Perception Study of Jan Dhan Account Holders Towards Jan Suraksha Schemes

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The Jan Suraksha scheme is the largest social security scheme in the world for the excluded sections of the society. This necessitates a feedback from the masses that becomes even more vital. This paper is a third part of a series, covering the Jan Suraksha Schemes. In the previous two papers, the scheme itself and its performance were discussed.

The current paper discusses in detail the perceptions of a large sample of respondents about Jan Suraksha Schemes. The survey targeted only the Jan Dhan account holders from the excluded sections of society in order to get feedback from the grassroots level, and understand the awareness and perceptions of this group.

Key Words: Jan Dhan account, Jan Suraksha Schemes, Perception, Awareness, Suitability

1. Introduction

The Government of India, on May 9, 2015, on the eve of Raksha Bandhan launched a "Suraksha Bandhan" drive through participating banks and insurance companies. This drive aimed to take forward the government's objective of creating a Universal Social Security System for the country, especially for the poor and the underprivileged. The triad of social security measures include the following Jan Suraksha Schemes:

i) Pradhan Mantri Jeevan Jyoti Beema Yojana (PMJJBY)

It is a Life Insurance scheme, with a term life cover of Rs. 2 lakhs with an annual premium of Rs. 330.

ii) Pradhan Mantri Suraksha Beema Yojana (PMSBY)

For accident and disability with a cover up to Rs. 2 lakh with an annual premium of Rs. 12.

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iii) Atal Pension Yojana (APY)

A pension scheme for citizens of India, focused on the unorganized sector workers, with a guaranteed minimum pension of Rs. 1,000 or 2,000/- or 3,000/- or 4,000 or 5,000/- per month (depending on the contributions by the subscribers)tobe given at the age of 60 years onwards.

The participating banks and insurance companies are enjoined to work towards local outreach, awareness building and enrollment facilitation.

This initiative is part of the Pradhan Mantri Jan Dhan Yojana (PMJDY), a National mission for 'Financial Inclusion'. It's an initiative to enable all households, urban and rural, to gain easy and universal access to Financial Services, by facilitating the opening of zero deposit bank accounts in any bank branch, or business correspondent (Bank Mitr), and Rupay debit cards. The PMJDY envisages access to various financial services like savings bank account, access to need-based credit, facility for remittances, insurance and pension for the excluded sections, i.e. weaker sections and low income groups, ensuring deep penetration at an affordable cost through effective use of technology. The mission targeted the 7.5 crore households to open Jan Dhan accounts. The outreach was to be through a strong bank network (approximately 1,55,000 outlets). As on October17, 2018, 19.49cr. Rural, 13.50cr. Urban, i.e. a total of 24.74 crore, accounts have been opened all over India (pmjdy.gov.in).

The Life Insurance part of this initiative, i.e. the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) scheme, is a one-year life insurance cover of Rs. 2 Lakhs, renewable year to year, administered by LIC and other participating Life Insurance companies, with banks tie-ups for all savings bank account holders in the age bracket of 18-50 years. The premium of Rs. 330 per annum is to be deducted from the account holders' savings bank account, through "Auto Debit" facility in one installment, annually.

The Pradhan Mantri Suraksha Bima Yojana (PMSBY) offers Rs. 2 lakh accidental death cover with permanent total disability cover of Rs. 1 lakh for a premium of Rs. 12 payable annually from savings bank accounts, with consent for auto-debit facility.

The Atal Pension Yojana (APY) is open to all savings bank account holders, the minimum age at entry being 18 years, and the maximum age is 40 years. The pension will commence from the age of 60 to the subscriber and thereafter to his spouse, with return of corpus to the nominee, after death of the spouse. This scheme is for all savings bank account holders who are not members of any social security scheme, and for not income tax payers. It is focused on all the citizens in the unorganized sector.

2. The Rationale

In the first paper, the "Jan Suraksha Schemes", specifically the PMJJBY scheme, was analyzed from a risk perspective angle, the prospects and the challenges faced by Indian insurance industry in promoting it. It also discussed the possible mitigations that could be considered by the insurance companies to effectively manage this emerging risk. In the study, it was concluded that the PMJJBY scheme has the capability to drastically transform both the Indian Insurance Industry and the people who are in urgent requirement of suitable life insurance cover. The need for insurance cover to the socially and economically depressed sections of the society should be well-adjustedwith sustainability for insurers (N.K.V Roop Kumar, 2016).

The second paper discussed the potential of the schemes and also the progress and performance of Jan Dhan and Jan Suraksha schemes. This was done by analyzing the enrollment trends, distribution patterns, deposits and claims. By studying the gross distribution of enrollments across the country, it was found that there is a clear indication that the enrollments across various states are uneven, and a decreasing trend of new enrollments was also observed (N.K.V. Roop Kumar et.al, 2018).

