



A STUDY ON AWARENESS OF SOCIAL SECURITY SCHEMES IMPLEMENTED BY THE GOVERNMENT WITH SPECIAL REFERENCE TO SOCIAL INSURANCE SCHEME IN VIRUDHUNAGAR DISTRICT

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ABSTRACT

There are numerous risks in everyday life of human being. The chances of occurrences of the events causing losses are uncertain because the risk may or may not be taken place. Insurance is assurance against instabilities of life. It provides assured sum as recompense to misfortunes emerging out happening of unforeseen events, protected under the strategy of insurance. Insurance is a financial instrument in which losses of few are compensated out of funds collected (insurance premium) from many insured (insurance policyholders). Insurance provides economic security to the insured from the losses arising out of happening of insured events for example in personal accident policy death due to accident. In order to provide the life insurance coverage to all people especially to rural and unorganized workers the Government of India launched insurance schemes namely Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and Pradhan Mantri Suraksha Bima Yojana (PMSBY). The motto of the scheme is covering the uncovered, serving the unserved and blessing the unblessed segment of the society and ensure in India no citizen will never worry about illness, accidents or penury in old age. This article analyzes the awareness about social insurance scheme introduced by the Government among the people in Virudhunagar District, Tamilnadu.

Keywords: Economic security, Insurance, Risks, Uncertain

1.1. INTRODUCTION

Insurance means setting aside of some money in order to grant compensation against loss resulting from a particular emergency or contingencies. The term Social Insurance originated in Germany by Bismark and later this concept was spread all over the world⁽¹⁾. Social insurance is a planned insurance. It protects the wages of those workers who do not have adequate source to support their own self in case of loss of income due to meeting contingencies in their work life. Social insurance is also a co-operative device. It aims at providing adequate benefits to the insured on the compulsory basis in time of unemployment, ill-health, disablement and other emergencies. It is one of the important modes to prevent individual from falling to the death of poverty, misery and to provide necessary assistance to them in times of emergencies. In India most of the people are not have access to formal sources of banking, Insurance and financial services. In order to facilitate penetration of insurance to the lower income and unorganized people Government of India launched two innovative term insurance schemes namely Pradhan Mantri Jeevan Jyoti BimaYojna (PMJJBY) and Pradhan Mantri Suraksha Bima Yojana (PMSBY) on 09 May, 2015 from Kolkata with the motto of “Jan Dhan se Jan Suraksha”-Social inclusion through financial inclusion.

1.2. STATEMENT OF THE PROBLEM

In India a large part of the population lives in rural areas. Many of the rural populations do not have any kind of security/ insurance scheme. As per the statistics of Ministry of Finance's, only 20 per cent of Indian citizens have Life Insurance, 11 per cent workers are registered under Pension Schemes and only 4 per cent citizens are taking Accidental Insurance schemes. In order to provides the insurance coverage to all people especially to rural and unorganized workers the Government of India launched insurance schemes namely Pradhan Mantri Suraksha Bima Yojana (for Accidental Death and Disability), Pradhan Mantri Jeevan Jyoti Bima Yojana (for life insurance). The motto of the scheme is covering the uncovered, serving the unserved and blessing the unblest segment of the society and ensure in India no citizen will never worry about illness, accidents or penury in old age. The number of beneficiary during the financial year 2019-2020 was 18.22 crores and 6.85 crore in PMSBY and PMJJBY respectively. The number of subscribers under these schemes is raises at increasing pace. However the enrollment ratio on eligible person was not commendable. Therefore it is necessary to understand the awareness about social insurance schemes especially PMJJBY and the PMSBY among the public.

1.3. REVIEW OF LITERATURES

Sathish Chandra M.R., and Veena V., (2006), spotlighted that in India 90% of families earn their livelihood from the unorganized sector. Most of the rural workers in the world were not avail any social security measures. The rural poor people are particularly vulnerable to the lack of health security measures. But they spend a greater percentage of their earnings on health related expenses. For this employers are responsible for providing adequate social security coverage to their workers including unorganized worker⁽²⁾.

