

# Policy Brief #20

## Securing the Masses: An Assessment of Jan Suraksha Schemes

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### EXECUTIVE SUMMARY

#### What is Jan Suraksha?

Jan Suraksha is a combination of 3 schemes:

1. Pradhan Mantri Suraksha Bima Yojana (PMSBY)

2. Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and,

3. Atal Pension Yojana (APY)

#### Are these schemes subsidised?

No, Jan Suraksha schemes are entirely contributory with no direct subsidy (e.g. premium or claim subsidy) component, making them more akin to commercial microinsurance. The smart subsidy comes in the form of Government bearing the cost of design of the schemes and ensuring distribution of the schemes to the target segment through a wide network of bank branches and BMs/agents.

*Jan Suraksha* is India's trust to insure its masses. Launched in May 2015, *Jan Suraksha* together with *Pradhan Mantri Jan Dhan Yojana (PMJDY)* forms the largest financial inclusion programme in the world. Given the numbers and outreach (131.9<sup>1</sup> million covered) there is little doubt that *Jan Suraksha* schemes represent a paradigm shift in the social insurance landscape of India. *MicroSave's* national level assessment study<sup>2</sup> of the two *Jan Suraksha* schemes *Pradhan Mantri Suraksha Bima Yojana (PMSBY)* and *Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)* is the first of its kind. It makes recommendations to strengthen the delivery of the vision behind this innovative initiative.

#### Principal findings

- 128.5 million customers<sup>3</sup> have enrolled themselves in the *Jan Suraksha* schemes and renewal rate has been more than 80%. The high renewal rate is primarily due to auto debit facility as the schemes are linked to customers' savings accounts. However, despite the success of the initial push (109 million customers were covered within the first 3.5 months of the launch),<sup>4</sup> banks have not continued efforts to expand the outreach of *Jan Suraksha* schemes. The potential to expand outreach, riding on PMJDY, is immense. Compared to the current 265 million plus<sup>5</sup> PMJDY accounts, it is fair to suggest that the *Jan Suraksha* job remains half done, even if we consider just one policy per household.
- Indian consumers, especially those in the segments targeted by *Jan Suraksha*, are price sensitive. Sixty-nine percent customers have chosen PMSBY policy with an annual premium of INR 12; only 9% have subscribed to both PMSBY and PMJJBY, with an annual premium of INR 330. Women enrolment under the schemes is at 37%; while a good start, this should be a focus area in the coming years.
- Customer awareness is good regarding *Jan Suraksha* when it comes to: "What they pay?" and "What they get?" However, scratch the surface and customers have limited understanding of: "How the scheme works?"; "How to make claims?"; "How to track the status of the policy?" and "Where to go to make complaints?"
- Bank Mitrs (BM) or agents are the bulwark on which the schemes' outreach has been built. While they did a great job in attracting clients initially, BMs are no longer actively involved in promoting the *Jan Suraksha* schemes. Also, the BMs' understanding of the schemes and "How insurance works", remains scant due to limited capacity building initiatives undertaken by banks. This reflects in, and is compounded by, the lack of new outreach campaigns by banks in the second year of the programme. Consequently, these schemes do not figure high in BMs' future work plans, which may further limit the expansion of *Jan Suraksha*.

1. <http://www.jansuraksha.gov.in/Claims.aspx> MIS as on Nov 2016

2. Refer coverage and methodology of the policy brief for details

3. <http://www.jansuraksha.gov.in/Claims.aspx> - Enrolment under PMSBY and PMJJBY : MIS as on Nov 2016

4. [http://www.microsave.net/files/pdf/PB\\_13\\_Jansuraksha\\_India\\_s\\_New\\_Tryst\\_with\\_Mass\\_Insurance.pdf](http://www.microsave.net/files/pdf/PB_13_Jansuraksha_India_s_New_Tryst_with_Mass_Insurance.pdf)

5. <http://www.pmjdy.gov.in/>

### Why is *Jan Suraksha* relevant?

While it is not the *first idea of its kind* in its vision and execution, *Jan Suraksha* is the largest mass insurance programme in the world. Coupled with PMJDY, it also forms a part of the largest and most diversified financial inclusion programme in the world.

*Jan Suraksha* has given India a bold and inclusive framework for a universal social security programme that would be contributory, yet smartly supported by the Government and network of banks.

5. Claims are the moment of truth in insurance, and *Jan Suraksha* is no exception. A low rejection rate of 2.5%, with all claims being paid directly into customers' accounts and no reported case of leakage, is worthy of appreciation, especially given the size and scale of the schemes. However, more than 86% of all claims have been settled well after the stipulated 30 days turn-around-time (TAT) and; in 26% cases, claim settlement took more than 2 months.
6. The schemes have some serious administrative problems to iron out. A majority of customers have not received acknowledgement receipts; the only proof of insurance that these customers have is a debit entry in their passbooks. There is no tracking mechanism for policy enrolments, renewals, and claims available either at BM level or at the level of bank branches.

## Primary Recommendations

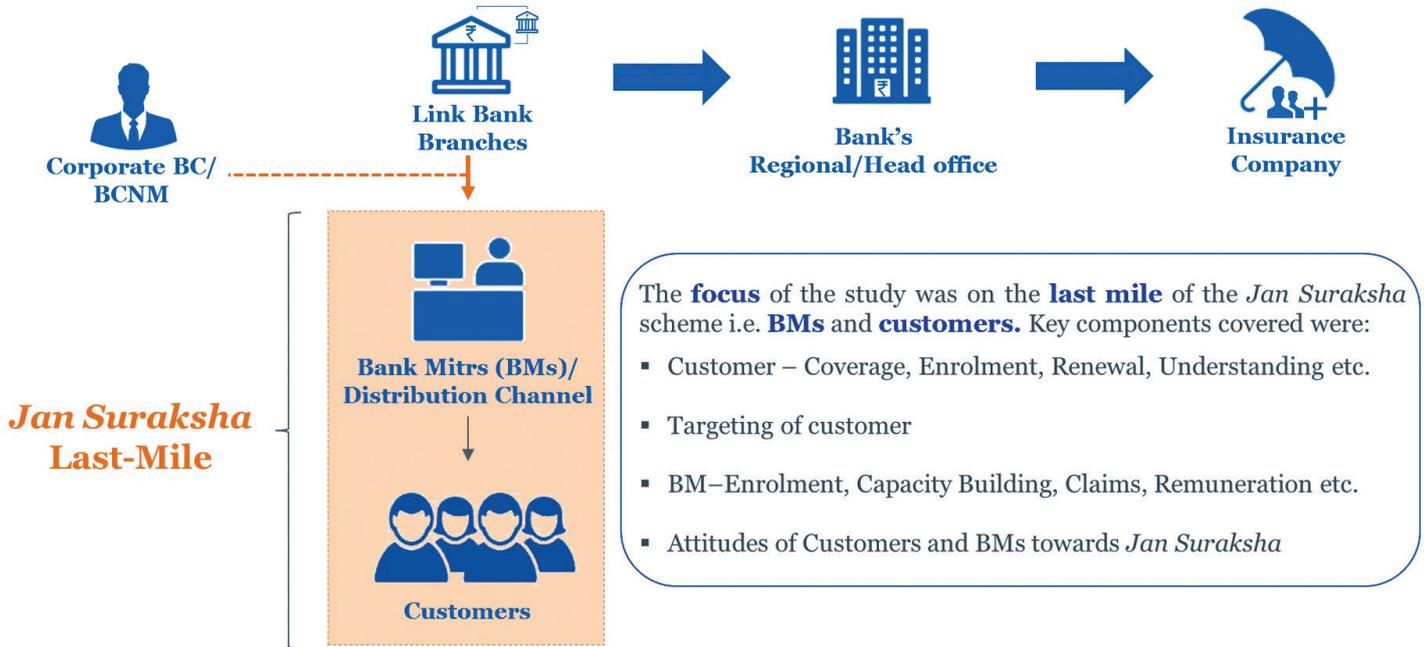
1. Banks should focus on expanding *Jan Suraksha* outreach over the next 2 to 3 years, supported by strong mass media campaigns, as seen during the launch of the scheme. Capacity building of BMs and providing better information to customers should be the main areas of focus in these campaigns; better informed BMs reaching out to more aware customers will lead to greater outreach.
2. Banks and the Department of Financial Services (DFS) can also explore the possibility of extending *Jan Suraksha* schemes by piggy-backing them onto other flagship schemes of the Government of India. For example, enrolment into the schemes can be offered through digitised Public Distribution System (PDS) outlets; or similarly all Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) workers can be offered the schemes. This will greatly support outreach, which is a high priority agenda of the Government.
3. In time, banks and the insurers involved will have to put in place a well-developed system to allow customers to track *Jan Suraksha* enrolment, renewal, and claim processing along with a suitable grievance redressal mechanism. Insurance, like any other financial service, is about trust; greater responsiveness and better documentation by issuing acknowledgement receipts can augment customers' trust.
4. Banks need to undertake structured capacity building of BMs through standardised and mandatory training modules<sup>6</sup>. This should be supplemented by efficient commission payments to BMs along with information on policy-wise breakup of commissions and renewals. Such information will help BMs to understand the earning potential in selling *Jan Suraksha*, making them more inclined to engage with new customers.
5. A checklist of the documents required for lodging claims will reduce documentation burden on the customers and in turn will enhance claim process efficiency. This should be supplemented by a mechanism to better track claim turn-around-time and inform the claimants on their claims' status.

