

## **A STUDY ON DIFFERENT INSURANCE SCHEMES OFFERED BY THE GOI**

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### **Abstract:**

“Insurance functions as a financial tool designed to protect against potential financial losses or risks through a structured risk management strategy. It is essential for both individuals and businesses in managing risks and recovering from possible financial difficulties. This research examines various insurance schemes offered by the Government of India (GOI), including the Pradhan Mantri Jan Dhan Yojana (PMJDY), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY), Atal Pension Yojana (APY), Pradhan Mantri Jan Arogya Yojana (PMJAY), Pradhan Mantri Fasal Bima Yojana (PMFBY), Employees' State Insurance Scheme (ESIS), and Varishta Pension Bima Yojana (VPBY). The study employed secondary data and descriptive analysis to evaluate the objectives, features, and target populations of these programs. Findings indicate that each initiative offers distinct benefits tailored to specific needs and risks. It is advised that individuals and families carefully assess their unique requirements, financial goals, and potential risks when selecting the most appropriate insurance program. The study concludes that insurance serves as a highly effective tool for risk management and ensuring financial security.”

**Key words:** Pmjdy, Pmjby, Pmsby, Apy, Pmjay,

### **Introduction**

Insurance functions as a financial tool aimed at protecting against possible financial losses or risks by employing efficient risk management techniques. This process involves shifting the risk from an individual or organization to an insurance company, which then provides compensation for specified losses or damages. The following is a summary of key concepts related to insurance. The primary objective of insurance is to promote financial security and mitigate the impact of unforeseen events,

such as accidents, health complications, property damage, or death. It aids both individuals and businesses in managing risks and recovering from potential financial difficulties.

### **Need of the Study:**

The objective of this research is to investigate the diverse insurance schemes offered by the Government of India (GOI). This study intends to analyze the goals, characteristics, and intended beneficiaries of these schemes. Through this examination, the

research aims to deliver a thorough understanding of how these insurance initiatives are structured to address the requirements of various societal groups, including marginalized populations, elderly individuals, farmers, and laborers in the informal sector.

### Scope of the study:

The focus of this research is confined to the insurance schemes offered by the Government of India, specifically highlighting their objectives, features, and target beneficiaries.

### Objectives of the study:

- To explore the concept of insurance.
- To examine the different types of insurance plans available.
- To evaluate the objectives, features, and target recipients of these plans.
- To provide recommendations to individuals concerning their insurance choices.

### Research and Methodology:

**Nature of the study:** The study is based on Descriptive research

**Sources of data:** The data has been gathered from various secondary sources, including multiple websites.

**Number of variable:** PMJDY, PMJJBY, PMSBY, APY, PMJAY, PMFBY, ESIS & VPBY

### Review of the literature:

- A comprehensive study performed by Verma (2022) explores the diverse challenges and opportunities associated with government-backed insurance programs in India. The findings indicate that while these programs have enhanced insurance accessibility for the broader population, problems such as inadequate coverage, low awareness levels, and bureaucratic hurdles persist. Verma suggests that the incorporation of technology and improved public education could greatly enhance the effectiveness of these initiatives.

- Kumar's (2021) study focuses on the Atal Pension Yojana (APY) and its role in offering social security to individuals employed in the informal sector. The results reveal that APY has attracted a significant number of enrollees, largely due to its low contribution thresholds and the availability of government co-contributions. However, the research underscores the importance of enhancing awareness and implementing strategies to secure the program's sustainability in the future.

- Gupta and Singh (2020) undertook a research study to investigate the impact of Ayushman Bharat, particularly the Pradhan Mantri Jan Arogya Yojana (PMJAY), on health insurance coverage in India. Their findings indicate that PMJAY has significantly improved access to healthcare services for economically disadvantaged populations, leading to a notable increase in hospital admissions and a reduction in out-of-pocket expenses. Nonetheless, the study



highlights persistent challenges related to the quality of healthcare services and the financial viability of the program.

### Data Analysis and Interpretation:

An investigation into the various insurance programs provided by the Government of India (GOI) would entail a thorough analysis of the distinct schemes available, their goals, advantages, intended beneficiaries, and their effects on the populace. Below is a summary of several significant insurance schemes offered by the GOI:

#### 1. Pradhan Mantri Jan Dhan Yojana (PMJDY) - Life Insurance:

- **Objective:** To ensure universal access to banking services, enhance financial literacy, and facilitate access to credit, insurance, and pension schemes.
- **Features:**
  - An accidental insurance coverage of ₹1 lakh (₹2 lakh for accounts established after August 28, 2018).
  - A life insurance coverage of ₹30,000 for the account holder, subject to specific conditions.
  - **Target Audience:** Individuals who are opening bank accounts under this initiative, with a particular focus on those who are currently unbanked.

