim settlement process shall be finalized by the respective general insurance company in consultation with the participating Banks.

Termination of cover: The accident cover for the member shall terminate on any of the following events and no benefit will be payable there under:

1) On attaining age 70 years (age nearest birthday).

2) Closure of account with the Bank or insufficiency of balance to keep the insurance in force.

3) In case a member is covered through more than one account and premium is received by the Insurance Company inadvertently, insurance cover will be restricted to one bank account only and the premium paid for duplicate insurance(s) shall be liable to be forfeited.

4) If the insurance cover is ceased due to any technical reasons such as insufficient balance on due date or due to any administrative issues, the same can be reinstated on receipt of full annual premium, subject to conditions that may be laid down. During this period, the risk cover will be suspended and reinstatement of risk cover will be at the sole discretion of Insurance Company.

5) Participating banks will deduct the premium amount in the same month when the auto debit option is given, preferably in May of every year, and remit the amount due to the Insurance Company in that month itself.

Administration: The scheme, subject to the above, will be administered as per the standard procedure stipulated by the Insurance Company. The data flow process and data proforma will be provided separately.

It will be the responsibility of the participating bank to recover the appropriate annual premium from the account holders within the prescribed period through 'auto debit' process.

Enrolment form / Auto-debit authorization in the prescribed proforma shall be obtained and retained by the participating bank. In case of claim, the Insurance Company may seek submission of the same. Insurance Company reserves the right to call for these documents at any point of time.

The acknowledgement slip may be made into an acknowledgement slip-cum certificate of insurance.

The experience of the scheme will be monitored on yearly basis for re-calibration etc., as may be necessary.

Appropriation of Premium:

1) Insurance Premium payable to Insurance Company: Rs.12/- per annum per member

2) Reimbursement of expenses to Business Correspondent or Micro-insurance Agent or Corporate Agent or Insurance Agent or Insurance Marketing Firm by the insurer: Re.1/- per annum per member

3) Reimbursement of Administrative expenses to participating Bank by insurer:

   Rs.1/- per annum per member

Note: The amount of reimbursement of expenses specified in item 2) saved in case of voluntary enrolment by an account holder through electronic means shall be passed on as a benefit to the subscriber by correspondingly reducing the amount of the Insurance Premium payable specified in item 1).

Date of commencement of the scheme is 1st June 2015. The Annual renewal dates shall be each successive 1st of June in subsequent years. The scheme is liable to be discontinued prior to commencement of a new future renewal date if circumstances so require.

The scheme is offered by public sector and private sector general insurance companies who are having tie up with banks for this purpose.

15.2.3 Atal Pension Yojana (APY)

The Atal Pension Yojana (APY) was launched on 09.05.2015 to create a universal social security system for all Indians, especially the poor, the under-privileged and the workers in the unorganised sector. APY is administered by Pension Fund Regulatory and Development Authority (PFRDA).

Under the APY, guaranteed minimum pension of Rs. 1,000/- or 2,000/- or 3,000/- or 4,000 or 5,000/- per month will be given at the age of 60 years depending on the contributions by the subscribers. Any Citizen of India can join APY scheme. Following are the eligibility criteria:

- The age of the subscriber should be between 18 - 40 years.
- S/he should have a savings bank account/ post office savings bank account.

The prospective applicant may provide Aadhaar and mobile number to the bank during registration to facilitate receipt of periodic updates on APY account. However, Aadhaar is not mandatory for enrolment.

Need for pension

A Pension provides people with a monthly income when they are no longer earning.

- Decreased income earning potential with age.
- The rise of nuclear family-migration of earning member.
- Rise in cost of living.
- Increased longevity.
- Assured monthly income ensures dignified life in old age.

Government Contribution

The co-contribution of the Government of India is available for 5 years, i.e., from the Financial Year 2015-16 to 2019-20 for the subscribers, who join the scheme during the period from 1st June, 2015 to 31st March, 2016 and who are not covered by any Statutory Social Security Scheme and are not income tax payers. The Government co-contribution is payable to eligible Permanent Retirement Account Number (PRANs) by the Pension Fund Regulatory and Development Authority (PFRDA) after receiving the confirmation from Central Record Keeping Agency to the effect that the subscriber has paid all the instalments for the year Government co-contribution will be credited in subscriber's savings bank account/ post office savings bank account 50% of the total contribution subject to a maximum of Rs 1000/- at the end of financial year .The beneficiaries, who are covered under statutory social security schemes, are not eligible to receive Government co-contribution under APY.