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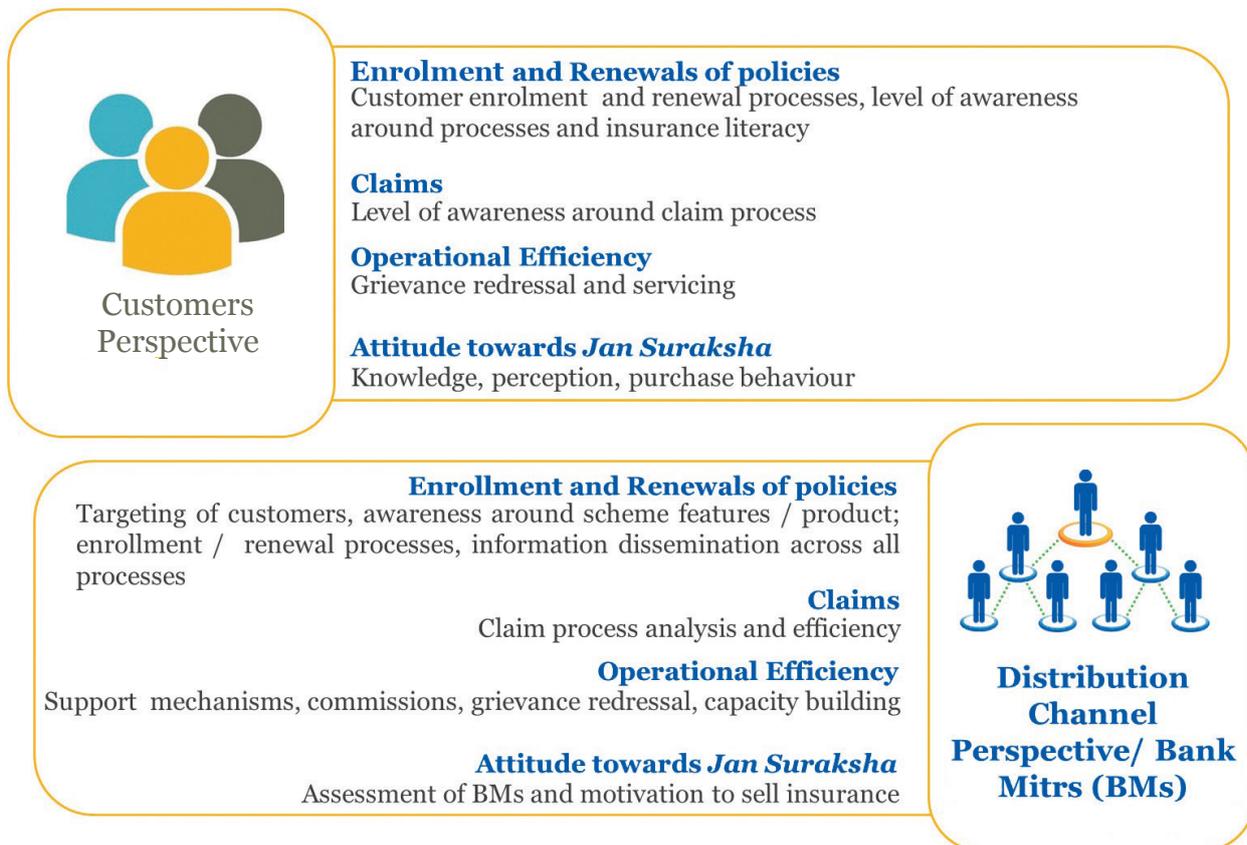
6. <http://financialeducation.microsave.net/>

## OVERVIEW OF JAN SURAKSHA ASSESSMENT

**Exhibit - 1**  
*Jan Suraksha Last Mile*



**Exhibit - 2**  
*Parameters of Jan Suraksha Assessment*



## Introduction

*Jan Suraksha* is considered India's innovative tryst with social insurance. Launched in May 2015, the scheme is a combination of accident<sup>1</sup> life<sup>2</sup> insurance, and a pension product.<sup>3</sup> *Jan Suraksha*, has achieved an impressive outreach of 131.9 million people to date. This, along with the *Pradhan Mantri Jan Dhan Yojana* (PMJDY), forms the largest financial inclusion programme in the world. Considering the numbers and outreach achieved, there is little doubt that the schemes represent a paradigm shift in Indian social insurance. However, no significant assessment of the quality of the implementation of *Jan Suraksha* has been undertaken since its launch. This study looks at the scheme and provides inputs to policy makers to facilitate course correction.

administered with sample spread across 11 states/UTs. The country was divided into 5 zones and in each zone, states/UTs were randomly selected in proportion to the total number of states /UTs in that zone. The zone classification was based on *SECC Survey 2011*. A total of 20 districts were covered across all zones. The sample coverage included 401 BMs; structured quantitative interviews with 3,511 policy holders and 240 claimants. In addition to the quantitative survey, in-depth qualitative discussions<sup>7</sup> were undertaken to understand the 'how' and the 'why' behind the quantitative numbers. The data on BMs, available on PMJDY website, was used to contact and interview BMs.

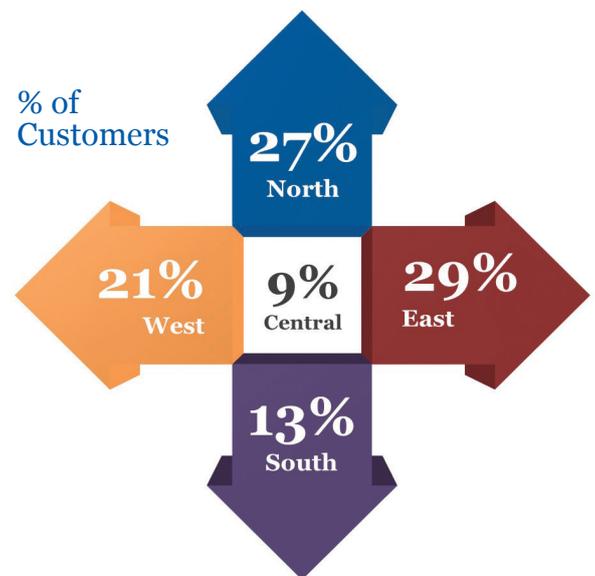
## Context

*MicroSave*, with support from the Bill & Melinda Gates Foundation, conducted a national level assessment<sup>4</sup> of the two *Jan Suraksha* schemes (*Pradhan Mantri Suraksha Bima Yojana* (PMSBY) and *Pradhan Mantri Jeevan Jyoti Bima Yojana* (PMJJBY)) to examine the implementation from the perspective of the last-mile players i.e. customers (beneficiaries) and distribution channel or the Bank Mitrs (BM)s.<sup>5</sup> The assessment looked at the key parameters of enrolment, renewal, and claims under *Jan Suraksha*. Additionally, it also looked at the attitude and behavioural aspects of customers and BMs towards *Jan Suraksha*. The objective of the study was to suggest 'implementable improvements', both at operational and policy levels.