#### 2. Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY):

- **Objective:** To offer accessible life insurance to all individuals.
- **Features:**
  - Life insurance coverage of ₹2 lakh for an annual premium of ₹330.

- The program is subject to annual renewal.
- **Target Audience:** Citizens aged between 18 and 50 years.

#### 3. Pradhan Mantri Suraksha Bima Yojana (PMSBY):

- **Objective:** To deliver accident insurance at minimal premiums.
- **Features:**
  - Coverage for accidental death and disability amounting to ₹2 lakh for an annual premium of ₹12.
  - The program is subject to annual renewal.
  - **Target Audience:** Citizens aged between 18 and 70 years.

#### 4. Atal Pension Yojana (APY):

- **Objective:** To extend pension benefits to individuals in the unorganized sector.
- **Features:**
  - Assured monthly pension ranging from ₹1,000 to ₹5,000 upon reaching the age of 60, contingent on the amount contributed.
  - Government co-contribution available for qualifying subscribers.
  - **Target Audience:** Persons aged 18 to 40 years, with a focus on those working in the unorganized sector.

#### 5. Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (PMJAY):

- **Objective:** To extend health insurance protection to families facing economic hardships.
- **Features:**
  - Health insurance coverage amounting to ₹5 lakh annually for each family, applicable to secondary and tertiary care hospitalizations.
  - Benefits extended to more than 10 crore families classified as poor and vulnerable.

**Target Audience:** Families identified as economically vulnerable based on the data from the Socio-Economic Caste Census (SECC).

## 6. Crop Insurance Schemes:

### • Pradhan Mantri Fasal Bima Yojana (PMFBY):

○ **Objective:** To offer insurance protection and financial assistance to farmers in cases of crop failure.

○ **Features:**

- Encompasses a variety of crops.
- Farmers benefit from low premium rates, with the government subsidizing the remainder.
- Provides coverage against risks such as natural disasters, pests, and diseases.

○ **Target Audience:** Farmers nationwide.

### • Restructured Weather-Based Crop Insurance Scheme (RWBCIS):

○ **Objective:** To safeguard farmers from risks associated with weather conditions.

○ **Features:**

- Insurance coverage determined by weather metrics.
- Compensation activated by unfavorable weather events.

○ **Target Audience:** Farmers at risk from weather-related challenges.

## 7. Employee State Insurance Scheme (ESIS):

• **Objective:** To offer social security and health insurance coverage for employees.

• **Features:**

○ Benefits include medical care, cash assistance, maternity support, disability coverage, and benefits for dependents.

○ The scheme is financed through contributions made by both employees and employers.

• **Target Audience:** Employees in the organized sector whose earnings do not exceed a specified income limit.

## 8. Varishtha Pension Bima Yojana (VPBY):

• **Objective:** To ensure social security for elderly individuals.

• **Features:**

• A guaranteed pension program specifically designed for senior citizens.

• The pension amount is determined by a fixed return on the initial investment in the scheme.

• **Target Audience:** Senior citizens aged 60 years and above.

## Impact and Analysis:

• **Inclusion:** These initiatives have been instrumental in improving financial inclusion by providing insurance coverage to millions, particularly among individuals in the unorganized sector and rural areas.

• **Accessibility:** The combination of reasonable premium rates and government subsidies has made insurance more accessible to a larger portion of the population.

• **Challenges:** Despite significant accomplishments, challenges remain, such as the requirement for heightened awareness among the target audience, the imperative for successful implementation, and the difficulty of reaching the most vulnerable groups.

## Findings:

- **Regarding healthcare coverage:**PMJAY demonstrates significant effectiveness.
- **In terms of life insurance:**PMJJBY provides outstanding value.
- **For crop insurance:**PMFBY is crucial for the agricultural community.
- **Concerning retirement security:**APY proves advantageous for workers in the unorganized sector.
- **With respect to accident coverage:**PMSBY stands out for its affordability and practicality.

## Suggestion:

Choosing the appropriate plan necessitates an evaluation of personal or familial requirements, financial objectives, and the potential risks associated.

## Conclusion:

The various insurance schemes introduced by the Government of India aim to create a social safety net for different segments of the population, especially for the

underprivileged, vulnerable individuals, and those employed in the unorganized sector. While these initiatives have made significant progress, continuous efforts are necessary to enhance their accessibility, efficiency, and sustainability over the long term.

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