

A comprehensive study of social security schemes PMJJBY And PMSBY (with special reference to Buldana and Washim district)

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Abstract

Social security schemes play a significant role in ensuring financial protection for economically weaker sections of society. The Government of India introduced Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and Pradhan Mantri Suraksha Bima Yojana (PMSBY) to provide affordable life and accident insurance coverage, particularly to the unorganized and rural population. The present study examines the awareness, coverage, and effectiveness of PMJJBY and PMSBY with special reference to Buldana and Washim districts of Maharashtra. The study is based on a descriptive research design and utilizes both primary and secondary data. Primary data were collected from 380 respondents across 19 talukas through structured questionnaires and interviews with bank customers and officials of nationalized banks, while secondary data were obtained from government reports, bank records, journals, and official websites. The data were analysed using simple statistical tools such as percentages and comparative analysis. The findings reveal that although enrolment under both schemes has increased, awareness regarding scheme benefits and claim procedures remains limited, particularly in rural areas. PMSBY shows relatively higher adoption due to the occupational risk exposure of rural workers. The study concludes that enhanced awareness initiatives, simplified claim processes, and proactive bank involvement are essential for improving the effectiveness of these schemes and strengthening financial inclusion.

Introduction

Social security is an essential component of inclusive economic development. In a developing country like India, a large proportion of the population belongs to the unorganized and economically weaker sections, which remain highly vulnerable to financial shocks caused by illness, accidents, or death. Despite economic growth, insurance penetration in India has remained relatively low, especially in rural areas. Recognizing this gap, the Government of India introduced two major social security insurance schemes in 2015—Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and Pradhan Mantri Suraksha Bima Yojana (PMSBY).

These schemes were launched with the objective of providing affordable life and accident insurance to the masses through nationalized banks. Inspired by the success of the Pradhan Mantri Jan Dhan Yojana, the government aimed to extend financial protection to individuals who were previously excluded from formal insurance systems. However, despite their low premium and wide coverage, the adoption and effectiveness of these schemes vary across regions. Rural districts such as Buldana and Washim in

Maharashtra present a unique case where economic vulnerability is high, yet awareness and utilization of insurance schemes remain uneven.

Overview of PMJJBY and PMSBY

PMJJBY is a life insurance scheme that provides coverage in case of the policyholder's death, while PMSBY is an accident insurance scheme covering accidental death and disability. Both schemes are term insurance plans with very low annual premiums, making them affordable for middle- and low-income groups. These schemes are implemented through nationalized banks, ensuring easy access for account holders.

The simplicity of enrolment, automatic premium deduction, and standardized benefits make these schemes suitable for large-scale financial inclusion. However, the real success of such schemes depends not only on enrolment numbers but also on awareness levels, claim settlement efficiency, and effective outreach by banks.

Need and Significance of the Study

From a global perspective, social security and financial inclusion are recognized as key instruments for poverty reduction and economic stability. Institutions such as the World Bank and the United Nations emphasize micro-insurance as a critical tool for protecting vulnerable populations. Developed nations have long relied on social insurance systems to reduce the financial burden on governments arising from uninsured losses.

At the national level, India has traditionally provided social security mainly to organized sector workers. PMJJBY and PMSBY attempt to bridge this gap by extending coverage to the unorganized and rural population. However, regional disparities persist in scheme penetration and effectiveness.

At the local level, Buldana and Washim districts are predominantly agrarian, with households exposed to risks related to accidents, health emergencies, and untimely death. Despite the relevance of these schemes, participation remains limited. This makes a localized study essential to understand ground-level challenges and implementation gaps.

Review of Literature

International studies highlight that micro-insurance schemes play a vital role in reducing financial vulnerability, though adoption remains a challenge due to low awareness and trust issues. National-level studies in India indicate that while schemes like PMJDY have improved banking access, insurance penetration still lacks depth. Researchers have identified gaps in awareness, understanding of benefits, and claim procedures among beneficiaries.

However, district-level studies focusing specifically on PMJJBY and PMSBY are limited. This study attempts to fill that gap by providing micro-level insights from Buldana and Washim districts.

Research Methodology

The study adopts a descriptive research design. Both primary and secondary data are used. Primary data is collected through questionnaires, interviews, and feedback from customers and bank officials of nationalized banks operating in Buldana and Washim districts. A total sample of 380 customers across 19 talukas is considered using random sampling.

Secondary data is collected from bank records, government reports, journals, and official websites. The data is analysed using simple statistical tools such as percentages, charts, and comparative analysis to evaluate scheme performance and claim settlement ratios.

Key Findings and Discussion

The study reveals that a significant portion of policyholders are existing bank customers, indicating that banks primarily issue these schemes to individuals already connected to the banking system. Awareness about scheme benefits and claim procedures remains limited, particularly among rural and less-educated populations.

While enrolment numbers show growth, claim settlement processes often face delays due to lack of documentation and procedural awareness. Comparatively, PMSBY shows higher adoption due to its accident coverage relevance among rural workers.

Both schemes are found to be far more affordable than other insurance products available in the market, making them suitable for middle- and lower-income groups. However, the full potential of these schemes remains underutilized due to operational and awareness-related challenges.

Conclusion

PMJJBY and PMSBY represent significant steps toward strengthening India's social security framework. These schemes have the potential to provide financial protection to millions of rural households at a minimal cost. The study highlights that while the schemes are well-designed and affordable, their success largely depends on effective implementation, awareness creation, and efficient claim settlement.

In districts like Buldana and Washim, greater efforts are required from banks and policymakers to improve outreach, simplify procedures, and educate beneficiaries. Strengthening these aspects will not only enhance scheme adoption but also contribute to long-term financial inclusion and rural economic stability.

References

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