## Coverage and Research Methodology

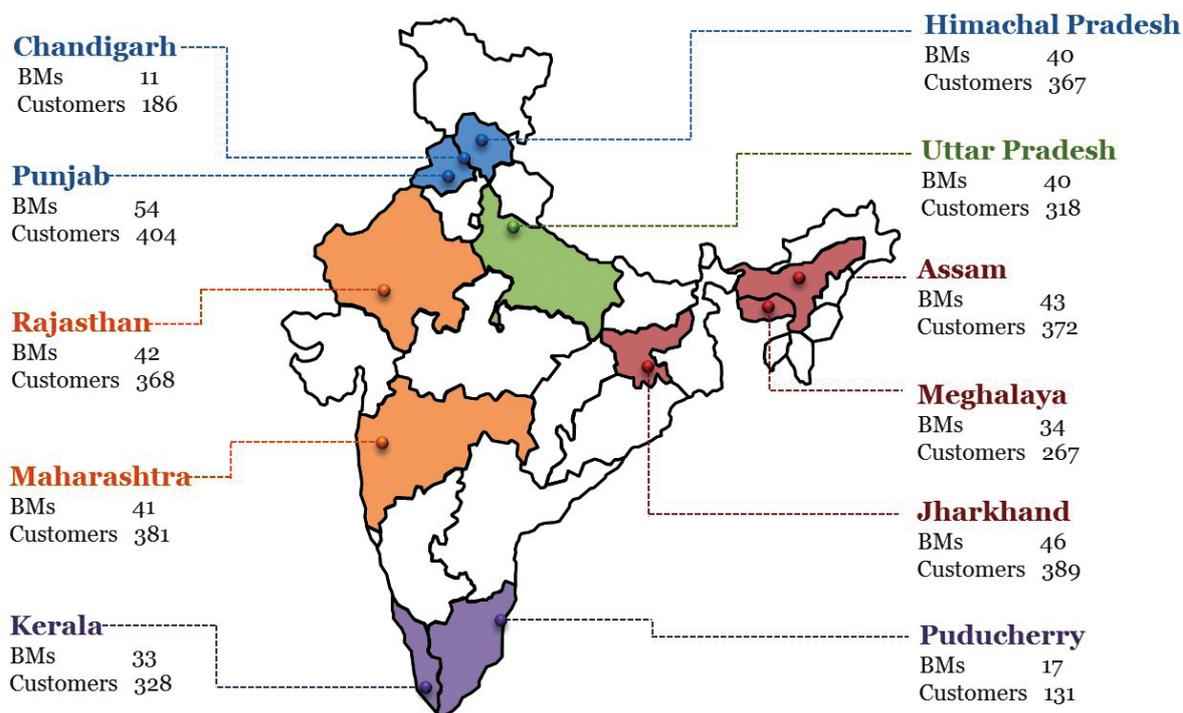
The study used a *cross-sectional mixed method design*<sup>6</sup> to understand access and uptake of the two insurance schemes. A *nationally* representative quantitative survey was

**Exhibit - 3**  
Zone-wise customer coverage (N=3511)



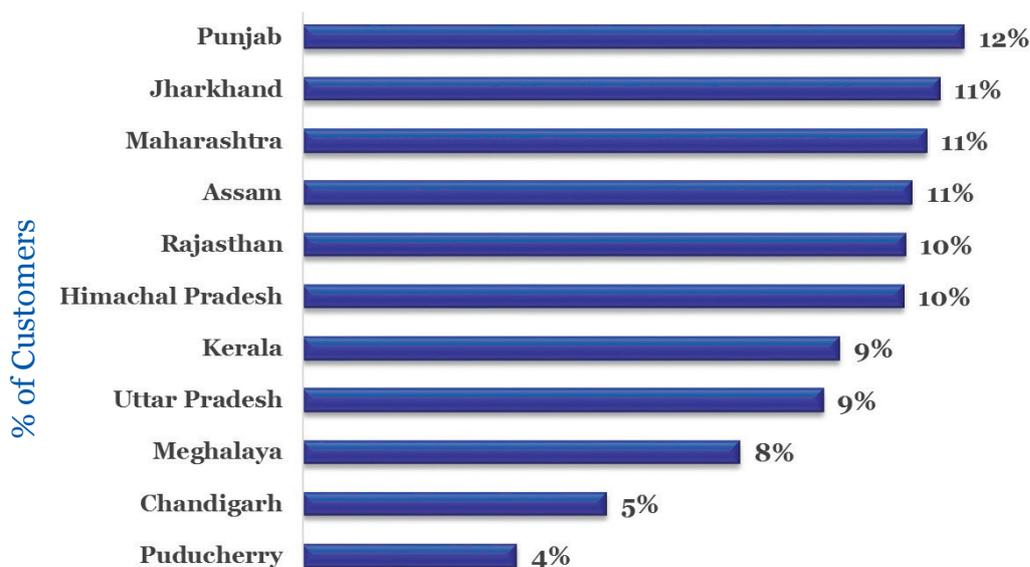
1. [Pradhan Mantri Suraksha Bima Yojana \(PMSBY\)](#) covering more than 97.8 million people as on Nov 2016
2. [Pradhan Mantri Jeevan Jyoti Bima Yojana \(PMJJBY\)](#) covering more than 30.7 million people as on Nov 2016
3. [Atal Pension Yojana \(APY\)](#) covering more than 3.4 million people as on Nov 2016
4. The quantitative survey/data collection for the study was conducted between Aug to Oct-16 by [MRSS India](#) under supervision and guidance of *MicroSave*.
5. *Jansuraksha* is being offered to customers either through the branch channel or bank mitrs/business correspondents (non-branch/branch less banking) channel. The study was only limited to the assessment of the BMs channel and their customers.
6. The assessment involved both a quantitative survey and qualitative in-depth discussion with the customers/claimants and BMs
7. 23 BMs and 26 customers/claimants were covered for in-depth qualitative discussions in select 5 districts- one in each zone by *MicroSave* Staff viz: [Nishant Saindane](#), [Saborni Poddar](#), [Avantika Kushwaha](#), [Nikhil Dhanda](#), [Neha Parakh](#), [Manoj Kumar Pandey](#) and [Aishwarya Singh](#)

**Exhibit - 4**  
**Jan Suraksha Sample Coverage<sup>8</sup>**



North	East	West	South	Central	Total
Districts 5	Districts 6	Districts 3	Districts 4	Districts 2	<b>Districts 20</b>
BMs 105	BMs 123	BMs 83	BMs 50	BMs 40	<b>BMs 401</b>
Customers 957	Customers 1028	Customers 749	Customers 459	Customers 318	<b>Customers 3511</b>

**Exhibit - 5**  
**State-wise Coverage (N=3511)**



8. Variation in zone-wise customer sample was due to the number of states/UTs as per SECC classification and random selection of states/ UTs in each zone. North Eastern states (Assam & Meghalaya) were included in East zone. Sample coverage depended on BMs availability in states/UTs. State-wise sample coverage was within a range of 8% to 12% of the total customer sample.

KEY FINDINGS



**At Customers/Claimants Level**

Exhibit - 6  
Scheme-wise Uptake (N=3511)



a. Sixty-nine percent of customers have enrolled just in PMSBY, while 22% reported to have enrolled only in PMJJBY. Only 9% customers have purchased both the policies due to the perception that both schemes offer similar benefits. The higher uptake of PMSBY is primarily due to its low premium of INR 12 (in comparison to the premium of INR 330 for PMJJBY). An outlier to these findings emerged with numbers reported from the South zone. The zone reported lowest PMJJBY uptake by customers (3% bought only PMJJBY policies; 95% bought only PMSBY policies; and only 2% bought both the policies). This may be due to the high presence of life insurance agents<sup>9</sup> and thus existing life insurance penetration in Kerala and Puducherry.

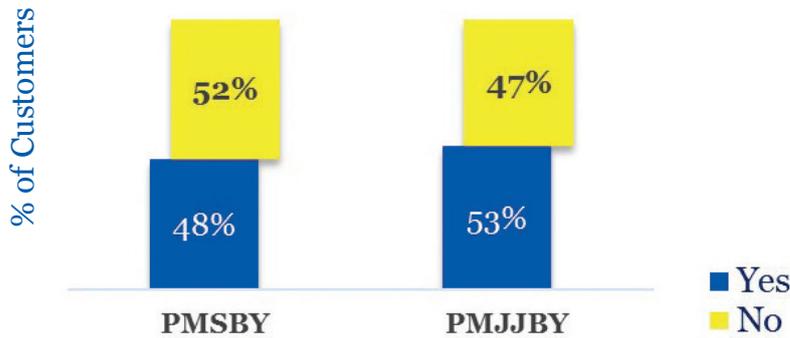
b. The majority of customers (52% and 47% of the enrollees under PMSBY and PMJJBY, respectively) did not receive acknowledgement a receipt-cum-certificate of insurance at the time of enrolment. Customers cited ignorance and lack of awareness as the top reasons for not insisting on acknowledgement receipts from BMs (75% and 78% for PMSBY and PMJJBY, respectively). The only proof or acknowledgement of enrolment available with the customers is in the form of a debit entry in their savings account passbooks. Lack of acknowledgement receipts may lead to lowering of trust amongst *Jan Suraksha* policy holders in future. This will be amplified in event of claims made by people who think they have bought a policy but whose accounts have not been debited due to human or programming error (see c) below).