The current study is an attempt to understand the perceptions of the Jan Dhan account holders who are from the excluded sections of the society and analyses the percolation of the scheme among the masses, and, their awareness of the same. This study is to facilitate policy and decision makers in understanding the perception of the enrolled population and help in making appropriate changes to meet the requirements of the excluded sections.

3. Objectives

- To examine the awareness of Jan Suraksha schemes among Jan Dhan account holders;
- To analyze the relevance of the scheme from the point of view of Jan Dhan Yojana account holders;
- To examine and segregate these needs according to demographics.

4. Hypotheses

- There is a lack of awareness amongst Jan Dhan account holders about Suraksha Bandhan Schemes and its benefits.
- Jan Dhan account holders do not find the social security schemes very relevant for them.
- The social security needs of the Jan Dhan Yojana account holders is not adequately covered by the schemes.
- The schemes are not suitable for different segments of society amongst the Jan Dhan account holders like women, the youth and the aged.

5. Literature Review

A detailed review was undertaken for understanding the various initiatives that were introduced in India, Asia and other parts of the world in the area of micro insurance and also about the Jan Suraksha Scheme.

A study was done on awareness about micro insurance with special reference to LIC of India by **C. Rama Lakshmi and L. P. Ramalingam (2014).** They state that as more than 33 percent of the population lives below the poverty line, the importance of micro insurance is undeniable. They postulate that low income individuals live in risky environments and are subject to various perils. They are as a result ill-equipped to cope with any life threatening contingencies. Micro insurance is specifically intended for the protection of this group in exchange for a regular payment of premium. Examining the role of micro insurance in preventing such underprivileged groups from falling into a debt trap especially when the principal earning member of family unit dies is essential. The data was mostly collected from primary and secondary sources. Interviews were conducted covering a sample of 370 micro insurance policy holders in the district of Madurai, South India. These condary data was sourced from the IRDAI, LIC, and national/institutional journals. The awareness of these micro insurance products of LIC – Jeevan Madhur, Jeevan Mangal and Jeevan Deep – were very high at 100%, 93.5% and 79.5% respectively. And this awareness was due to LIC and Self Help Groups (SHGs). It concludes that the agent plays a vital role in bridging the information gap and that the preferred mode of payment is monthly for both urban and rural respondents, the grace period given for payment is always utilized for spacing out payments.

Ahuja.R and Guha, B. K.(2005) provide an overview of micro insurance in India and the role of micro finance. The role of micro insurance and the risks faced by low income group sengaged in income generating activities are researched. Stating that this identified group is more vulnerable to risks of death, illness and injury because of their economic circumstances and 25 per cent of the hospitalized Indians fall below the poverty line, because they all take loans, or sell their properties to pay the hospital bills. Micro insurance plays a vital role in mitigating this cost. Confirming that NGOs and strict regulatory prescription, coupled with growth of micro finance in rural areas, have stimulated the micro insurance and the creation of micro-insurance products. The total potential of the market is estimated at Rs. 250 billion (ILO, 2004). Out of the 80 listed products, around 52% cover life and accident risks while the health cover is very limited. Most schemes are managed by the insurance companies and through NGOs. Majority (74%) ofthe schemes operate in the 4 southern states and 2 in the western states – Maharashtra and Gujarat. They conclude that it is possible to extend micro insurance cover to the poor, and, it is commercially viable. Recommending that in addition to the agency model, encouraging micro finance institutions to take up micro insurance and flexibility in premium payments will boost this sector.

Link. B*et.al,* (2007) tested the hypothesis that transaction costs are higher for micro insurance than for conventional insurance and concluded that the cost can be brought down by the Partner Insurance Model and that it is less expensive than direct sales model. The hypothesis that the micro insurance is exposed to several problems of adverse selection, moral hazard and fraud was rejected as there was no specific evidence suggesting that no lien may be imposed on the insurance coverage but the firs-year suicide clause can be retained. Regarding the hypothesis that cost cannot be scaled down to levels that are comfortable for the poor, it is possible if the insured events can be partially insured, and the cover amount be related to the income of the person. The hypothesis that the existing products are insufficient is rejected because the focus of insurance regulator has put on rural insurance penetration has resulted in a wide variety of products and business models. Lastly, on the client's perception with regard to risk aversion, information, understanding, resulting in poor demand, it is found that the poor in South East India, especially women are risk averse, but they lack information and understanding of insurance products and show bounded and irrational behavior.