For example, members of the Social Security Schemes under the following enactments would not be eligible to receive Government co-contribution under APY:

- Employees' Provident Fund and Miscellaneous Provision Act, 1952.
- The Coal Mines Provident Fund and Miscellaneous Provision Act, 1948.
- Assam Tea Plantation Provident Fund and Miscellaneous Provision, 1955.
- Seamen's Provident Fund Act, 1966.
- Jammu Kashmir Employees' Provident Fund and Miscellaneous Provision Act, 1961.
- Any other statutory social security scheme.

Benefits of APY

The benefit of minimum pension under Atal Pension Yojana would be guaranteed by the Government in the sense that if the actual realized returns on the pension contributions are less than the assumed returns for minimum guaranteed pension, over the period of contribution, such shortfall shall be funded by the Government. On the other hand, if the actual returns on the pension contributions are higher than the assumed returns for minimum guaranteed pension, over the period of contribution, such excess shall be credited to the subscriber's account, resulting in enhanced scheme benefits to the subscribers.

The Government would also co-contribute 50% of the total contribution or Rs. 1000 per annum, whichever is lower, to each eligible subscriber, who joins the scheme during the period 1st June, 2015 to 31st March, 2016 and who is not a beneficiary of any social security scheme and is not an income tax payer. The Government co-contribution will be given for 5 years from the Financial Year 2015-16 to 2019-20.

At present, a subscriber under the National Pension System (NPS) is eligible to get tax benefit for the contribution, up to a ceiling, and even for the investment returns on such contributions. Further, the purchase price of the annuity on exit from NPS is also not taxed and only the pension income of the subscribers are considered to be part of normal income and taxed at the appropriate marginal rate of tax, applicable to the subscriber. Similar tax treatment is applicable to the subscribers of APY.

Procedure for Opening an APY Account

- Approach the bank branch/post office where individual's savings bank account is held or open a savings account if the subscriber doesn't have one.

- Provide the Bank A/c number/Post office savings bank account number and with the help of the Bank staff, fill up the APY registration form.
- Provide Aadhaar/Mobile Number. This is not mandatory, but may be provided to facilitate the communication regarding contribution.
- Ensure keeping the required balance in the savings bank account/post office savings bank account for transfer of monthly/quarterly/half yearly contribution.

Mode of contribution, how to continue, and due date of contribution

The contributions can be made at monthly/quarterly/half yearly intervals through auto-debit facility from savings bank account/post office savings bank account of the subscriber. The monthly/quarterly/half yearly contribution depends upon the intended/desired monthly pension and the age of subscriber at entry. The contribution may be paid to APY through savings bank account/ post office savings bank account on any date of the particular month, in case of monthly contributions or any day of the first month of the quarter, in case of quarterly contributions or any day of the first month of the half year, in case of half-yearly contributions.

In case of continuous default

The subscribers should keep the required balance in their savings bank accounts/post office savings bank account on the stipulated due dates to avoid any overdue interest for delayed contributions. The monthly/quarterly/half-yearly contribution may be deposited on the first date of month/quarter/half year in the savings bank account/ post office savings bank account. However, if there is inadequate balance in the saving bank account/post office savings bank account of the subscriber till the last date of the month/last date of the first month in a quarter/last day of the first month in a half year, it will be treated as a default and contribution will have to be paid in the subsequent month along with overdue interest for delayed contributions. Banks are required to collect Rs. 1 per month for contribution of every Rs. 100, or part thereof, for each delayed monthly contributions. Overdue interest for delayed contribution for quarterly/half yearly mode of contribution shall be recovered accordingly. The overdue interest amount collected will remain as part of the pension corpus of the subscriber. More than one monthly/quarterly/half yearly contribution can be recovered subject to availability of the funds. In all cases, the contribution is to be recovered along with the overdue charges if any. This will be bank's internal process. The due amount will be recovered as and when funds are available in the account.