Kshama B Vidhate, Ritesh Kundap (2016) found that the awareness among the rural people regarding the newly launched social security schemes were high compared to the previous schemes launched by the Government, as mentioned in the previous studies. The awareness of the rural population is affected by the age, gender, literacy status and socioeconomic class of the people. Moreover they also conclude that, though awareness about social security schemes remains high, the enrolment of the rural population in these schemes remains considerably low⁽³⁾.

Rajat Deb and Shantanu Sarma (2016) suggested that, since both PMSBY, PMJJBY policies can only be taken by savings bank account holders, the schemes would work as a proxy for financial inclusion and encourage the unbanked population to join the formal banking system which, in turn, would not only add the number of accounts for banks but would also boost their bottom lines⁽⁴⁾.

1.4. OBJECTIVES OF THE STUDY

The main objectives of this study are:

1. To analyze the demographic profile of the respondents.
2. To identify the factors inducing the respondents to avail social insurance policy.
3. To understand the awareness level of the respondents towards the social insurance policy.
4. To give suggestions to increase awareness about social insurance schemes.

1.5. RESEARCH DESIGN AND METHODOLOGY

In view of considerable data from survey research as well as secondary sources collected and presented in this research report, 'descriptive research' is considered the most appropriate for the present study. Hence, the study has been descriptive and analytical. The research problem, the null hypothesis and interview schedule all have been formulated and framed accordingly. The suggestions of the study emerge from the inferences drawn from the sample survey of respondents in Virudhunagar District.

1.5.1. COLLECTION OF DATA

The present study is an empirical one based on survey method. First-hand data were collected from the fields through interview schedule and observation. The study has also depended on the secondary data available on social insurance and was also incorporated in the analysis of secondary data. The secondary data were collected from published documents, leading journals, magazines, newspapers, standard text books of related topics, and sources from internet.

1.5.2. SAMPLING DESIGN

The researcher decided to apply sampling techniques for the present study, because it is not possible to study the entire population. The proportionate stratified random sampling technique has been used for this study. The Virudhunagar District has ten Taluks. The researcher classified the Virudhunagar District into ten stratum on the basis of taluk and each stratum covering the area of a taluk. Then the researcher gathered the PMJJBY and PMSBY policy holders' details from the banks and post office. A total of 250 respondents were selected in the ten stratum, consist of 25 respondents from each stratum, by adopting simple random sampling methods.

1.6. ANALYSIS AND INTERPRETATION

1.6.1. DEMOGRAPHIC CLASSIFICATION OF RESPONDENTS

Demography profile can be defined as "the study of the composition of a social entity in terms of its members' attributes" (Pfeffer 1983)⁽⁵⁾. Every insurable individual has to be insured only the purpose of social insurance can be fulfilled in the right sense. Analysis and understanding of prospective customers of social insurance according to their demographic factors thus becomes more necessary. Understanding respondents' behavior according to their gender, age, marital status, education, income etc. are playing an important role in estimating the demand for insurance and for increasing penetration of insurance through enabling insurers in changing their marketing plans and strategies and modifying products as per the requirements of the people⁽⁶⁾.

The survey about demographic classification describes that among 250 respondents 69.6 per cent of the respondents are male, 37.6 per cent of the respondents belong to the age group of 31 years to 35 years, nearly one fourth (25.6%) of the respondents are educated upto higher secondary level, 56.8% of the respondents are married, 24.4 per cent of the respondents are coolly workers, 39.2 per cent of the respondents are earning between Rs.10,001 and Rs.15,000. These particulars are portrayed in the following table 1.1.

TABLE 1.1
DEMOGRAPHIC CLASSIFICATION

Demographic Factors	No of Respondents	Percentage
GENDER WISE CLASSIFICATION		
Male	174	69.6
Female	76	30.4
AGE WISE CLASSIFICATION		
Below 30 years	53	21.2
31 Years to 35 years	94	37.6
36 Years to 40 years	59	23.6
41 Years to 45 years	17	6.8
Above 45 years	27	10.8
EDUCATIONAL STATUS		
Illiterate	17	6.8
Up to Primary Level	43	17.2
Secondary Level	51	20.4
Higher secondary level	64	25.6
Diploma	44	17.6
Degree	31	12.4
MARITAL STATUS		
Married	142	56.8
Unmarried	108	43.2
OCCUPATIONAL STATUS		
Farmer	16	6.4
Bovinae	46	18.4
Cooly	61	24.4
Private concern	53	21.2
Government Sector	20	8.0
Businessman	19	7.6
Housewife	35	14.0
MONTHLY FAMILY INCOME		
Below Rs.10,000	49	19.6
Rs.10,001 to Rs.15,000	98	39.2
Rs.15,001 to Rs.20,000	67	26.8
Above Rs.20,000	36	14.4
Total	250	100