Singh, C. *Etal.* (2015) state that social security schemes can help in the reduction of poverty and can support an inclusive growth through enhancing human capital and productivity. Social security schemes are of two types - funded and unfunded. The unfunded schemes are directly financed by the government through taxation, and, the funded schemes are contributory and voluntary in nature. It states that the total labor force in the unorganized sector is 92% and the contribution of this sector to the gross volume added was 50% (NCEUS, 2008), thus contributing significantly to the Indian economy. However, their productivity is lower than that of the organized sector because they are very vulnerable to economic shocks, as they have no security. It is noted that the total government expenditure on premiums paid in 2010-11 was 3.2 % of GDP or 15.8% of total revenue recipients by the government; that is 8.6% of the population is receiving 3.2% of the GDP. However, the government expenditure on social pension schemes in 2010-11 for the elderly is 0.1% of the GDP. This can be substantially increased. The PMSBY – Pradhan Mantri Suraksha Beema Yojana - scheme covering an accidental benefit of Rs. 2 Lakh can be extended beyond 70 years of age. The PMJJBY - Pradhan Mantri Jeevan Jyoti Beema Yojana – for all account holders, offering a life cover of 2 lakh can be extended beyond the age of 50, and variable premium for different age groups can be introduced. Regarding the Atal Pension Yojana – APY – it is found that it does not offer returns better than the post office and other schemes and that this scheme is currently offered to account holders only. Hence, a significant segment of the population, especially women, are excluded. It is recommended that universalization of such schemes is preferable, if their benefits are to be extended to a larger section of the poor and the needy. Proper dissemination of information is essential. It can also be easily monitored and direct transfer of benefits can be done at lower cost by the government. For effective implementation, postal offices and banks can be co-opted.

Hegde. A. R. (2016) states that 8.50 million people living in 6.5 lakh villages generate half of the country's GDP. The per capita income is growing at 9 %, and 6.2 % as a whole since 2000. A study by Credit Swiss in 2013states that nearly 50% of India's economy is informal, which is the second highest in the world. But this is characterized by lack of contracts for employment, provisions for social security or pensions, primarily cash-driven, and the nature of unemployment is not permanent. This group faces higher risks that are difficult to access. Hence, the utilization of a network of common service centers implemented by National e-Governance scheme is recommended. Also, creation of apps and "lite" website in order to provide access to the 53 million rural mobile users who have Internet access on their phones is advisable. Tie-ups with banks and non-banking financial companies and insurance coverage for all credit facilities should be offered to the rural poor.

Venugopal. R. (2015) states that the mobile revolution and rollout of internet connectivity have opened up the insurance market. He also states that out of the workforce of 400 million, 87% have no pension benefits and 80% have no life insurance cover. He postulates that out of 60 million rural households, if 50% take life insurance at a nominal premium of Rs500 per year, the market potential would be Rs. 125 million. He recommends micro insurance as a solution to the problems. Community underwriting involving village communities, social groups and unconventional method of premium collection should also be explored

Sandeep. J*Et Al.* (2015) analyzing the Atal Pension Yojana, based on secondary data covering 5.06 lakh customers comprising both rural and urban population, draw the conclusion that the scheme is encouraging saving habits, because the schemes' rate of return, which is currently at 8%, will remain favorable as the bank rates of interest is predicted to fall.

Asami. Y. (2011), giving the overview of evolution of social security in Asian countries, states that the newly industrializing and democratizing countries in Asia have shown remarkable progress in the expansion of social security programmes both quantitatively and qualitatively. He cites the introduction of unemployment insurance in South Korea, Thailand, and Vietnam. This scheme is now in progress also in Philippines and Malaysia. He briefly covers the social security arrangements in selected Asian countries like South Korea, which has a public health insurance scheme, a health care program for indigent households and compulsory public pension scheme introduced in 1988. Taiwan also setup public social insurance program for both employees and farmers and introduced Universal Pension Scheme in 2002. Thailand has a voluntary health card program and "30 baht scheme", which is the universal coverage for all the population. Indonesia has also provided free medical service with the (JAMKESMAS) scheme which covers 76.4 million poor Indonesians. He concludes that the two-tier model is the best for developing economies in helping them to cope with the change and economic turbulence faced by globalization, for providing basic social protection and avoiding unlimited increase in government expenditure on social insurance. Currently, most of the social protection available to the public is state-funded; but there is an increasing movement towards marketizing social protection. The Jan Suraksha scheme in India is the latest example.