Deduction would be made in the subscribers account for account maintenance charges and other related charges on a periodic basis. For those subscribers, who have availed Government co-contribution, the account would be treated as becoming zero when the subscriber corpus minus the Government co-contribution would be equal to the account maintenance charges, fees and overdue interest and hence the net corpus becomes zero. In this case, the Government co-contribution would be given back to the Government.

Withdrawal procedure from APY

On attaining age of 60: Upon completion of 60 years, the subscribers will submit the request to the associated bank for drawing the guaranteed minimum monthly pension or higher monthly pension, if investment returns are higher than the guaranteed returns embedded in APY. The same amount of monthly pension is payable to spouse (default nominee) upon death of subscriber. Nominee will be eligible for return of pension wealth accumulated till age 60 of the subscriber upon death of both the subscriber and spouse.

In case of death of the subscriber due to any cause after the age of 60: In case of death of subscriber, same pension would be available to the spouse and on the death of both of them (subscriber and spouse), the pension wealth accumulated till age 60 of the subscriber would be returned to the nominee.

Exit before the age of 60 : In case a subscriber, who has availed Government co-contribution under APY, chooses to voluntarily exit APY at a future date, he shall only be refunded the contributions made by him to APY, along with the net actual accrued income earned on his contributions (after deducting the account maintenance charges). The Government co-contribution, and the accrued income earned on the Government co-contribution, shall not be returned to such subscribers.

Death of subscriber before age of 60:

- In case of death of the subscriber before 60 years, option will be available to the spouse of the subscriber to continue contribution in the APY account of the subscriber, which can be maintained in the spouse's name, for the remaining vesting period, till the original subscriber would have attained the age of 60 years. The spouse of the subscriber shall be entitled to receive the same pension amount as the subscriber until death of the spouse.

- Or, the entire accumulated corpus under APY will be returned to the spouse/nominee.

Other Important Facts

- It is mandatory to provide nominee details in APY account. If the subscriber is married, the spouse will be the default nominee. Unmarried subscribers can nominate any other person as nominee & they have to provide spouse details after marriage. The Aadhaar details of spouse and nominees may be provided.

- A subscriber can open only one APY account and it is unique. Multiple accounts are not permitted.

- A subscriber can opt to decrease or increase pension amount during the course of accumulation phase, once a year.

- The periodical information to the subscriber regarding activation of PRAN, balance in the account, contribution credits etc. will be intimated to APY subscribers by way of SMS alerts. The subscriber will also be receiving physical statement of Account once a year.

- The physical statement of APY will be provided to the subscriber annually.

- The contribution may be remitted through auto debit uninterruptedly even in case of change of residence/location.

- The scheme is open for Indian citizens only.
- The subscriber can change the mode (monthly/quarterly/half yearly) of auto debit facility once in a year during the month of April.

15.2.4 Pradhan Mantri Vaya Vandana Yojana (PMVVY)

The 'Pradhan Mantri Vaya Vandana Yojana (PMVVY)' has been launched by the Government exclusively for senior citizens aged 60 years and above to protect against a future fall in their interest income due to uncertain market conditions, as also to provide social security during old age.

The scheme was available from 4th May, 2017 to 31st March, 2020. The scheme is managed and operated by Life Insurance Corporation of India (LIC).

Senior citizens who are above the age of 60 are eligible to invest in this scheme. There is no maximum entry age. They can invest a maximum amount of Rs 15 lakh under the scheme on or before March 31, 2020.

The scheme provides for an assured return of 8 percent per annum payable monthly (equivalent to 8.3% per annum) for 10 years.

The scheme is now extended up to 31st March, 2023 for a further period of three years beyond 31st March, 2020.

The Modified PMVVY will carry lesser interest rate on the investment than before. Unlike in the older version of PMVVY, in the Modified PMVVY, the interest rate will keep varying depending on the financial year (FY) in which the investment is made.

The scheme is for 10 years and on investments made in the FY 20-21 till March 31, 2021, the government has declared the interest rate of 7.4 per cent payable monthly i.e. 7.66 per cent per annum for the entire duration of ten years. For Financial Year 2021-22, the Scheme shall provide an assured pension of 7.40% per annum payable monthly. This assured rate of pension shall be payable for the full policy term of 10 years for all the policies purchased till 31st March, 2022. For investments made in the given financial year, the government will declare the PMVVY interest rate at the start of the FY.

