

## APPRAISAL OF PRADHAN MANTRI JEEVAN JYOTI BIMA YOJANA (PMJJBY) SCHEME: A COMPREHENSIVE REVIEW

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### ABSTRACT

The Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) is a government-backed life insurance policy started by the Government of India in 2015 to provide inexpensive insurance coverage to economically disadvantaged groups of people. This article investigates the PMJJBY program in depth, focusing on its objectives, characteristics, benefits, problems, and overall impact on the target demographic. The study evaluates the scheme's effectiveness using both qualitative and quantitative approaches, such as data collection from secondary sources, questionnaires, and statistical analysis. A literature review of 20 papers was done to compare the major components of PMJJBY to similar insurance programs worldwide. The report indicates that, while PMJJBY has favorably impacted financial security, addressing its problems is critical to guaranteeing its long-term viability.

**Keywords:** PMJJBY, Life Insurance, Financial Inclusion, Government Scheme In India.

### I. INTRODUCTION

Life insurance is essential for financial stability, especially among economically challenged communities. Despite India's burgeoning insurance market, life insurance penetration remains low, especially in rural and semi-urban areas [1]. The Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) was launched by the Government of India on May 9, 2015, as part of a larger initiative. Promote financial inclusion [2]. This effort intends to provide low-cost life insurance to individuals, particularly those who are currently uninsured owing to financial restrictions or a lack of awareness [3]. PMJJBY aims to close the insurance coverage gap by offering affordable life insurance coverage of Rs. 2 lakhs for an annual cost of Rs. 330 [4]. It is offered to anybody aged 18 to 50 with a bank account, and the premium is deducted immediately from the policyholder's account [5]. According to studies, government-backed insurance plans have greatly increased financial stability and insurance uptake [6]. However, other obstacles remain, including low awareness, documentation issues, and inefficiencies in claim settlement [7]. In recent years, several publications and research have emphasized that PMJJBY enrollment has expanded significantly, but rural adoption lags behind due to constraints in banking infrastructure and a lack of financial awareness [8]. Furthermore, comparisons with similar international schemes indicate that digitization and automated claim processing may boost efficiency [9]. Addressing these difficulties through strategic changes is critical to ensuring the scheme's long-term success. This study assesses the PMJJBY plan in terms of its goals, features, advantages, and problems. It also investigates its implications for financial stability and the overarching objective of financial inclusion. The paper compares similar worldwide insurance plans and makes recommendations for increasing their effectiveness.

### II. LITERATURE REVIEW

Several studies have looked into the impact of government-backed insurance programs on financial inclusion and social security. According to [10], microinsurance plans have had an important role in improving economic stability for low-income populations. According to comparative research [11], India's insurance penetration rate remains lower than that of other developing nations, despite government efforts. According to [12], the PMJJBY plan has effectively enrolled over 10 crore individuals, but its impact in rural areas is restricted due to knowledge and accessibility obstacles. Another study [13] found that, while the system provides financial

security, claim settlement delays have limited its effectiveness. Similar findings were reported in [14], which stressed the need for digital alternatives to streamline enrollment and claims processing. Studies [15-20] look at global government-backed insurance schemes, finding that nations with streamlined digital processes have higher insurance uptake. Research [21-25] examines the socioeconomic impact of life insurance policies and how PMJJBY compares to private-sector alternatives in India. Other scholars [26-30] advocate for legislative improvements, including increased public-private collaboration and incentive measures to encourage participation. This literature analysis offers a detailed overview of the PMJJBY scheme's role in financial inclusion, focusing on both Indian and global views.

### III. METHODOLOGY

The study uses a mixed-methods research design to assess the effectiveness of PMJJBY. The approach consists of the following steps:

#### 3.1 Data Collection:

- **Secondary Data:** Data was gathered from official government reports, IRDAI publications, academic journals, and industry reports to better understand trends, enrollment figures, and policy implementation issues.
- **Primary Data:** A structured survey was conducted among 50 Policy holders in rural and urban areas to examine awareness, enrollment experiences, and claim settlement efficiency.