Frericks, P. (2010) studied the two paths taken in social security, scheme fragmentation of social protection due to subscription buyer saving accounts and amalgamations of social protection via life course saving schemes. She says that partial outsourcing of social security and selling individual insurance policies create a very diversified portfolio, leaving the choice to the individual. The universal schemes, meant to cover all periods of life has the problem of time gap and wage gaps. This, she says is unsatisfactory as all the social risks are not covered and the differences in the individual's ability to invest are not factored in. This may result in mismatch between social protection design and factual situations of various groups of citizens resulting in "insiders" and "outsiders" and variations due to life opportunities, age, sickness and so on.

Cook, S. *Etal.* (2014) state that at one time social security was considered a luxury available to the few only in rich countries, but it is now deemed as a social necessity in poor and upcoming economies, as it provides the much-needed social and economic stability in times of crisis and are a key to reducing the incidence and depth of poverty in the developing countries. The view that problems of poverty, ill-health and lack of education would be resolved by economic growth alone is now challenged as the economy growth has greatly widened the gaps and social and economic inequalities between the rich and the poor. Technology now enables direct transfer of benefit without "leakages", and various initiatives are now feasible. The authors have also noted the innovations in Singapore and Malaysia in household savings and provident fund schemes. Vietnam has chosen to increase the government spending on social protection and basic services. The need to integrate social protection into the national economic and social development strategies is strongly emphasized.

IRDAI's (2015) Exposure Draft on the obligations of insurers to rural and social sectors prescribes that all insurers put in place effective operational procedures for fulfilling business obligations in the rural and social sectors. The proposed act specifically imposes obligations upon the life insurers to source business from the rural sector, starting from 7% in the first year of operations to 25% from the 16th year onwards. Similarly, from the social sector the percentage of lives insured from this segment should be more than 5% by the end of the 10th year of operation. This mandate will clearly ensure the active participation of the insurers in the evolution of a voluntary social security system among the rural population and the socially deprived segments of society. This will also help in designing new and innovative products for this segment.

Hussain, M. *Et al.* (2015) emphasized that financial inclusion has assumed a vital role in propagating the public policy discourse of developing economies. They also state that the deprived sections of society have limited access to financial services, and this constraint deepens social inequality. Social justice and equity form the core of the efforts in financial inclusion. When comparing India's journey in this area with Pakistan, they opine that in India both state and civil society have been actively engaged in propagating financial inclusion since long. By contrast, Pakistan has not evolved any scheme so far in this area. The State and the Central Banks have not involved their banking network in the microfinance sector. The civil society also has not made significant progress particularly in the evolution of self help groups as in microfinance.

Jha, R.(2014) has analyzed the social and economic indicators with respect to the poor and the deprived section of the society during the high-growth period of the Indian economy. Appreciating the fact that India has outstripped all the low and middle income countries in the Asia Pacific region on this score, he also states that India's spending is lesser than other countries and that more emphasis is to be laid on female participation and enhance their access to social security schemes. He advocates the streamlining and rationalizing of the existing government subsidies, particularly with regard to food subsidies and procurement processes, which have corruption and inefficiency built in. Involvement of the private sector can increase social spending for the poor, and, an endowment fund can be raised with tax benefits to contributors. He also opines that DCT (Direct Cash Transfer) and use of Aadhaar Card can eliminate meddling of middlemen if the country intends to move effectively towards low-povertylevel and high banking density.

International Labor Organization (ILO) (2016) recognizes the need for countries to establish a sustainable social security system in order to address the growing inequalities in society. The social protection groups have recommended legal rights cover to basic health and basic income assurance, social support to employment, creation of national social security system and strengthen the national institutional framework. They focused on the provision of basic health services to everyone and maternity support, basic income guarantee for children, elders, the sick, the unemployed, mothers and the disabled. Their opinion is that these initiatives will be a significant element in sustainable social and economic development. They state that this will diminish social insecurity and ensure social participation in economic growth.

Apostolakis. G.*et al.* (2015) have reviewed the micro insurance performance and social impact on the poor and its use in breaking out of the poverty trap. They opine that micro-insurance has a two-fold impact on an individual's ability to overcome poverty. It has an impact on his/her ability to access healthcare services, reduce the financial vulnerability and stabilize his/her income-generation capacity. They state that micro-insurance as an effective instrument, has yet to attain sustainable levels. The assessment from the point of view of both the insurer and the distribution channels should be opened on impact and sustainability bases. Management capacity, diligently designed business models, products and pricing policies will play critical roles in expanding this sector. Product awareness and financial education are needed to increase the penetration levels. Community health, insurance programmes, social marketing, public-private partnership can strengthen this initiative.

6. Research Methodology

6.1 Data Collection

Primary data collection was done by through survey method, in which a questionnaire was designed to address the objectives of the study. The survey was carried out by employing a personal interview method in which only those respondents were surveyed who had a Jan Dhan account. The survey was carried out amongst 1854 respondents across various states of India. The states have been classified under 15 regions (table 1) for analysis and the region wise sample size is depicted in Map 1below. No data was collected from Chandigarh region.