The annual reset of the assured rate of interest will be effective from April 1st of the financial year in line with the revised rate of returns of Senior Citizens Saving Scheme (SCSS). For the Modified PMVVY, the maximum rate of interest is capped at 7.75 per cent at any point.

Features

PMVVY is exclusively available to those who are 60 years of age and above. The PMVVY is a pension scheme for senior citizens that comes with guaranteed returns on monthly, quarterly, half-yearly or on an annual basis for a period of 10 years. As an investor, you can decide on the basis of the pension amount that you want or the purchase price that you want to invest in PMVVY.

The maximum investment that can be made in PMVVY is restricted to Rs 15 lakh per senior citizen and the maximum monthly pension in PMVVY is Rs 9,250 per senior citizen. So, if both spouses are above age 60, the maximum monthly pension can be Rs 18,500 in the family on an investment of Rs 30 lakh. The pension in PMVVY is not dependant on the age of the investor.

Benefits

a. **Pension Payment:** On survival of the Pensioner during the policy term of 10 years, pension in arrears (at the end of each period as per mode chosen) shall be payable.

b. **Death Benefit:** On death of the Pensioner during the policy term of 10 years, the Purchase Price shall be refunded to the beneficiary.

c. **Maturity Benefit:** On survival of the pensioner to the end of the policy term of 10 years, Purchase price along with final pension installment shall be payable.

Payment of Purchase Price

The scheme can be purchased by payment of a lump sum Purchase Price. The pensioner has an option to choose either the amount of pension or the Purchase Price. The minimum and maximum Purchase Price under different modes of pension will be as under:

Mode of pension payment

The modes of pension payment are monthly, quarterly, half-yearly & yearly. The pension payment shall be through NEFT or Aadhaar Enabled Payment System. The first instalment of pension shall be paid after 1 year, 6 months, 3 months or 1 month from the date of purchase of the same depending on the mode of pension payment i.e. yearly, half-yearly, quarterly or monthly respectively.

Surrender Value

The scheme allows premature exit during the policy term under exceptional circumstances like the Pensioner requiring money for the treatment of any critical/ terminal illness of self or spouse.The Surrender Value payable in such cases shall be 98% of Purchase Price.

Loan

Loan facility is available after completion of 3 policy years. The maximum loan that can be granted shall be 75% of the Purchase Price. The rate of interest to be charged for loan amount shall be determined at periodic intervals. For the loan sanctioned till 30th April, 2018, the applicable interest rate was 10% p.a. payable half-yearly for the entire term of the loan.

Loan interest will be recovered from pension amount payable under the policy. The Loan interest will accrue as per the frequency of pension payment under the policy and it will be due on the due date of pension. However, the loan outstanding shall be recovered from the claim proceeds at the time of exit.

Taxes

Statutory Taxes, if any, imposed on this Plan by the Government of India or any other constitutional tax Authority of India shall be as per the Tax laws and the rate of tax as applicable from time to time.The amount of tax paid shall not be considered for the calculation of benefits payable under the plan.

Free Look period

If a policyholder is not satisfied with the "Terms and Conditions" of the policy, he/she may return the policy to the Corporation within 15 days (30 days if this policy is purchased online) from the date of receipt of the policy stating the reason of objections.The amount to be refunded within free look period shall be the Purchase Price deposited by the policyholder after deducting the charges for Stamp duty and pension paid, if any.

Exclusion -

Suicide: There shall be no exclusion on count of suicide and full Purchase Price shall be payable

15.2.5 Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)

Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) is a one year Group Term Life Insurance Scheme designed by the Government of India. It is available to people in the age group of 18 to 50 years having a bank account who give their consent to join / enable auto-debit. The life cover of two lakh rupees shall be for the one-year period stretching from 1 June of the year to 31 May of the next year and is auto-renewable every year thereafter. The premium is Rs. 330 per annum. The scheme is being offered by LIC and 12 other life insurers.