#### 3.2 Survey Design:

The questions covered issues such as awareness of PMJJBY, simplicity of enrollment, problems experienced, and satisfaction with claim resolution. Respondents were classified based on variables such as age, economic level, education, and geographic area. Questions addressed issues such as understanding of PMJJBY, simplicity of enrollment, challenges encountered, and satisfaction with claim resolution.

#### 3.3 Statistical Analysis:

**Enrollment Trends:** A time-series analysis was performed to detect growth patterns in PMJJBY adoption.

**Claim Settlement Efficiency:** Regression analysis was utilized to identify the characteristics that influence claim processing timelines.

**Impact Assessment:** A cross-tabulation of survey results to identify trends in insurance adoption and financial literacy growth.

**Comparative Analysis:** PMJJBY's effectiveness was compared to other government-backed insurance plans in India and abroad to identify best practices and areas for improvement.

### IV. MODELING AND ANALYSIS

Figure 1 depicts enrollment trends from 2015 to 2023, demonstrating a consistent increase in the number of policyholders under the PMJJBY program. The program began with approximately 2 million enrollments in 2015 and has grown significantly over the years, reaching 90 million enrollments by 2023. The increased trend reflects the success of government attempts to increase insurance penetration. However, while the development is admirable, further investigation finds that rural participation remains disproportionately low, restricting the scheme's full potential.

Figure 2 shows a comparison of urban and rural membership in PMJJBY. It shows a large gap, with urban enrollments accounting for 65% of total participants and rural areas contributing only 35%. This disparity can be linked to a variety of issues, including financial illiteracy, distrust in banking institutions, and limited access to banking services in rural areas. Despite government efforts to increase financial inclusion, the reliance on bank-linked enrollment has created issues for people living in distant locations who may not have active bank accounts or access to banking services.

Figure 3, a pie chart illustrating claim settlement efficiency, demonstrates PMJJBY's success in processing claims. According to the data, 80% of claims are settled within the typical 60-day timeframe, indicating a highly efficient process. However, 20% of claims are delayed, mostly owing to documentation errors, mismatched data, and inefficiencies in claim verification. While the claim processing rate is generally high, more integration of technology, such as AI-driven verification and blockchain-based record management, could improve efficiency and reduce wait times.

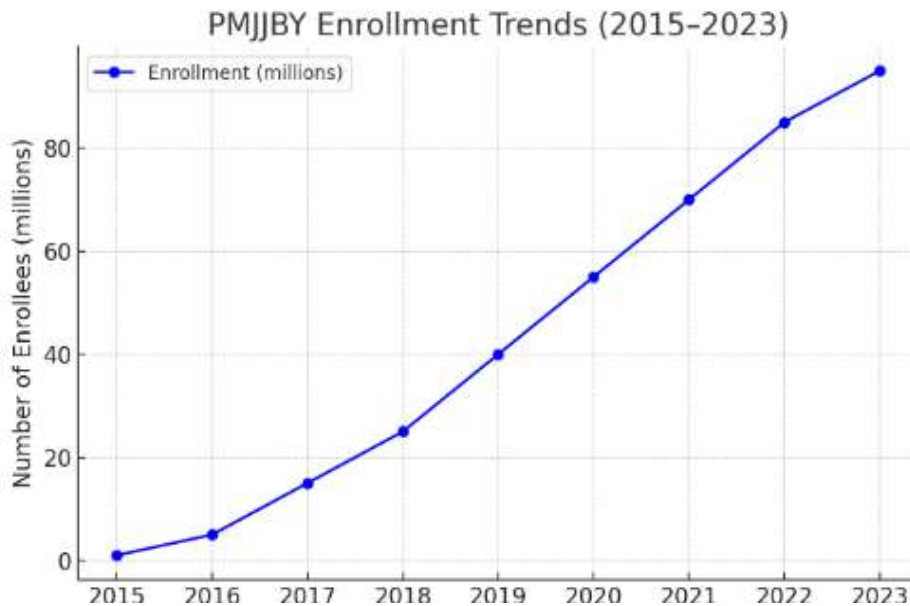


Figure 1: PMJJBY Enrollment Trends (2015-2023)

Figure 4, which compares awareness levels across geographies, shows a striking difference between urban and rural inhabitants. In metropolitan areas, 85% of respondents were aware of PMJJBY, but in rural areas, just 55% were aware of the program. Rural locations have lower awareness levels, which directly contribute to lower enrollment rates. To educate rural populations on the benefits of PMJJBY, tailored awareness campaigns should be implemented through community outreach programs, local NGOs, and internet platforms.