Table1: Survey Data Collection Summary across Various Indian States

Colour Code	Region	States Covered
	Ahmadabad	Gujarat, Daman & Diu, Dadra & Nagar Haveli
	Andhra Pradesh	Andhra Pradesh
	Bangalore	Karnataka
	Bhopal	Madhya Pradesh, Chhattisgarh
	Bhubaneswar	Orissa
	Chandigarh	Chandigarh, Punjab, Himachal Pradesh, Jammu & Kashmir
	Chennai	Tamil Nadu, Puducherry
	Delhi	Delhi, Haryana, Uttarakhand
	Jaipur	Rajasthan
	Kerala	Kerala, Lakshadweep
	Kolkata	West Bengal
	Lucknow	Uttar Pradesh
	Mumbai	Maharashtra, Goa
	North East	Sikkim, Assam, Tripura, Nagaland, Arunachal Pradesh, Manipur, Meghalaya, Mizoram
	Patna	Bihar, Jharkhand
	Telangana	Telangana

Map 1: Survey Sample Data Collection from Various Regions

6.2 Data Analysis:

In order to understand the perception of the population and their needs, data was analyzed demographically (gender, age and income) and various statistical tests were employed to test the perception level of the schemes: PMJJBY, PMSBY and APY in terms of awareness, relevance and adequacy. The statistical analysis and procedures used were referred from The Pennsylvania State University Department of Statistics online Program STAT 414/415 which are as follows:

a) Two Sample Proportion Test was used to test the following hypothesis at 95% level of significance.

H0: There is no significant difference in the proportion of the level of awareness about PMJJBY, PMSBY and APY.

Against,

H1: There is a significant difference in proportion of the level of awareness of PMJJBY, PMSBY and APY

b) Z-test was used to test the following hypothesis at 95% level of significance

H0: There is no significant difference between the respondent's expectation and premium/SA/ pension offered by the Schemes

Against,

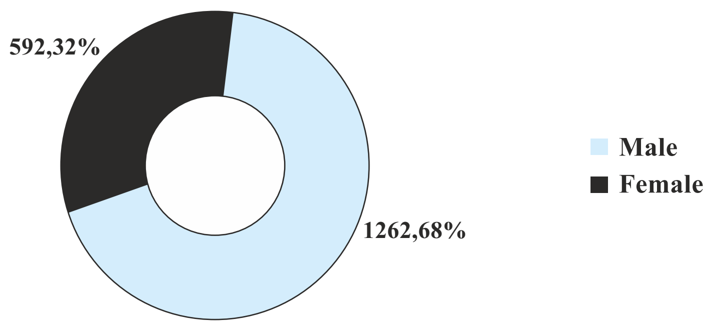
H1: There is a significant difference between the respondent's expectation and premium/ SA / pension offered by the schemes.

c) The 95% mean confidence interval was used to estimate the range of the respondents' expectation in respect of the premium/SA/ pension.

7. Results and Findings

7.1 Demographics:

Figure 1: Gender Distribution



It can be inferred from Figure 1 that out of the total 1,854 sample population, the majority of Jan Dhan account holders comprise males, i.e. 68%; whereas females constitute only 32%.

Figure 2: Age Distribution

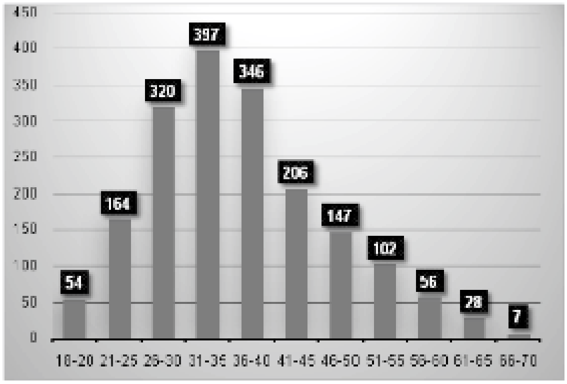
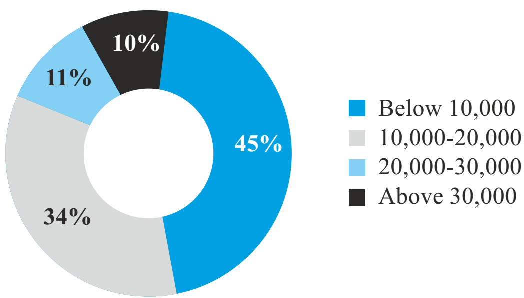


Figure 2 represents the age distribution of the sample data. It is skewed toward the younger age group as depicted by the shape of the curve. Therefore, the average age of the sample group is quite young and lie in the age group between 31and 35.