The cover under PMJJBY is for death only and hence benefit will accrue only to the nominee. PMJJBY is a pure term insurance policy, which covers only mortality with no investment component.

Payment mode

The premium will be auto-debited by the bank from the account holder's savings account held with the bank. For renewal of the policy, it will be auto-debited between May 25 and May 31, unless the customer has given the cancellation request to the bank.

Waiting period for claims

Risk cover under PMJJBY is applicable only after the first 45 days of enrolment. In other words, insurers do not have to settle claims during the first 45 days from the date of enrolment. However, deaths due to accidents will be exempt from the lien clause and will still be paid.

Enrolment

PMJJBY is administered through LIC and other Indian private life insurance companies. One may also approach their bankers, as for the process of enrolment banks have tied up with insurance companies.

For those who wish to join the scheme now may still do so. One may join or renew the scheme anytime during the year by paying the full premium and not the proportionate amount. However, the renewal date will remain June 1 for all of the subscribers.

It's better to join now and get the cover for the entire 12 months. If you had exited the scheme at any point, you may still re-join the scheme by paying the annual premium.

The enrolment process has been kept simple and easy. To enrol, you can download the form and submit it to your banker. Some banks have initiated an SMS-based enrolment process too. It can be done through net banking also. To join/pay by auto-debit from the designated individual bank account on the prescribed forms will be required to be given by 31st May of every year.

Claim Settlement

The death claim will be settled by the designated Office of Insurance Company concerned. The process followed will be as under:

Steps to be taken by the Nominee

1. Nominee to approach the bank wherein the member was having the 'savings bank account' through which he/she was covered under PMJJBY, along with the death certificate of the member.
2. Nominee to collect claim form, and discharge receipt, from the bank or any other designated source like insurance company branches, hospitals, insurance agents etc., including from designated websites.
3. Nominee to submit duly completed claim form, discharge receipt, death certificate along with a photocopy of the cancelled cheque of the nominee's bank account (if available) or the bank account details to the bank wherein the member was having the 'savings bank account' through which he/she was covered under PMJJBY.

Steps to be taken by the Bank

1. Upon receipt of death intimation, the Bank should check whether the cover for the said member was in force on the date of his death, i.e., whether the premium for the said cover on Annual Renewal Date, i.e. 1st of June, prior to the Member's death was deducted and remitted to the Insurance Company concerned.
2. Bank to verify the claim form & the nominee details from the records available to them and to fill in the relevant columns of the claim form.
3. Bank to submit the following documents to the designated office of the insurance company concerned:
   a. Claim Form duly completed
   b. Death certificate
   c. Discharge Receipt
   d. Photocopy of cancelled cheque of the Nominee (if available).
4. Maximum time limit for the bank to forward duly completed claim form to the insurance company is thirty days from the submission of the claim to it.

Steps to be taken at the designated office of Insurance Company

1. Verify that the Claim form is complete in all respects and all the relevant documents have been attached. If not, take up with the Bank concerned.

2. If the claim is admissible, the designated office of the insurer shall check whether the member's coverage is in force and no death claim settlement has been effected for the member through any other account. In case any claim has been settled, then the nominee shall be intimated accordingly with a copy marked to the bank.

3. In case the coverage was in force and no claim has been settled for the said member, payment shall be released to the nominee's bank account and a communication shall be sent to the nominee with a copy marked to the bank.

4. Maximum time limit for the insurance company to approve claim and disburse money is thirty days from the receipt of the claim from the bank.

In the case where the claim form is directly submitted to any office of the insurer by the claimant, then the insurer's office would forward the same to the concerned bank of the deceased account holder immediately to get necessary verification etc. done from the bank concerned. The concerned bank branch will forward the claim form to the designated office of the insurance company for processing the claim.

15.2.6 Pradhan Mantri Jan Arogya Yojana (PM-JAY)

Ayushman Bharat, a flagship scheme of Government of India, was launched as recommended by the National Health Policy 2017, to achieve the vision of Universal Health Coverage (UHC). This initiative has been designed to meet Sustainable Development Goals (SDGs) and its underlining commitment, which is to "leave no one behind."