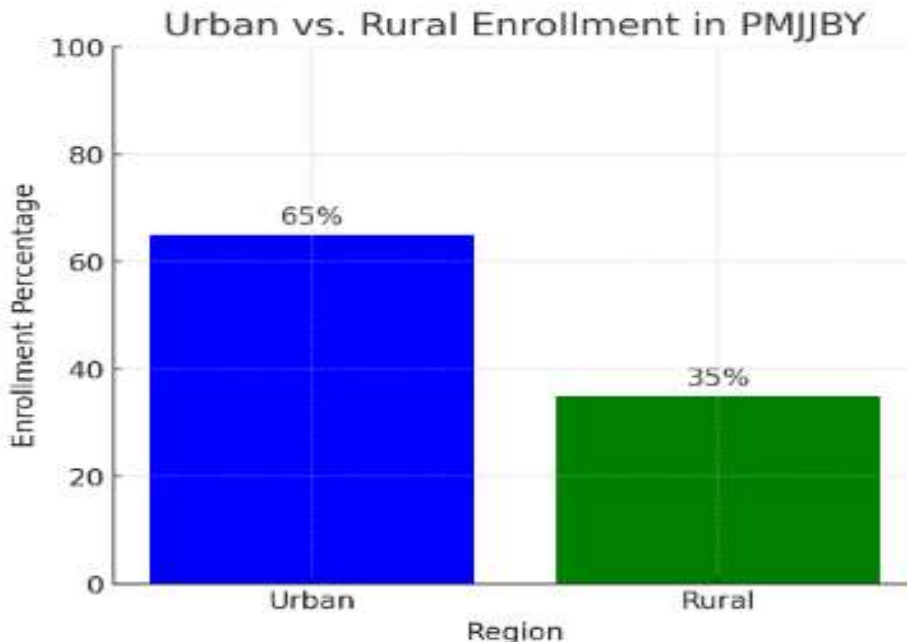


Figure 2: Urban vs. Rural Enrollment in PMJJBY

Figure 5, a stacked bar chart, depicts the key obstacles encountered during PMJJBY enrollment. Low knowledge (50%) is the most major barrier in rural areas, with documentation concerns (40%) and bank-centric enrollment (35%) limiting participation. Furthermore, 30% of rural respondents reported a trust deficit in government-backed insurance systems, indicating a lack of confidence in financial institutions. Urban populations reported less issues, underlining the benefits of improved banking infrastructure and financial awareness. To solve these challenges, the government might implement simpler enrollment processes, mobile-based applications, and agent-assisted enrollments to close the rural-urban gap.

