

NABARD SCHEME HANDOUTS

TOPIC – Jan Suraksha Yojna

What is Insurance?



Insurance is a financial product sold by insurance companies to safeguard you and/or your property against the risk of loss, damage or theft (such as flooding, burglary or an accident).

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Jan Suraksha Yojna

- Jan suraksha is a wider term for schemes related to social security of unorganized sector.
- The Government is mandated to provide Social Security to unorganised sector including rural and agricultural workers by formulating suitable welfare schemes on matters relating to (i) life and disability cover, (ii) health and maternity benefits, (iii) old age protection and (iv) any other benefit as may be determined by the Central Government.
- In view of the long-standing adverse claims experience of the schemes, Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and Pradhan Mantri Suraksha Bima Yojana (PMSBY), and in order to make them economically viable, the premium rates of the schemes have been revised by making it Rs 1.25 per day premium for both schemes that includes revising PMJJBY from Rs. 330 to Rs. 436 and PMSBY from Rs. 12 to Rs. 20.
- PMJJBY, PMSBY and APY were launched by Prime Minister Shri Narendra Modi on 9th May, 2015 from Kolkata, West Bengal.
- In this Handout we will cover Insurance related schemes as called as **Jan Suraksha schemes. ALL Implemented by Department of Financial Services, Ministry of Finance**

1.1 Pradhan Mantri Jeevan Jyoti Yojana (PMJJBY)

Scheme: PMJJBY is a one-year life insurance scheme renewable from year to year offering coverage for death due to any reason.

Eligibility: Individuals in the age group of **18-50 years** having a savings bank or a post office account are entitled to enroll under the scheme. People who join the scheme before completing **50 years of age** can continue to have the risk of life covered up to **age of 55 years upon payment of premium**.

Benefits: Life cover of Rs. 2 Lakh in case of death due to any cause

** The premium rates of PMJJBY and PMSBY have been revised w.e.f. **1.6.2022**.

The cover shall be for one-year period stretching from 1st June to 31st May for which option to join / pay by auto-debit from the designated individual bank / Post office account on the prescribed forms will be required to be given by 31st May of every year. Delayed enrolment for prospective cover is possible with payment of pro-rata premium as described below;

- a) For enrolment in June, July and August – Full Annual Premium of Rs.436/- is payable.
- b) For enrolment in September, October, and November – pro rata premium of Rs. 342/- is payable
- c) For enrolment in December, January and February – pro rata premium of Rs. 228/- is payable.
- d) For enrolment in March, April, and May – pro rata premium of Rs. 114/- is payable.

For subscribers enrolling for the first time on or after 1st June 2021, insurance cover shall not be available for death (other than due to accident) occurring during the first 30 days from the date of enrolment into the scheme (lien period) and in case of death (other than due to accident) during lien period, no claim would be admissible

Enrolment: Enrolments under the scheme can be done by visiting the branch/ BC point or website of the bank of the account holder or at the post office in case of post office savings bank account. The premium under the scheme is auto debited every year from the subscriber's bank account based on a one-time mandate from the account holder. Detailed information about the scheme and the forms (in Hindi, English and Regional languages) are available on <https://jansuraksha.gov.in>.

Achievements: As on 27.04.2022, the cumulative enrolments under the scheme have been more than 12.76 crore and an amount of Rs. 11,522 crore has been paid for 5,76,121 claims.

Since the beginning of the pandemic i.e., April 1, 2020 till February 23, 2022, a total of 2.10 lakh claims amounting to Rs 4,194.28 crore were paid with a settlement rate of **99.72%."**

Termination Clause

- 1) On attaining age 55 years (age near birth day) subject to annual renewal up to that date (entry, however, will not be possible beyond the age of 50 years).
- 2) Closure of account with the Bank/ Post office or insufficiency of balance to keep the insurance in force.
- 3) In case a member is covered under PMJJBY with LIC of India / other insurer through more than one account and premium is received by LIC / other company inadvertently, insurance cover will be restricted to Rs. 2 lakh and the premium paid for duplicate insurance(s) shall be liable to be forfeited.
- 4) If the insurance cover is ceased due to insufficient balance on due date or due to exit from the scheme, the same can be reinstated on receipt of appropriate premium as mentioned in Para 3 above, subject however to the cover being treated as fresh and the 30 days lien clause being applicable.
- 5) Participating Banks shall remit the premium to insurance companies in case of regular enrolment on or before 30th of June every year and in other cases in the same month when received.