Source: Primary Data

1.6.2. PREFERENCE OF SOCIAL INSURANCE

In India, a large proportion of India's population is without insurance of any kind, that is, health, accidental or life. Therefore promoting inclusive growth in financial inclusion is one of the biggest challenges in India. Jan Suraksha scheme introduced by the central government is a bold and inclusive framework for a universal social security programme in India. Jan Suraksha scheme is a mix of three schemes namely Pradhan Mantri Suraksha Bima Yojana (PMSBY), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), and Atal Pension Yojana (APY).

Among this PMSBY and PMJBY schemes are term insurance plan provide insurance coverage against death for any reason and accidental death and disability responsibility.

The investigation about the preference of the social insurance scheme describes that out of 250 respondents 33.6 per cent of the respondents prefer the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) schemes, 60 per cent of the informants opt the Pradhan Mantri Suraksha Bima Yojana (PMSBY) schemes and the remaining 6.4 per cent of the respondents are invested their money in the both schemes. These statistics are shown in table 1.2.

TABLE 1.2
PREFERENCE OF SOCIAL INSURANCE

Social Insurance Scheme	Number of Respondents	Percentage
Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)	84	33.6
Pradhan Mantri Suraksha Bima Yojana (PMSBY)	150	60.0
Both (PMJJBY & PMSBY)	16	6.4
Total	250	100.0

Source: Primary Data

From the analysis of the above table, it is understood that majority (60%) of the respondents are prefer PMSBY Scheme.

1.6.3. FACTORS ATTRACTING TO INVEST IN SOCIAL INSURANCE SCHEME

The important motive of social insurance is to provide minimum standard of living. In social insurance the benefits received by the insured are usually much larger than the contribution they are required to pay towards the fund for the purpose. To identify the factors inducing the respondents to invest their money in social insurance scheme than the traditional insurance the survey was made.

The study narrates that, the social insurance schemes are offered by the Government at minimum and affordable cost, it attracts 38.8 per cent of the respondents to invest their money in the social insurance scheme, followed by 10.4 per cent of the respondents are induced by simplified procedures for enrolling their name into the social insurance scheme, 17.6 per cent of the informants opt for social insurance because it involves limited documentation, another 23.2 per cent members are attracted by the policy amount, and the remaining 10 per cent of the informants for social status take social insurance policy. The following table gives a blueprint about the factors attracting respondents to invest in social insurance scheme.

TABLE 1.3
FACTORS ATTRACTING

FACTORS	Number of Respondents	Percentage
Affordable cost	97	38.8
Simplified Procedures	26	10.4
Limited documentation	44	17.6
Policy amount	58	23.2
Social Status	25	10.0
Total	250	100.0

Source: Primary Data

The above survey reveals that, the premium amount attracts the majority (38.8%) of the respondents to acquire social insurance scheme.

1.6.4. HYPOTHESIS: 1

Ho: There is no significant association between demographic factors and factors attracting the respondents to choose social insurance scheme.

H1: There is a significant association between demographic factors and factors attracting the respondents to choose social insurance scheme.

To test the above Hypothesis, the researcher used the Chi-square Test. The result has been set out in table.1.4.