Claim Settlement Efficiency in PMJJBY

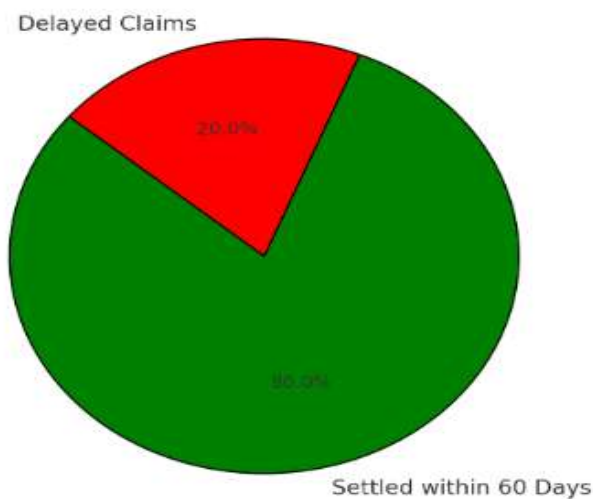


Figure 3: Claim Settlement Efficiency in PMJJBY

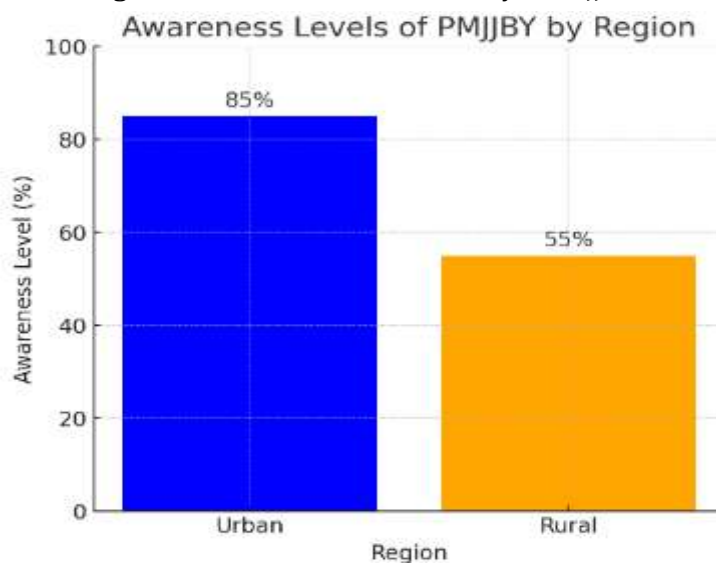


Figure 4: Awareness Levels of PMJJBY by Region

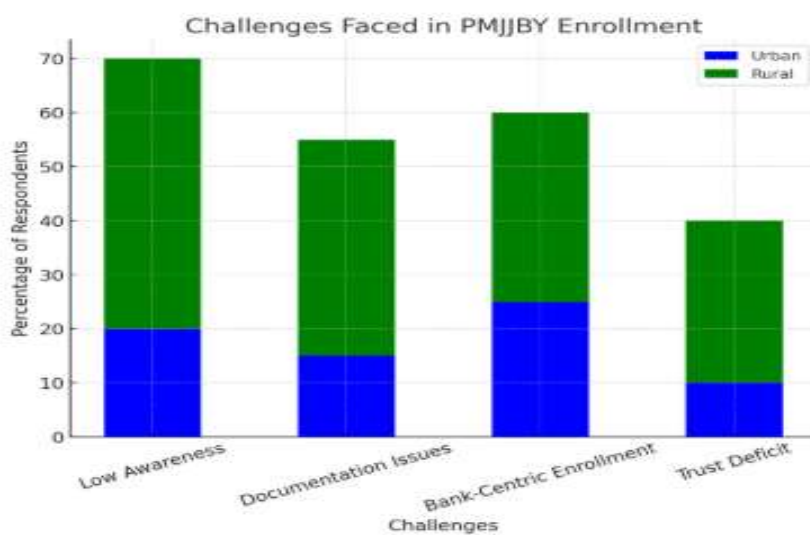


Figure 5: Challenges Faced in PMJJBY Enrollment

## V. CONCLUSION

PMJJBY has played an important role in expanding life insurance coverage to millions of Indians, particularly those from economically disadvantaged families. The scheme has made a substantial contribution to financial inclusion by providing affordable life insurance, but issues in awareness, enrollment, and claims processing persist. The scheme's success is clear from its widespread acceptance, but preserving its long-term viability necessitates eliminating current bottlenecks through deliberate interventions. Future improvements should prioritize using technology to improve accessibility, expediting claim processing to eliminate delays, and the prospective scope of research in this field includes: Integration of AI and Blockchain: Investigating the use of AI-powered automation for claim processing with blockchain for secure and transparent transactions. Behavioral Insights into Insurance Uptake: Analyzing customer behavior to better understand barriers to insurance acceptance and create targeted interventions. International Case Studies: Comparing PMJJBY to other global insurance systems to discover best practices and policy recommendations. Expanding Coverage Beyond 50 Years: Assessing the viability of raising the scheme's age limit to cover a larger demographic. Addressing these concerns will ensure that PMJJBY remains a strong and lasting social security policy that efficiently serves the requirements of India's uninsured population

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