Ayushman Bharat is an attempt to move from sectoral and segmented approach of health service delivery to a comprehensive need-based health care service. This scheme aims to undertake path breaking interventions to holistically address the healthcare system (covering prevention, promotion and ambulatory care) at the primary, secondary and tertiary level. Ayushman Bharat adopts a continuum of care approach, comprising of two inter-related components, which are "Health and Wellness Centres (HWCs)" and "Pradhan Mantri Jan Arogya Yojana (PM-JAY)"

The second component under Ayushman Bharat is the Pradhan Mantri Jan Arogya Yojna or PM-JAY as it is popularly known. This scheme was launched on 23rd September, 2018 in Ranchi, Jharkhand by the Hon'ble Prime Minister of India**.** The scheme is fully funded by the Government and cost of implementation is shared between the Central and State Governments.

Ayushman Bharat PM-JAY is the largest health assurance scheme in the world which aims at **providing a health cover of Rs. 5 lakhs per family per year** for secondary and tertiary care hospitalization to over 10.74 crores poor and vulnerable families (approximately 50 crore beneficiaries) that form the bottom 40% of the Indian population. The households included are based on the deprivation and occupational criteria of Socio-Economic Caste Census 2011 (SECC 2011) for rural and urban areas respectively. PM-JAY was earlier known as the National Health Protection Scheme (NHPS) before being rechristened. It subsumed the then existing Rashtriya Swasthya Bima Yojana (RSBY) which had been launched in 2008. The coverage mentioned under PM-JAY, therefore, also includes families that were covered in RSBY but are not present in the SECC 2011 database. PM-JAY is fully funded by the Government and cost of implementation is shared between the Central and State Governments.

Key Features of PM-JAY

- PM-JAY is the world's largest health insurance/ assurance scheme fully financed by the government.
- It provides a cover of Rs. 5 lakhs per family per year for secondary and tertiary care hospitalization across public and private empanelled hospitals in India.
- Over 10.74 crore poor and vulnerable entitled families (approximately 50 crore beneficiaries) are eligible for these benefits.
- PM-JAY provides cashless access to health care services for the beneficiary at the point of service, that is, the hospital.
- PM-JAY envisions to help mitigate catastrophic expenditure on medical treatment which pushes nearly 6 crore Indians into poverty each year.
- It covers up to 3 days of pre-hospitalization and 15 days post-hospitalization expenses such as diagnostics and medicines.
- There is no restriction on the family size, age or gender.
- All pre–existing conditions are covered from day one.
- Benefits of the scheme are portable across the country i.e. a beneficiary can visit any empanelled public or private hospital in India to avail cashless treatment.
- Services include approximately 1,393 procedures covering all the costs related to treatment, including but not limited to drugs, supplies, diagnostic services, physician's fees, room charges, surgeon charges, OT and ICU charges etc.
- Public hospitals are reimbursed for the healthcare services at par with the private hospitals.

15.2.7 Pradhan Mantri Fasal Bima Yojana (PMFBY)

Pradhan Mantri Fasal Bima Yojana (PMFBY) was launched on 18 February with the aim of supporting production in agriculture by providing an affordable crop insurance product to ensure comprehensive risk cover for crops of farmers against all non-preventable natural risks from pre-sowing to post harvest stage. The scheme is being administered by Ministry of Agriculture.

Objectives

- To provide insurance coverage and financial support to the farmers in the event of failure of any of the notified crop as a result of natural calamities, pests & diseases.
- To stabilise the income of farmers to ensure their continuance in farming.
- To encourage farmers to adopt innovative and modern agricultural practices.
- To ensure flow of credit to the agriculture sector.

Pradhan Mantri Fasal Bima Yojana is an effective initiative taken by the Ministry of Agriculture and Farmers Welfare, Government of India. This project paves way for a farmer to get his crop insured and resolve queries and concerns with the help of the web portal. This portal allows various departments of the Government of India to disseminate information about various schemes and programs being run for the benefit of the farmers.

The scheme is compulsory for loanee farmer obtaining Crop Loan /KCC account for notified crops. However, voluntary for Other/non loanee farmers who have insurable interest in the insured crop(s).

The Maximum Premium payable by the farmers will be 2% for all Kharif Food & Oilseeds crops, 1.5% for Rabi Food & Oilseeds crops and 5% for Annual Commercial/ Horticultural Crops.