Figure 3: Income Distribution



From Figure 3, it can be observed that:

a) Most of the interviewed Jan Dhan account holders, which is around 45% of the total sample respondents, have less than Rs. 10,000 as income per month;

b) 34% of the respondents, who constitute the second largest group, has incomes between Rs. 10,000 and Rs. 20,000;

c) 11 % of the respondents has income between Rs. 20,000 and Rs. 30,000;

d) Respondents having income above Rs. 30,000 constitute only 10% of the total population.

7.2 Awareness

In order totest the awareness of the Jan Suraksha Schemes, Jan Dhan account holders were asked if they were aware of the PMJJBY, PMSBY and APY schemes. The respondents were marked as:

a) ***'Aware'*** if the respondent was aware of any one feature of these schemes, viz. sum assured or premium or family benefit;

b) ***'Little Aware'*** if the respondent had only heard about the name of these schemes; and

c) ***'Not Aware'*** if the respondent knew nothing about any of the scheme.

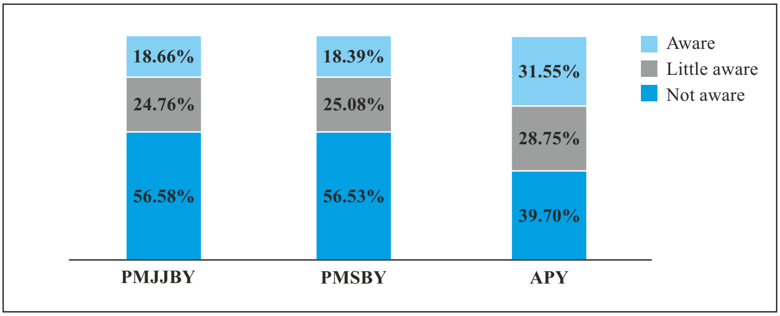
To test the awareness level, the two-sample proportion test was performed, and the proportion of awareness was compared for each of the schemes with each other. The results of the tests are presented in Table 2.

Table 2: Awareness Levels of Jan Suraksha Schemes (via Two-Sample Proportion Test)

Proportion Test	PMJJBY vs PMSBY	PMJJBY vs APY	PMSBY vs APY
p	0.565533981	0.481391586	0.481121899
Zcal	0.03313011	10.28739577	10.25473632
Ztab	1.959963985	1.959963985	1.959963985
alpha	0.05	0.05	0.05
p-value	0.3987234	4.16972E-24	5.83162E-24
Decision	Do not Reject H0	Reject H0	Reject H0

It is evident from table 2 that the p-value of the test is greater than 0.05 and hence there is no significant difference in the proportion of respondents who are aware of PMJJBY vis-a-vis PMSBY. On the other hand, the p-value of the tests is less than 0.05 for PMJJBY vs APY and PMSBY vs APY schemes, depicting a significant difference between the proportion at 95% level of significance (alpha). This is corroborated by Figure 4 which shows that the respondents are equally aware of both the PMJJBY (56.58%) and PMSBY (56.53%) schemes, whereas the APY (39.7%) has the least awareness as compared to the other two schemes

Figure 4: Awareness Levels of Jan Dhan Account Holders about the Jan Suraksha Schemes



7.3 Relevance

In order to test the relevance of social security schemes, the Jan Dhan account holders were asked how much they were willing to save for procuring life insurance, accidental insurance and pension. Hypothesis was tested at 95% level of significance using Z-test to compare the sample mean premium of various schemes. Since the p-value of the Z-test is less than 0.05, we can conclude that there aresignificant differences between the respondents' ability to save for the scheme and scheme price.

Table 3: Z-Test and 95% Mean Confidence Interval for Relevance of Jan Suraksha Schemes

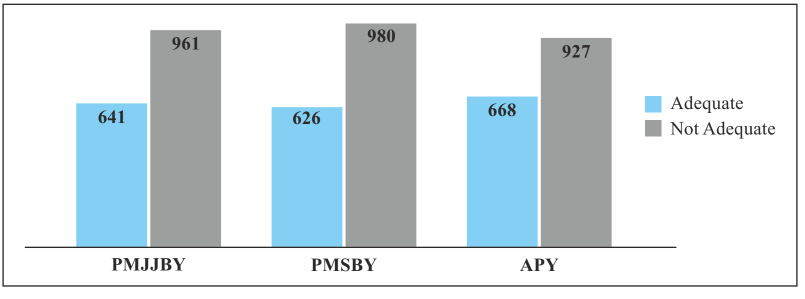
Scheme	Lower Limit	Upper Limit	Mean	p-value
PMJJBY	399.67	415.67	407.67	0.00
PMSBY	18.84	19.49	19.17	0.00
APY	276.91	286.74	281.83	0.00