9. <https://iib.gov.in/IIB/pdfs/Spread%20of%20Life%20Insurance%20Agents%20Report.pdf>

**Exhibit - 7**  
Enrolment Process - As Observed on Field



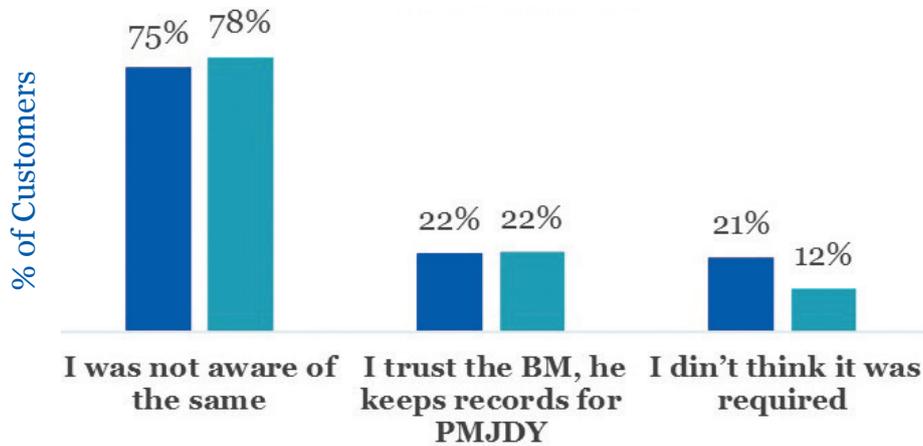
**Exhibit - 8**  
Customers who received acknowledgment  
(n=2746, 1073)



**Exhibit - 9**  
Customers asking for acknowledgment  
(n=1438, 503)



**Exhibit - 10**  
Reasons why customers did not insist for acknowledgment receipt (n=987,303)



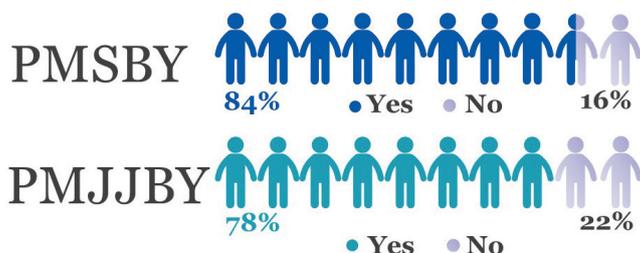
**Exhibit - 11**  
Renewal Process - As Observed on Field



c. The annual auto-debit facility in customers’ accounts has ensured high renewals under *Jan Suraksha* - yielding 84% and 78% policy renewal for PMSBY and PMJJBY, respectively. Customers who did not renew most commonly cited lack of awareness to maintain sufficient balance in their accounts as the reason (38% and 44% of those not renewing under PMSBY and PMJJBY, respectively). Eleven percent of PMSBY and 4% of PMJJBY customers complained that their accounts were not auto debited for renewal.

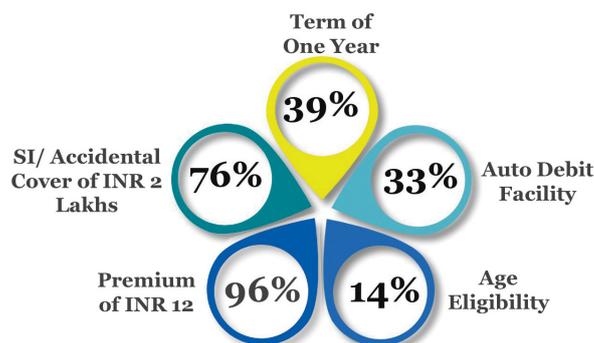
**Auto-Debit from a/c has been the KEY to high renewal percentage for *Jan Suraksha* Schemes**

**Exhibit - 12**  
**Customers with Policies Renewed (n=2746, 1073)**

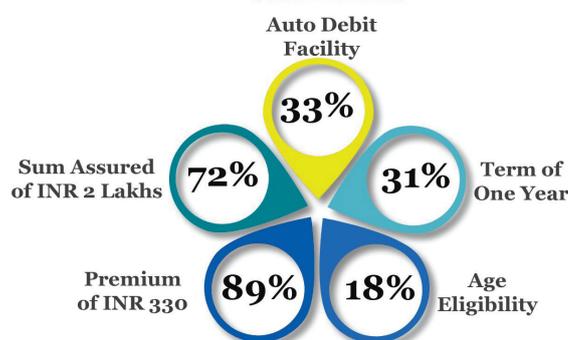


d. The *Jan Suraksha* schemes started with much fanfare in May 2015 with well-directed mass media campaigns leading to high levels of awareness about the schemes. Banks, backed by these campaigns, conducted enrolments by organising customer enrolment camps and extensive outreach programmes. As a result, within less than four months of launch, by August 2015, over 109 million customers were enrolled.<sup>10</sup> However, since then (i.e. from the end of the first wave of enrolments up to the time of this study), only 22 million new customers have been enrolled. While this is impressive on a stand-alone basis, compared to the current 265 million plus PMJDY accounts, it is a fair to suggest that the *Jan Suraksha* job remains half done, even if we consider just one policy per household. Also, only 80% of customers have renewed their insurance subscription in the second year. However, banks did not conduct marketing and enrolment campaigns in the second year; this is reflected in the tapering numbers under the scheme.

**Exhibit - 13**  
**Awareness of PMSBY Product Features (n=2123)**



**Exhibit - 14**  
**Awareness of PMJJBY Product Features (n=2123)**



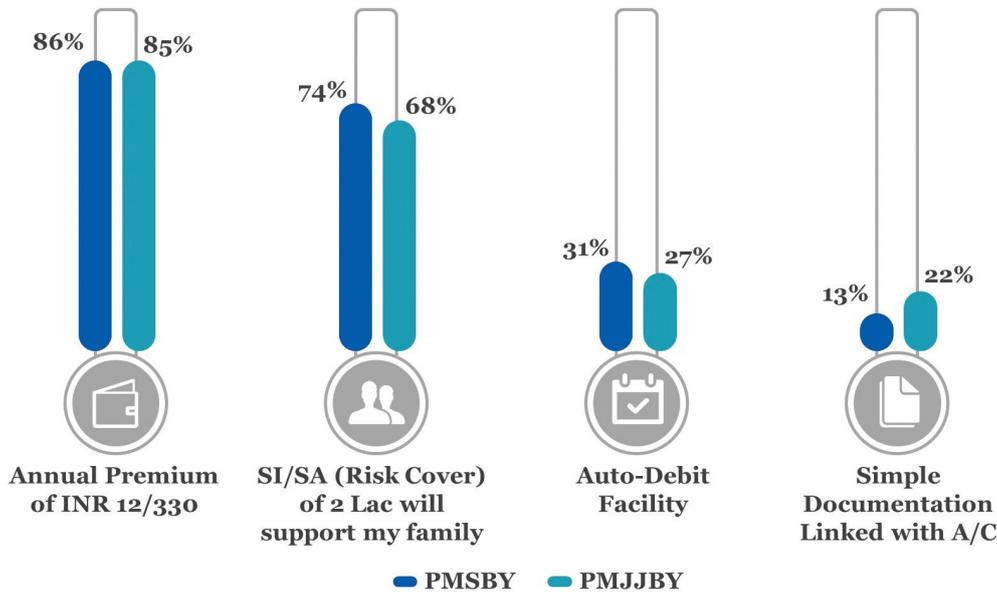
e. Customer awareness of the schemes’ product features is limited to the premium amount of INR 12/330 and risk cover of INR 2 lakh. Few customers were aware about features such as term of policy, age eligibility, and auto debit facility. Though more than 80% of the customers came to know about the schemes from BMs, neither the banks nor their BMs made significant effort to educate their customers about insurance.

“ Baraha (12) Rupay koi badi baat nahi, to theek hai le liye ”

A Customer in Nagpur

10. [http://www.microsave.net/resource/jansuraksha\\_india\\_s\\_new\\_tryst\\_with\\_mass\\_insurance#.WHhOOIV97IU](http://www.microsave.net/resource/jansuraksha_india_s_new_tryst_with_mass_insurance#.WHhOOIV97IU)  
11. <http://pmjdy.gov.in/account>

**Exhibit - 15**  
**Motivation to buy Jan Suraksha (n=2123, 864)**



f. The annual premium amount of INR 12/330 governed the purchase decision of over 85% of customers to buy one and/or the other. Due to lack of education on, and thus knowledge of, product features of the schemes, customers were not able to differentiate between features and benefits of PMSBY and PMJJBY.

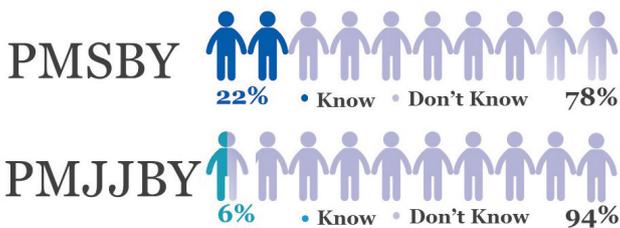
g. Seventy-eight percent of PMSBY and 94% of PMJJBY subscribers did not know the name of their insurance provider. Even though communicating the name of insurance provider was not part of the original outreach strategy, the Government should consider adding this feature for two reasons; *firstly*, it will give greater credibility to the schemes and *secondly*, it will give visibility to the insurance companies and make the schemes more attractive for them.

h. Jan Suraksha enrolments have been primarily done by public sector banks. In the study districts, Punjab National Bank (PNB) enrolled the highest number of PMJDY customers under both PMSBY and PMJJBY. National Insurance and Life Insurance Corporation (LIC) were leading non-life and life insurers having partnered with 14 and 15 banks, respectively. Amongst private sector banks, HDFC Bank enrolled highest number (2% of its PMJDY customers) under Jan Suraksha.