TABLE 1.4
DEMOGRAPHIC FACTORS AND THE FACTORS ATTRACTING THE RESPONDENTS TO CHOOSE SOCIAL INSURANCE SCHEME

Demographic Factors	Chi-Square Value	Significant	Accept/Reject Ho
Gender and factors attracting the respondents to choose social insurance scheme	14.181	.007	Rejected
Age and factors attracting the respondents to choose social insurance scheme	29.351	.022	Rejected
Education and factors attracting the respondents to choose social insurance scheme	31.089	.045	Rejected
Marital Status and factors attracting the respondents to choose social insurance scheme	5.863	.210	Accepted
Family System and factors attracting the respondents to choose social insurance scheme	5.038	.283	Accepted
Family Size and factors attracting the respondents to choose social insurance scheme	14.489	.271	Accepted
Residential Area and factors attracting the respondents to choose social insurance scheme	16.822	.032	Rejected
Occupational status and factors attracting the respondents to choose social insurance scheme	42.064	.013	Rejected
Income and factors attracting the respondents to choose social insurance scheme	24.762	.016	Rejected

Source: Computed Data

Since P value is less than the 0.05 for the demographic factors such as Gender, Age, Education, Residential area, Occupational status and Income, the null hypothesis is rejected at 5% level of confidence. Hence, the researcher concludes that there is a significant association between the demographic factors like Gender, Age, Education, Residential area, Occupational status and factors attracting the respondents to choose social insurance scheme.

Since P value is more than the 0.05 for the demographic factors like Marital status, Family system and Family Size, the null hypothesis is accepted at 5% level of confidence. Hence, the researcher concludes that there is no significant association between the demographic factors Marital status, Family system and Family Size and factors attracting the respondents to choose social insurance scheme.

1.6.5. AWARENESS ABOUT POLICY TERMS AND CONDITIONS

The Government of India undertaken extensive media based campaign to create awareness about the PMJJBY and PMSBY schemes. This awareness campaign includes disseminating the information through Posters, Leaflets, Video and audio advertisement in Hindi, English and Regional languages to impart the knowledge about the scheme and its terms and conditions. Moreover an exclusive website (www.jansuraksha.gov.in), was created to provide information about the PMJJBY and PMSBY schemes terms and conditions. So, the researcher collected the information about whether the respondents gone through the PMJJBY and PMSBY schemes terms and conditions or not.

The enquiry indicates that, out of 250 respondents 38 per cent of the respondents are gone through the PMJJBY and PMSBY schemes and aware about the policy terms and conditions and the remaining 62 per cent of the informants are not aware about the policy terms and conditions. These pieces of information are represented in the following table 1.5.

TABLE 1.5
AWARENESS ABOUT POLICY TERMS AND CONDITIONS

Aware about Policy Terms and Conditions	Number of Respondents	Percentage
Yes	95	38.0
No	155	62.0
Total	250	100.0

Source: Primary Data

It is encouraging to note from the above analysis that, majority (62%) of the respondents are not aware about the PMJJBY and PMSSBY policies terms and conditions.

1.6.6. HYPOTHESIS: 2

Ho: There is no significant difference between the educational status of the respondents and the awareness about the policy terms and conditions.

H1: There is significant difference between the educational status of the respondents and the awareness about the policy terms and conditions.

To test the above Hypothesis, the researcher used the Kruskal Wallis Test. The result has been displayed in table.1.6.

TABLE 1.6
EDUCATIONAL STATUS AND THE AWARENESS ABOUT THE POLICY TERMS AND
CONDITIONS

Age	Size	Mean Rank	Chi Square Value	Significant	Accept/ Reject Ho
Illiterate	17	173.00	41.430	.000	Rejected
Up to Primary Level	43	164.28			
Secondary Level	51	121.53			
Higher secondary level	64	116.36			
Diploma	44	110.50			
Degree	31	92.35			

Source: Computed Data

Since P value is less than 0.05, the null hypothesis is rejected at 5% level of significance. Hence, the researcher concludes that there is a significant difference between the educational status of the respondents and the awareness about the policy terms and conditions.

1.6.7. HAVE ACKNOWLEDGEMENT CUM CERTIFICATE OF INSURANCE

After taking social insurance policy the policy holder should receive the acknowledgement cum certificate of insurance from the bank/ post office where they take social insurance or from the website. The acknowledgement cum certificate of insurance is assumed as the insurance policy under PMJJBY and PMSBY scheme. This acknowledgement receipts increase the trust of the policy holders and act as the reminder to their policy.

The investigation about whether the respondents are aware and received the acknowledgement cum certificate of insurance or not describe that out of 250 respondents, 24.8 per cent of the respondents are having acknowledgement cum certificate of insurance and the remaining 75.2 per cent of the informants are not received the acknowledgement cum certificate of insurance for their social insurance scheme. The findings of the study are tabulated in the following table 1.7.