The difference between premium and the rate of Insurance charges payable by farmers shall be shared equally by the Centre and State.

The seasonality discipline shall be same for loanee and non-loanee farmers.

The Union Cabinet approved revamping of Pradhan Mantri Fasal Bima Yojana (PMFBY) to address the existing challenges in implementation of crop insurance schemes in February 2020. The revamped operational guidelines have been issued after incorporating the provisions/ parameters approved by Cabinet. The revamped scheme of PMFBY is effective from Kharif 2020 season.

15.2.8 Restructured Weather Based Crop Insurance Scheme (RWBCIS)

Restructured Weather Based Crop Insurance Scheme (RWBCIS) was launched on 18 February 2016 by Hon'ble Prime Minister Narendra Modi to mitigate the hardship of the insured farmers against the likelihood of financial loss on account of anticipated crop loss resulting from adverse weather conditions relating to rainfall, temperature, wind, humidity

RWBCIS uses weather parameters as "proxy for crop yields in compensating the cultivators for deemed crop losses. Pay-out structures i.e. Term Sheets are developed to the extent of losses deemed to have been suffered keeping the weather triggers as per requirement of the crop and comparing it with actual weather data for the specific period. The whole crop life cycle is divided into different phases i.e. periods keeping in view the crop phenology and accordingly the sum insured is allocated to each period based on susceptibility of crop to the insured peril during a specific phase.

The Union Cabinet approved revamping of Restructured Weather Based Crop Insurance Scheme (RWBCIS) to address the existing challenges in implementation of crop insurance schemes in February 2020. The revamped operational guidelines for RWBCIS have been issued after incorporating the provisions/ parameters approved by Cabinet. The revamped scheme of RWBCIS is effective from Kharif 2020 season.

15.3 SUMMARY

The Union Government launches several schemes for the citizens of India from time to time. The schemes launched by the Union Government which concentrates on providing benefits for an individual for the purpose of improving the livelihood of the people and providing security for leading a better life, have been discussed in this unit. Each scheme is launched to provide benefits to the individual in certain areas of their life. Some schemes grant financial security while others aim to provide socio-economic measures.

15.4 KEYWORDS

Scheme : It is a plan, design, or program of action involving many people which is formulated by the government.

Pradhan Mantri Jan Dhan Yojana (PMJDY) : PMJDY offers unbanked persons easy access to banking services and awareness about financial products through financial literacy programmes.

Pradhan Mantri Suraksha Bima Yojana (PMSBY) : PMSBY is an Accident Insurance Scheme offering accidental death and disability cover for death or disability on account of an accident.

Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) : is a one year Group Term Life Insurance Scheme. It is a pure term insurance policy, which covers only mortality with no investment component.

Ayushman Bharat : This scheme aims to undertake path breaking interventions to holistically address the healthcare system (covering prevention, promotion and ambulatory care) at the primary, secondary and tertiary level.

Pradhan Mantri Fasal Bima Yojana (PMFBY) : It supports production in agriculture by providing an affordable crop insurance product to ensure comprehensive risk cover for crops of farmers against all non-preventable natural risks from pre-sowing to postharvest stage.

15.5 SELF-ASSESSMENT QUESTIONS

1. Explain the need for Government Sponsored Socially Oriented Insurance Schemes?

2. Discuss the benefits of the financial schemes of Government of India.

3. Explain the objectives and benefits of Pradhan Mantri Jan Dhan Yojana?

4. Explain the scope of coverage and benefits of Pradhan Mantri Suraksha Bima Yojana?

5. Discuss the benefits of Atal Pension Yojana?

6. Explain the scope, features and benefits of Pradhan Mantri Vaya Vandana Yojana?

7. Explain the process of claims settlement under Pradhan Mantri Jeevan Jyoti Bima Yojana?

8. What are the objectives of Pradhan Mantri Fasal Bima Yojana and Restructured Weather Based Crop Insurance Scheme?

15.6 FURTHER READINGS

1. Department of Financial Services

2. www.jansuraksha.gov.in

3. www.licindia.in (Web-site of LIC of India)

4. www.india.gov.in (National Portal of India)

5. IRDAI Annual Report 2020-21