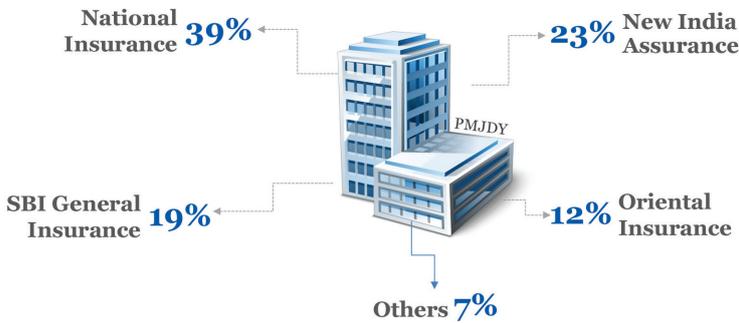
**Exhibit - 17**  
**Top Banks Enrolling PMJDY Customers Under Jan Suraksha (n=2703)**



**Exhibit - 16**  
**Customer Awareness Regarding Insurance Providers (n=2703)**



**Exhibit - 18**  
**Top Non-Life Insurers For PMSBY**  
**As Per Customer Awareness (n=729)**



**Exhibit - 19**  
**Top Life Insurers For PMJJBY**  
**As Per Customer Awareness (n=291)**

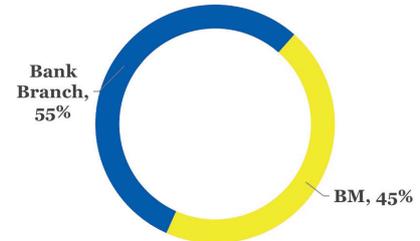


“ I did not ask they did not tell ”



A customer in Ernakulam : regarding claim process

**Exhibit - 20**  
**Claimants 1st point of contact for claim (N=240)**



i. Fifty five percent of claimants reported that their first point of contact for claims is the bank branch. The majority of claimants (78%) reported that they have submitted their claim documents directly at the bank branch without any help/intermediation from the BM.

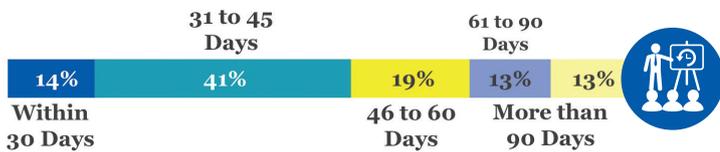
j. Sixty-four percent of claimants reported that they had received their claim amount, while 33.5% claims were under process. A low rejection rate of only 2.5% was reported by claimants. All (100%) claimants who have received the claim amount mentioned that the amount was directly credited into their accounts and ‘no leakages’ were reported.

**Exhibit - 21**  
**Claim Process-As Inferred From Field**



k. Eighty-six percent of claimants had received their claim payment more than 31 days after submission of claim documents; while 26% received their claim amount more than 61 days after submission of claim documents. A third (36%) of claimants reported that they were asked to attach multiple/additional documents over and above those specified in the claim form. These documents pertained to proof of address and proof of identity of the claimant. These included: Aadhaar number; voter ID; ration card; a copy of their bank passbook; a letter from *Gram Pradhan* (village head) etc. Most claimants complained about the lengthy and time consuming claim process, long turn-around-time and little or no support from BMs. BMs in-turn claimed helplessness because they lacked sufficient knowledge about the claim process and other intricate details of the *Jan Suraksha* schemes.

**Exhibit - 22**  
**Claim Turn-around-Time (n=154)**



l. Customer targeting under *Jan Suraksha* is effective considering the presence of 77% PMJDY account holders, 78% rural customers and also 37% women subscribers to *Jan Suraksha* in the overall customer sample studied. This indicates that the inclusive agenda of *Jan Suraksha* is being served well.

**Customers Targeting**  
**under *Jan Suraksha* (N=3511)**

**Exhibit - 23**  
**Customers with PMJDY Accounts**



**Exhibit - 24**  
**Women Subscribers**



**Exhibit - 25**  
**Rural Vs Urban Customers**





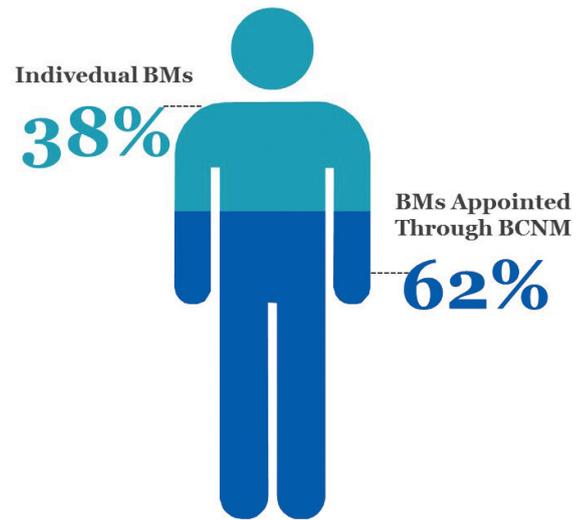
## At Bank Mitrs (BMs) Level

a. Ninety percent of BMs have enrolled customers in at least one of the two *Jan Suraksha* schemes. In Kerala and Meghalaya, enrolment is driven by bank branches; 79% and 38% of BMs reported zero enrolments under PMSBY and PMJJBY, respectively. Currently, banks and business correspondent network managers (BCNMs) do not focus on marketing *Jan Suraksha* schemes and consequently, BMs are enrolling very few new customers.

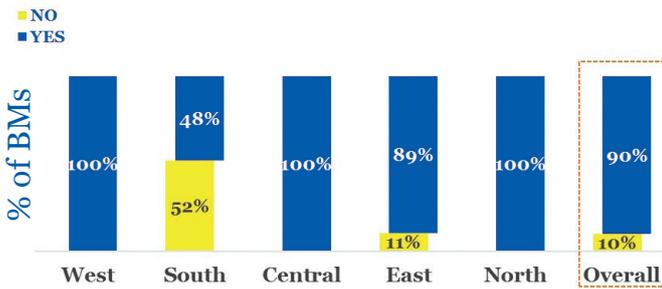
**Banks/BMs Reduced Focus on New Enrolments May Slow Down *Jan Suraksha* Outreach**

c. Low premium is the most salient sales pitch for BMs to enrol PMJDY account holders under PMSBY and PMJJBY. BMs perceive high premium (of INR 330) as the main reason for a lower uptake of PMJJBY (life insurance) and found it easier to sell PMSBY in comparison to PMJJBY. This can be explained not only as lack of product knowledge, but also as lack of interest in selling a product about which BMs themselves did not have much understanding or confidence. This is because they largely only aware of the cost of the product and not of its attributes. As a result, BMs are quite hesitant to pitch a product with a higher premium to their customers as this requires persuasive skills and in-depth product knowledge.

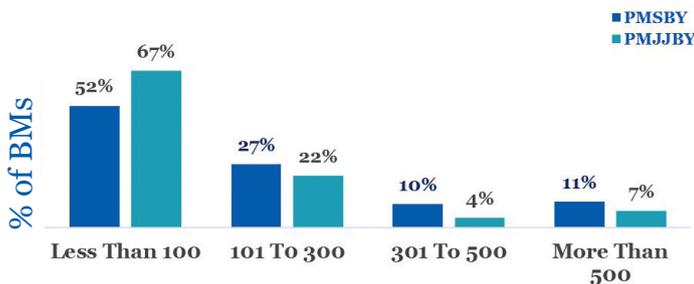
**Exhibit - 28**  
Type of BM (n=362)



**Exhibit - 26**  
BMs selling *Jan Suraksha* Policies (N=401)



**Exhibit - 27**  
No. of Enrolments Done (n=362)



b. BMs appointed through BCNMs reported higher enrolments in comparison to individual BMs.