Administration

The scheme, subject to the above, is administered by the LIC P&GS Units / other insurance company setups

1.2 Pradhan Mantri Suraksha Bima Yojana (PMSBY)

Scheme: PMSBY is a one-year accidental insurance scheme renewable from year to year offering coverage for death or disability due to accident.

Eligibility: Individuals in the age group of 18-70 years having a savings bank or a post office account are entitled to enroll under the scheme.

Benefits: Accidental death cum disability cover of Rs.2 lakh (Rs.1 lakh in case of partial disability) for death or disability due to an accident.

	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

Enrolment: Enrolment under the scheme can be done by visiting the branch/ BC point or website of the bank of the account holder or at the post office in case of post office savings bank account. The premium under the scheme is auto debited every year from the subscriber's bank account based on a one-time mandate from the account holder. Detailed information about the scheme and the forms (in Hindi, English and Regional languages) are available on <https://jansuraksha.gov.in>.

Premium Rs. 20/- per annum per member. The premium will be deducted from the account holder's bank/ Post office account through 'auto debit' facility in one instalment on or before 1 st 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/ Post office. The premium would be reviewed based on annual claims experience.

Termination Clause

- 1) On attaining age **70 years** (age nearest birthday).
- 2) Closure of account with the Bank/ Post office 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/ Post office 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.

1.3 Atal Pension Yojna (APY)

- The Atal Pension Yojana (APY) was launched to create a universal social security system for all Indians, especially the poor, the under-privileged and the workers in the unorganised sector. It is an initiative of the Government to provide financial security and cover future exigencies for the people in the unorganized sector.
- The scheme was launched on 9 May, 2015 and was operationalised w.e.f. 1 June, 2015.
- The APY is focussed on all citizens in the unorganised sector, who join the National Pension System (NPS) administered by the **Pension Fund Regulatory and Development Authority (PFRDA)** and who are not members of any statutory social security scheme.
- APY can be subscribed by any Indian citizen in the age group of 18-40 years having a bank account. Under the APY, subscribers would receive the fixed pension of **Rs. 1000 – Rs. 5000 per month**, at the age of 60 years, depending on their contributions, which in turn would vary on the age of joining the APY
- **Option to the spouse** of the subscriber to continue contribution to APY on death of subscriber before the age of **60 years**: If the subscriber dies before the age of 60 years, his / her spouse would be given an option to continue contributing to 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 that of the subscriber until the death of the spouse.

Benefits of APY

The uniqueness of APY is attributable to three distinctive benefits.

- First, it provides a minimum guaranteed pension on attaining 60 years of age. Subscribers would receive the guaranteed minimum monthly pension of Rs. 1000 or Rs. 2000 or Rs. 3000 or Rs. 4000 or Rs. 5000 at the age of 60 years, based on the contributions made by the subscriber after joining the scheme.

- Secondly, the amount of pension is guaranteed for lifetime to spouse on death of the subscriber.
- Lastly, in the event of death of both the subscriber and the spouse, entire pension corpus is paid to the nominee.
- Further, the minimum pension would be guaranteed by the Government, i.e., if the accumulated corpus based on contributions earns a lower than estimated return on investment and is inadequate to provide the minimum guaranteed pension, the Central Government would fund such inadequacy. Alternatively, if the returns on investment are higher, the subscribers would get enhanced pensionary benefits.

Enrollment

- Atal Pension Yojana (APY) is open to all bank account holders who are not members of any statutory social security scheme. Any individual who is eligible to receive benefits under the APY will have to furnish proof of possession of Aadhaar number or undergo enrolment under Aadhaar authentication.
- An APY subscriber will have to get the Aadhaar number recorded in his or her APY pension account and also in his/ her savings account where the periodic pension contribution instalments are debited and government co-contribution is to be credited.

Achievement

- As on 27.04.2022 more than four crore individuals have subscribed to the scheme
- The scheme had seen this tremendous success due to the active participation of all categories of Banks. Around 71% of the enrolments done by Public-sector banks, 19% by Regional Rural Banks, 6% by Private Sector Banks, 3% by Payment and Small Finance Banks.
- Out of the total enrolments under APY as on 31st March 2022, nearly 80% subscribers have opted for Rs 1000 pension plan and 13% for Rs 5000 pension plan. Out of the total APY subscribers 44 % are female subscribers while 56% are male subscribers. Further, out of the total APY subscribers, 45% are aged between 18 and 25 years.