From the above tests it can be concluded that, for life insurance scheme, i.e. PMJJBY, the respondents can save amounts in the range of Rs. 399.67- Rs. 415.67 as against Rs. 330 currently charged under the scheme. Similarly, for accident insurance and protection, PMSBY respondents can save an amount in the range of Rs. 18 and 20 as compared to Rs. 12 currently charged under the scheme. For APY where the return is assured to be Rs. 1,000 per month for a payment of monthly premium by different age groups, respondents can save amounts in the range of Rs. 276.91 and 286.74.. Therefore, it can be concluded that the schemes having premiums less than the respondents' expectation are found to be more relevant. This also explains higher awareness levels and acceptance for the more relevant schemes namely PMJJBY and PMSBY.

7.4 Adequacy

To understand the adequacy of the scheme for Jan Dhan account holders, the sum assured / pension under these schemes were measured. Respondents in the survey who chose the sum assured (SA) or pension cover options, which fall in the range of the current schemes being discussed here, were considered as adequate, and, the others were classified as not adequate (Figure 5).

Figure 5: Respondents Who Found the Jan Suraksha Schemes Adequate

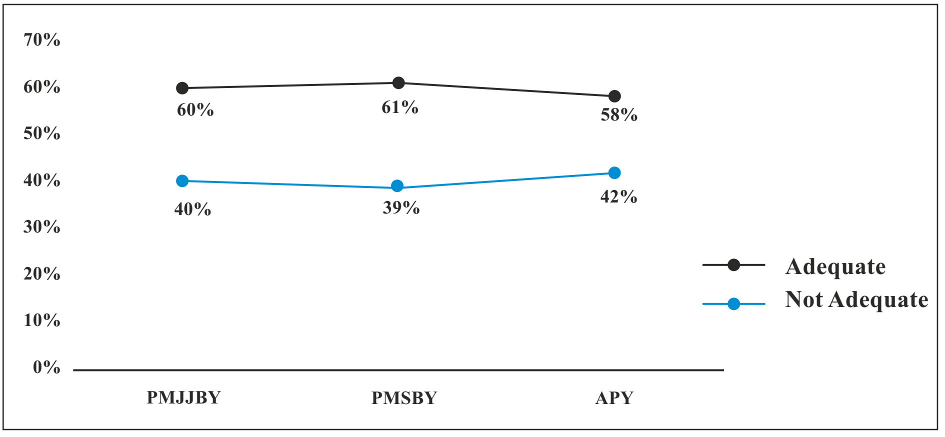


In order to test the level of adequacy, the two-sample proportion test was used as shown in Table 4. Since the p-value of the two-sample proportion test is greater than 0.05, there is no significant difference between the proportion of respondents who find the scheme adequate.

Table 4: Adequacy Levels of Jan Suraksha Schemes (via Two-Sample Proportion Test

Proportion Test	PMJJBY vs PMSBY	PMJJBY vs APY	PMSBY vs APY
p	0.39495	0.39495	0.404249
Zcal	0.598446	1.083077	1.669987
Ztab	1.959964	1.959964	1.959964
alpha	0.05	0.05	0.05
p-value	0.333535	0.221914	0.098928
Decision	Do not Reject H0	Do not Reject H0	Do not Reject H0

Figure 6: Adequacy Percentages of Jan Suraksha Schemes



From Figure 6 it can be observed that the percentage of respondents who find the scheme as adequate are closelysimilar to each other, i.e. 40% for PMJJBY, 39% for PMSBY and 42 % for PMSBY.

Table 5: Z-test and 95% Mean Confidence Interval for Adequacy of Jan Suraksha Schemes

Scheme	Lower limit	Upper Limit	Mean Value	p-value
PMJJBY	3.62 lacs	3.73 lacs	3.67 lacs	0.00
PMSBY	3.69 lacs	3.81 lacs	3.75 lacs	0.00
APY	6238.71	6542.43	6390.57	0.00

From Table 5 above, it can be observed that under PMJJBY scheme, respondents prefer SA in the range of Rs. 3.62 and 3.73 lac as against Rs.2 lac sufficient to meet their needs. Similarly, under PMSBY scheme, respondents prefer SA in the range of Rs. 3.69 and 3.81 lac as against Rs. 2 lac to meet their needs. And also, under APY scheme, respondents prefer the pension amount to be in the range of Rs. 6,238.71 and 6,542.43 per month as compared to Rs. 1000 and 5000 per month. This can be correlated to Figure 6,whichshows that many of the respondents found the scheme not adequate as the mean value for SA and the pension is higher than the SA and pension offered by the Jan Suraksha Schemes currently.