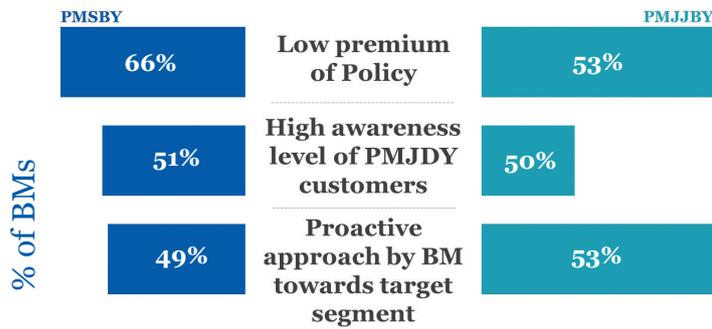
“ Initially for 15 days at the time of launch of *Jan Suraksha*, it was sold to a lot of customers due to good advertising by banks. Advertising creates a lot of impact as when people saw the posters they use to talk among themselves and ask me ”



BM, Bank of Baroda

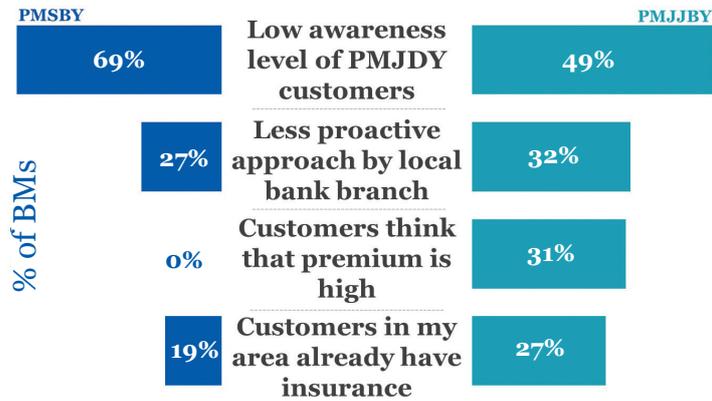
**Exhibit - 29**

**Reasons For High Enrolments of PMJDY A/c Holders (n=261, 198)**



**Exhibit - 30**

**Reasons For Low Enrolments of PMJDY A/c Holders (n=101, 164)**



d. About 20% BMs reported that all (100%) of their customers did renew their insurance policies, however, only 12% BMs mentioned that none of their customers have renewed the policies. The awareness levels of customers has contributed to both high, as well as low, renewals under both the schemes. Though high renewals were aided by auto-debit mandates in both the schemes; 29% BMs mentioned high premium and no perceived future returns as the reason for low renewals in PMJJBY. This again underlines the importance of proper communication and right positioning of the *Jan Suraksha* schemes.

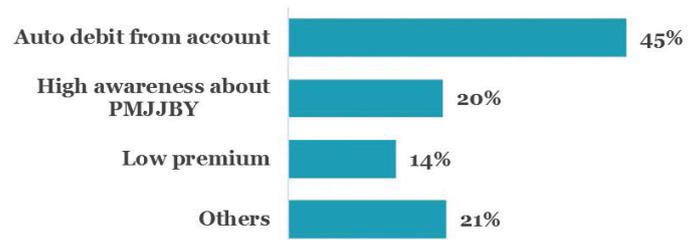
**Exhibit - 31**

**Reasons for High Renewals - PMSBY (n=256)**



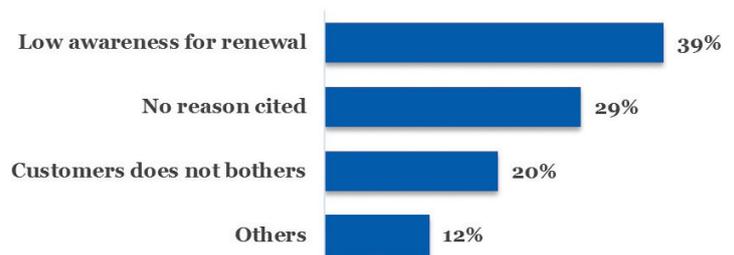
**Exhibit - 32**

**Reasons for High Renewals - PMJJBY (n=211)**



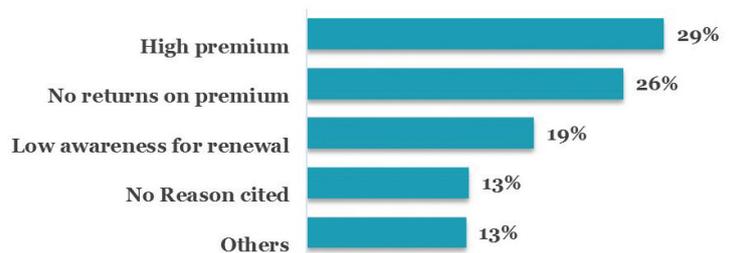
**Exhibit - 33**

**Reasons for Low Renewals - PMSBY (n=106)**

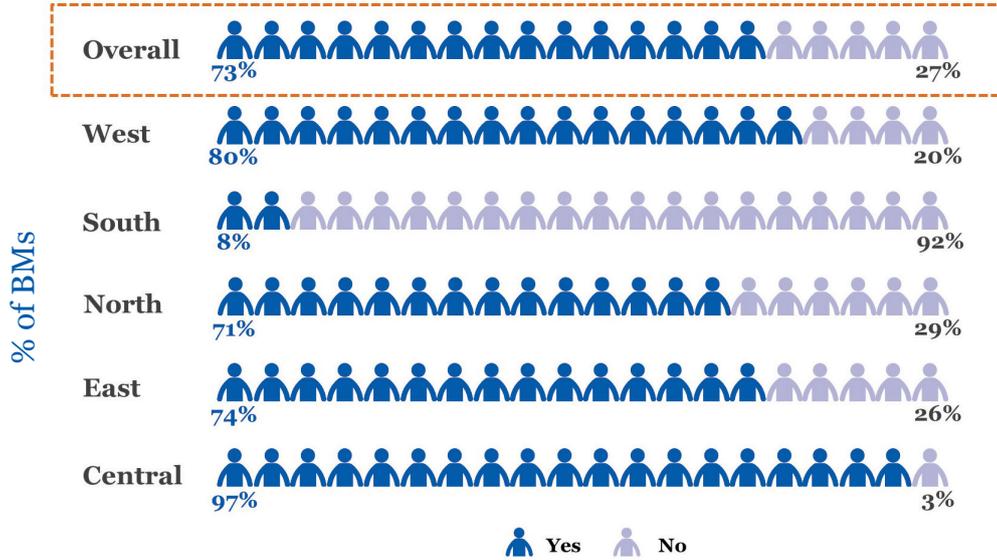


**Exhibit - 34**

**Reasons for Low Renewals - PMJJBY (n=151)**



**Exhibit - 35**  
**BM's Who Received Some Training on *Jan Suraksha* (n=362)**



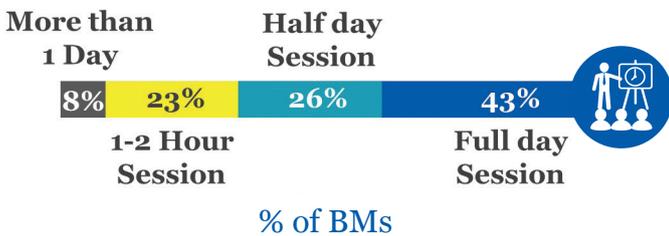
e. Seventy-three percent of BMs have received some training on *Jan Suraksha* schemes, out of which 49% were trained for less than half a day. Most of them received training for 1-2 hours. There is a clear lack of focus on training in the South zone, resulting in low awareness levels of BMs, and thus limited ability to enrol customers under *Jan Suraksha* schemes. While corporate BCs/BCNMs are providing training to the BMs, there is no involvement of banks and insurance companies. The training of BMs is limited to broad scheme features, target customers and the scheme enrolment process. A lower proportion of BMs were trained on claim processing (49%) and customer grievance redressal (30%).

convinced that focussed training on *Jan Suraksha* will boost their business and improve handling of customers' queries/ grievances. One-third of the BMs suggested that a refresher training should happen at least once in 6 months with the involvement of banks and insurance companies to increase their knowledge levels.

“ Bima ke liye bank ko ek din sirf bima par hi dena chahiye, Sunday hi sahi ”

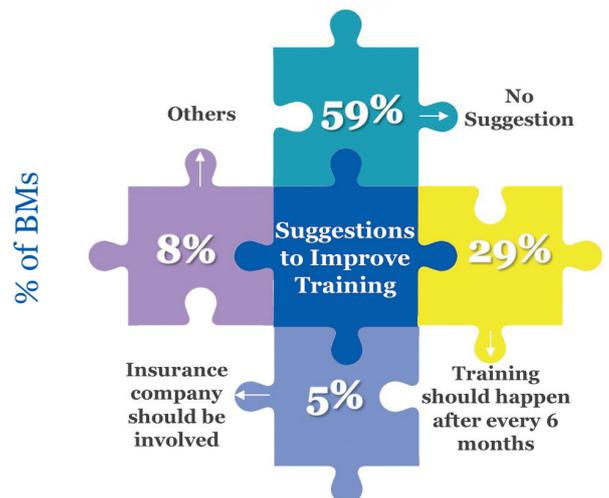
A BM in Allahabad

**Exhibit - 36**  
**Duration of Training (n=263)**



f. The majority (93%) of BMs found the training programmes to be helpful. BMs are of view that insurance is a technical (complex) product as compared to regular cash-in-cash out (CICO) transactions; however, they showed keen interest to learn more about *Jan Suraksha*. A majority of BMs are

**Exhibit - 37**  
**Suggestions to Improve Training (n=263)**



**g.** Although 76% BMs claimed to be aware about the claim process, only 3% of BMs have received a claim processing request from their customers. BMs reported that they assist in facilitation of claims. However, their role is just limited to directing the claimants to lodge their claims and requisite documentation at the bank branch. There is no tracking mechanism available with BMs to ascertain the status of claims submitted.