TABLE 1.7
HAVE ACKNOWLEDGEMENT CUM CERTIFICATE OF INSURANCE

Have Acknowledgement cum Certificate of Insurance	Number of Respondents	Percentage
Yes	62	24.8
No	188	75.2
Total	250	100.0

Source: Primary Data

It is vivid from table 1.7 analysis that, three fourth of the respondents are not having the acknowledgement cum certificate for their social insurance policy.

1.6.8. HYPOTHESIS: 3

Ho: There is no significant association between the gender and obtaining acknowledgement cum certificate of insurance.

H1: There is a significant association between the gender and obtaining acknowledgement cum certificate of insurance.

To test the above Hypothesis, the researcher used the McNemar-Bowker Test. The result has been displayed in table.1.8.

TABLE 1.8
GENDER AND OBTAINING ACKNOWLEDGEMENT CUM CERTIFICATE OF INSURANCE

Factors	Chi-Square	Significant	Accept/ Reject Ho
Gender and obtaining acknowledgement cum certificate of insurance.	83.250	.000	Rejected

Source: Computed Data

Since P value of association between the gender and obtaining acknowledgement cum certificate of insurance is less than 0.05, the null hypothesis is rejected at 5% level of significance. Hence, the researcher concludes that there is a significant association between the gender and obtaining acknowledgement cum certificate of insurance.

1.6.9. AWARENESS ABOUT CLAIM PROCEDURES

The study about the awareness about claim procedures reveals that, out of 250 respondents 46.4 per cent of the respondents are having idea about the claim procedures and the remaining 53.6 per cent of the informants are not aware about the claim procedures.

The following table 4.35 gives a blueprint the awareness level of the respondents about the claim procedures.

TABLE 1.9
AWARENESS ABOUT CLAIM PROCEDURES

Awareness	Number of Respondents	Percentage
Know	116	46.4
Don't Know	134	53.6
Total	250	100.0

Source: Primary Data

The survey about the respondents' awareness with regard to claim procedures recap that, majority (53.6%) of the respondents are not aware about claim procedures.

1.7. SUGGESTIONS

1. PMSBY and PMJJBY schemes are low cost premium insurance scheme with an attractive policy amount. It induces many people to enroll in social insurance scheme. Therefore the Government never increases the premium amount. However the premium amount of PMJJBY scheme may be reconsider by the Government.
2. Even-though the people avail the social insurance scheme, they are not aware about the social insurance scheme terms and conditions. Therefore the Government should organized extensive awareness camp at village level.
3. For disseminating the information about PMJJBY and PMSBY scheme the Government of India undertake awareness campaign through Posters, Leaflets, Video and audio advertisement in Hindi, English and Regional languages. But this information are not reach the people. Therefore this information are made available at Panchayat office, Ration shop and other important public place.
4. Insurance policy act as evidence for insurance contract and improves the trust among the policy holders. Therefore the acknowledgement cum certificate of insurance should be issued to the policy holders through the bank/ post office where the policy holder registered their name under PMJJBY or PMSBY scheme.
5. Advertisement in famous TV channel and newspaper in regional language increases the awareness among the people about these schemes.

1.8. CONCLUSION

Pradhan Mantri Suraksha Bima Yojana (PMSBY) and Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) schemes lead to paradigm shift in Indian social insurance and it is also considered innovative trust with social insurance in India. From the above analysis, it is concluded that the premium amount attracts the people to take social insurance policy. In-order to improve the awareness about the social insurance scheme the awareness camp should be organized at village/ taluk level. Even though the policy details, term and conditions are available in the regional language, the information about the social insurance schemes are not reach the large part of the society in the rural area. Similarly the peoples are not aware that, the social insurance policy details are available in their regional language. Therefore the posters, leaflets, video and audio advertisement containing social insurance scheme are should be displayed in Panchayat office, Ration shop and other important public place to create awareness about the social insurance scheme. In addition to that the massive advertisement programme directed towards the rural people should be implemented in the regional languages. It increases the awareness level among the public as well as the PMJJBY and PMSBY scheme enrollment ratio.

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