7.5 The Different Sections of Society

In order to test the schemes in terms of suitability for different segments of the society, like women, youth and aged population, Z-test was used to compare each of the group's expectations to whom the Jan Suraksha Schemes are offered.

Table 6: PMJJBY: Suitability Test for Women (all ages) and youth (men and women in 18-30 age bracket) groups

Social Groups	Lower Limit	Upper Limit	Mean Value	p-value
Women	3.35 lac	3.55 lac	3.45 lac	0.00
Youth	3.59 lac	3.79 lac	3.69 lac	0.00

From Table 6 it is observed that under PMJJBY scheme, women respondents prefer SA in the range of Rs. 3.35 and 3.55 lac as against Rs. 2 lacs. Whereas, the youth respondents prefer SA in the range of Rs. 3.59 and 3.79 lac as against Rs. 2 lac.

Table 7: PMSBY: Suitability Test for Women (all ages), Youth (men and women in 18-30 age bracket) and Aged (more than 51 years) groups

Social Group	Lower Limit	Upper Limit	Mean	p-value
Women	3.13 lacs	3.34 lacs	3.23 lacs	0.00
Youth	3.42 lacs	3.53 lacs	3.48 lacs	0.00
Aged	3.16 lacs	3.50 lacs	3.33 lacs	0.00

From Table 7 it is observed that, under PMSBY scheme, women respondents prefer SA in the range of Rs. 3.13 and 3.34 lac as against Rs. 2 lac. Similarly, young respondents prefer SA in the range of Rs. 3.42 and 3.53 lac as against Rs. 2 lac. Whereas, the aged respondents prefer SA in the range of Rs. 3.16 and 3.50 lac as against Rs. 2 lacs.

**Table 8:APY: Suitability Test for
Women (all ages), Youth (men and women in 18-30 age bracket)**

Social Groups	Lower Limit	Upper Limit	Mean value	p-value
Women	5850.80	6109.42	5980.11	0.00
Young	6370.95	6902.39	6636.67	0.00

From Table 8 above it is observed that, under APY scheme, women respondents prefer pension amount in the range of Rs. 5850.80 and 6109.49 per month as against Rs. 1000 to 5000 per month. Whereas, the youth respondents prefer pension amount in the range of Rs. 6370.95 and 6902.39 per month as against Rs. 1000 to 5000 per month.

8. Summary and Conclusions

This study has observed that the awareness (knowing at least one feature of the scheme) level of the sampled population was quite high for PMJJBY and PMSBY, whereas the awareness level of APY was significantly lower. Since the sample collected is consistent with the demographics of the India's population,it may be concluded that most of the population is consists of youth, and hence, not much importance is given either to pension schemes or efforts are made to acquire knowledge regarding retirement products. There is definite scope for creating more awareness about retirement products among the Indian youth thereby generating better penetration of such products.

From the point of view of relevance, the respondents found all the schemes 'relevant'. This is evident from the fact that the average premium amount that the group was willing to contribute/save for such schemes was significantly higher than the premiums currently charged under the Jan Suraksha schemes. This is further corroborated from the fact that at least 58% of the respondents did not find the Jan Suraksha Scheme viable, thus clearly indicating the preference for higher sum assured / pension. This means, there is ample scope for diversifying the coverage offered under various Jan Suraksha Schemes.

Since the group under study is prepared to save more for insurance and pension, more options in the Sum Assured /Premium/ Pension could be offered up to the limits specified in Table 9.

**Table 9: Coverage/Contribution for All Groups
Depicting 95% Mean Upper Limits**

Scheme	PMJJBY	PMSBY	APY
Premium	Rs. 415	Rs. 20	Rs. 290 per month
Sum Assured/ Pension	Rs. 3.75 lac	Rs. 3.8 lac	Rs. 6550 per month

Based on the study, the group-wise upper limits for the sum assured/pension under various schemes are shown in Table 10.

Table 10: Mean Upper Limits for Sum Assured/Pension for Different Groups

Group / Scheme	PMJJBY (Rs.)	PMSBY (Rs.)	APY (Rs.)
Women *(All ages)*	3.54 lac	3.34 lac	6109.42
Young *(Men women aged between 18 and 30)*	3.79 lac	3.53 lac	6902.39
Aged *(More than 50 yrs)*	-	3.50 lacs	

Based on the above study, it is recommended that the policymakers may undertake an exhaustive study / survey to identify the expectations of various groups and offer customized coverage and assured sum options.

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