“ Issme to Bank Mitr chittar kha sakta hai”- Claims can put BM in a difficult situation ”

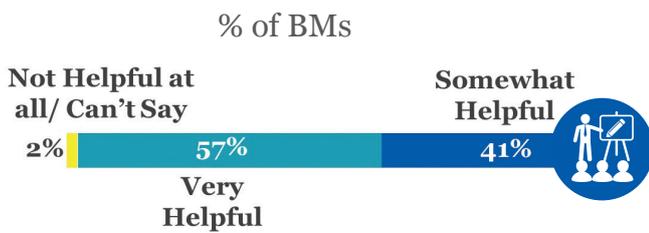
 A BM in Nabha, Patiala

received any commission to date under *Jan Suraksha* schemes.

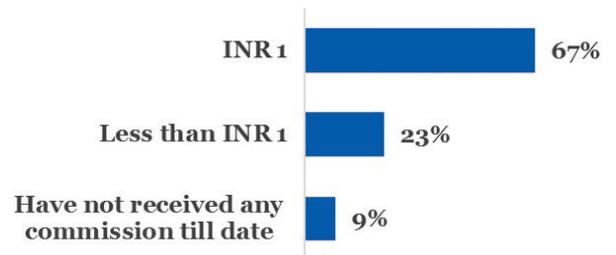
“ Ek rupee ke commission me kuch nahi bachta. Kat ke 60 paise milte hain aur print stationary me bhi kharcha hota hai” – A commission of Rs.1 which in fact is reduced to 60 paise after deductions, we also spend money on printing and stationery ”

 A BM in Nagpur

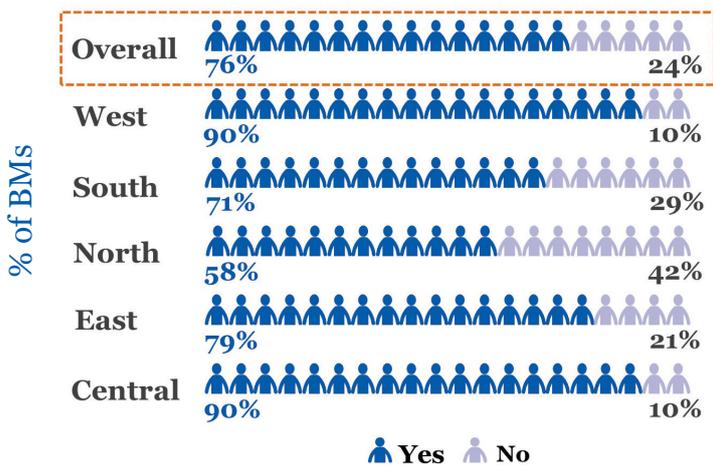
**Exhibit - 38**  
Utility of Training (n=263)



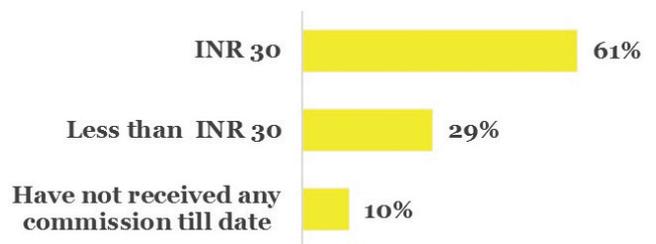
**Exhibit - 40**  
BMs Receiving Stipulated Commission Under PMSBY (n=317)



**Exhibit - 39**  
BMs Awareness of the Claim Process (n=362)



**Exhibit - 41**  
BMs Receiving Stipulated Commission Under PMJJBY (n=314)



**h.** Over 86% of BMs are aware of the commission structure for both the schemes. BMs (23% and 29% under PMSBY and PMJJBY, respectively) have received less than the stipulated commission of INR 1 and INR 30 for PMSBY and PMJJBY, respectively. Ten percent of BMs have not

**i.** Commission payments are made irregularly for a majority of BMs (64%). Commissions under *Jan Suraksha* are mostly bundled with commission for cash in/out transactions, resulting in limited understanding of, or appreciation for, the pay-outs earned by selling *Jan Suraksha* policies. Almost 67% of the BMs have not received any policy-wise break-up of commission. In

absence of a tracking mechanism for commissions and a documented trail of records, BMs cannot triangulate commissions with policies sold.

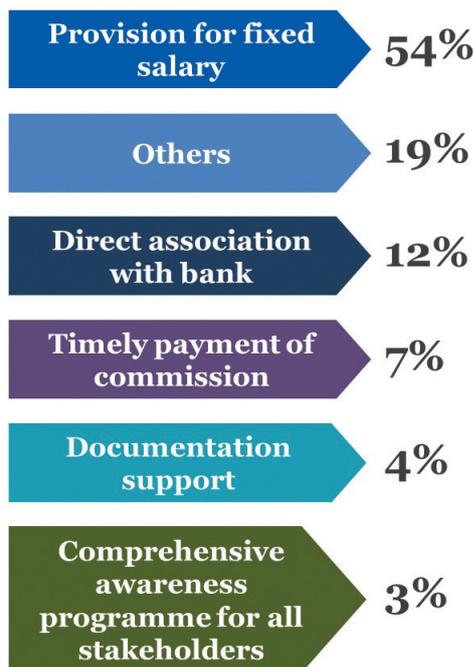
j. BMs face operational issues such as lack of receipt-cum-insurance certificates, enrolment forms, and marketing collaterals. In terms of support requirements, 75% of the BMs called for customer awareness campaigns to upscale *Jan Suraksha* enrolments. Other support requirements for BMs include proactive support from banks and capacity building in insurance. Timely payment of commission and better financial compensation are also very important for BMs.

k. Almost 60% of BMs are not aware about the *Jan Suraksha* toll free number, which is the only established mode to access information for themselves and their customers.

**Exhibit - 42**  
**BM's Support Requirement (n=165)**



**Exhibit - 43**  
**Suggestions by BMs to Improve *Jan Suraksha* (n=362)**



## ATTITUDES TOWARDS JAN SURAKSHA

The perception of customers and BMs has a bearing on their attitude towards *Jan Suraksha* schemes. The *MicroSave* team engaged with customers and BMs on parameters of *scheme features, administration and outreach*, as well as *awareness levels* to ascertain and consolidate insights.



### Scheme Features

Customers and BMs have a positive attitude towards features such as premium and risk cover. The strong recall and salience of premium amount and risk cover under both the schemes resulted in a higher acceptability of schemes,

especially PMSBY. While BMs have a positive attitude towards *scheme eligibility*, customers are indifferent, perhaps due to lack of clarity and understanding. The *auto debit facility* feature makes the transaction easier for both customers and BMs during enrolments and therefore is appreciated. Customers and BMs have an indifferent attitude towards the term of the schemes, which again is attributed to the lack of understanding of insurance.

	Aspects	Bank Mitrs (BM)	Customers
Scheme Features and Benefits	Premium	(Substantially)	(Substantially in PMSBY, less positive in PMJBY)
	Risk Cover	(Adequately)	(for both schemes)
	Eligibility		(due to lack of clarity)
	Auto Debit		
	Term		

Positive   
 Mixed or Indifferent   
 Negative



### Scheme Outreach

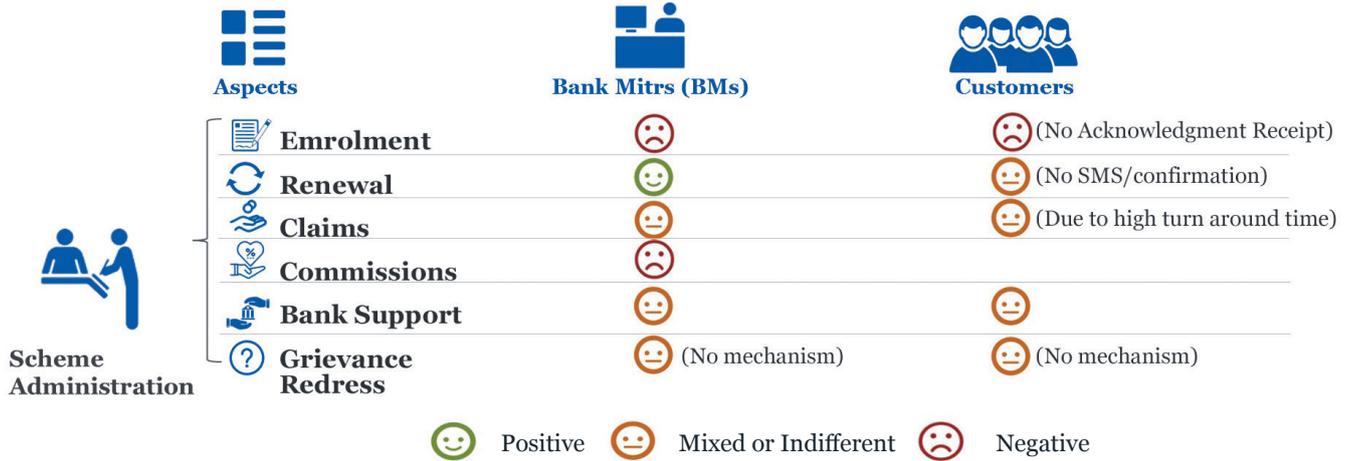
BMs were a major force in driving the first wave of enrolments. However, as banks have not undertaken enrolment drives in the following year, some BMs think that *Jan Suraksha* is a one-time drive.



### Scheme Administration

Customers and BMs hold a negative attitude towards the *enrolment process* primarily due to the absence a physical/tangible evidence or an *acknowledgement receipt-cum-certificate of insurance*. In terms of *renewal of policies*, BMs are positive and appreciated the auto

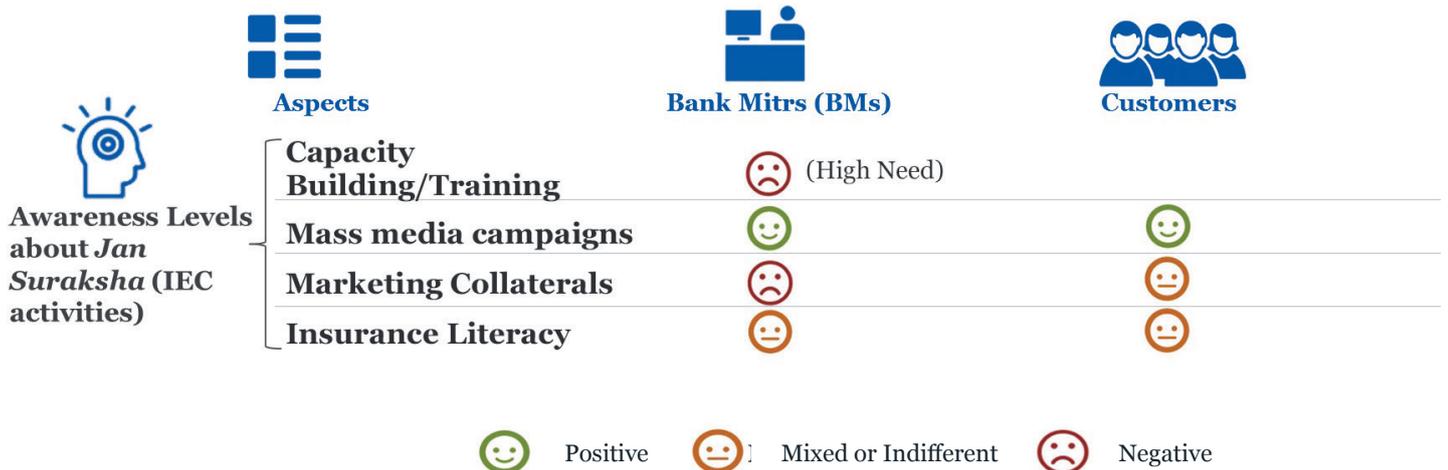
debit facility; customers, on the other hand, had mixed opinions - largely due to lack of any acknowledgement/confirmation in any form (paper or SMS). BMs are not happy with *commissions* as a policy-wise breakup is not available, resulting in a perception that full commissions are not being paid by banks. Customers and BMs have an indifferent attitude towards *bank support* and in absence of a *grievance redressal mechanism*, this has further resulted in an indifferent attitude bordering on negativity.



## Awareness Levels

BMs have a negative attitude on *capacity building and training* citing an unfulfilled need to upgrade their knowledge levels on the technicalities of insurance products and processes. The *mass media campaigns* of the Government to increase awareness of *Jan Suraksha* have resulted in a positive impact on both customers and BMs, thereby enabling a high uptake of insurance policies. BMs are of opinion that such awareness campaigns should be

repeated on a regular basis. BMs are unsatisfied with the *availability of marketing collaterals, enrolment forms, claim forms* etc. since these were made available to them only during *Jan Suraksha* launch. Lack of availability of collaterals has translated into low recall of scheme features by their customers. The customers and BMs have indifferent attitude towards *insurance literacy* as it was completely ignored during the launch and roll-out of *Jan Suraksha*. However, BMs are of opinion that education on insurance would lead to a higher uptake of policies.





## Overall Perception

At an overall level, the attitude of BMs towards *Jan Suraksha* schemes is positive as they are seen to provide a

safety net for their intended target segment of low income households. Customers however, have an indifferent attitude towards *Jan Suraksha*, largely due to low awareness levels and lack of clarity on insurance schemes.



“ It’s a Government (Modi) scheme so everyone should buy it..!! ”  A Customer in Kamrup, Assam

“ 12 rupay se achha 330 wala hai kyonki usme kaise bhi death ho fayda milega ”  A Customer in Patiala, Punjab

“ If hands and legs don’t remain intact then there is no difference in living and being dead, then this policy of INR 12 is cheaper and better....So buy this.. ”  A BM in Selluh, Nagpur

“ National Insurance wala zyada acha policy hai. Customers ko zyada paisa kharch nahi karna padta, aur unko lagta hai ki barah rupay mein zyada benefits mil rahe hai. Aajkal logo ko benefits zyada chahiye. Lekin Bank Mittr ke liye kaam zyada par commission kam hai. Ghar me jana padta, field me bhi kaam kiya par Bima se zyada commission nahi milta.. ”  A BM in Kamrup, Assam

## RECOMMENDATIONS

A few policy and operational interventions in *Jan Suraksha* can potentially bring substantial improvement in its implementation.



### At Policy Level



#### Ensuring continuous outreach of *Jan Suraksha* schemes through:

- Periodic enrolment drives by banks backed by government mass media campaigns.
- Clear directives to BMs to promote *Jan Suraksha* enrolments throughout the year



**Designing a standardised training module** on *Jan Suraksha* and making it a mandatory component of BMs' training.



**Pilot bundling** of the *Jan Suraksha* PMSBY scheme with PMJDY account opening in select locations to universalise *Jan Dhan* and *Jan Suraksha*.



Setting up a mechanism to ensure regular **monitoring and evaluation of all the government's financial inclusion schemes** (*Jan Suraksha* schemes, PMJDY and MUDRA).



### At Operational Level



**Ensuring acknowledgement receipts** for customers during enrolment to ensure greater trust and a tangible reminder of the insurance policies. Structured SMSs to customers to remind them to renew their insurance policies (or that their policies have been renewed by auto-debit). The *Jan Suraksha* toll-free helpline number should also be highlighted prominently on the acknowledgement receipt as well as in the acknowledgement SMSs.



**Customer awareness** through annual mass media campaigns by government, ensuring availability of marketing collaterals (banners, posters flyers etc.) with BMs, and reviewing and improving the content of *Jan Suraksha* toll-free helpline to enable grievance redress.



**Enhancing effectiveness** of BMs in delivering *Jan Suraksha* to their customers through structured capacity building on *Jan Suraksha* processes and product features, periodic refresher training programmes, encouraging record maintenance on customers to nudge them for renewal of policies, and ensuring availability of application and claim forms with BMs.



**Improving commission payments** to BMs through clear communication, including policy-wise breakup of commissions paid, timely payment of commissions and creating awareness about commissions on policy renewals.



**Enhancing claim process efficiency** by developing and disseminating a checklist of the requisite documents to reduce documentation burden on claimants; and putting a mechanism in place to better track turn-around-time (TAT) and address customers' information needs on the status of their claims.

## CONCLUSION



With over 131.9 million enrolments under PMSBY and PMJJBY, there is no doubt that the outreach of *Jan Suraksha* is truly impressive. The current assessment of *Jan Suraksha* schemes, however, highlights some implementation gaps and nuances to enable policy makers to take this ambitious household risk management programme to the next level.



A key gap in *Jan Suraksha* is the lack of sustained focus on schemes at level of banks and BCs. This needs to be addressed and banks, amidst all their other responsibilities, will have to improve efforts to market *Jan Suraksha* schemes.



Looking into the future, the *Jan Suraksha* schemes are certainly India's most successful attempt to insure its masses. In conjunction with PMJDY, *Jan Suraksha* presents a plausible framework for universal social security in India. It is a new paradigm for contributory products with no direct subsidies. Instead, it relies on smart subsidies from the Government in form of scheme design, promotion, and administration. This could become a potential platform on which India (and indeed other countries following this lead) can build social security frameworks in days ahead. With these initiatives, including universally inclusive programmes such as *Aadhaar*-enabled payment systems (AEPS) and the India Stack, the country may finally have a realistic opportunity to secure its silent millions.