

---

**FINANCIAL INCLUSION THROUGH SOCIAL SECURITY SCHEMES  
IN CHHATTISGARH: A STUDY OF PRADHAN MANTRI JEEVAN  
JYOTI BIMA YOJANA (PMJJBY)**

---

**\*Deepesh Agrawal**

---

Dist. Mungeli, Chhattisgarh.

---

Article Received: 21 March 2026

\*Corresponding Author: Deepesh Agrawal

Article Revised: 11 April 2026

Dist. Mungeli, Chhattisgarh.

Published on: 01 May 2026

DOI: <https://doi-doi.org/101555/ijrpa.4687>

---

## **ABSTRACT**

The Government of India's social security initiative, Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) for life insurance, is crucial in Chhattisgarh to provide financial safety nets, especially for its large rural, tribal, and under-privileged population. Launched on 9<sup>th</sup> May, 2015, this low-premium scheme enables citizens aged 18-50 to secure coverage against death due to any reason through bank accounts, supporting the state's welfare efforts. The objective of this study is to evaluate the efficiency of claim settlements and the overall social security impact of this scheme within the Chhattisgarh state. The study is descriptive in nature and is based on secondary data collected from government publications and websites, bank annual reports, Jan Dhan-Yojana reports, Lok Sabha questions, government publications and websites, bank and insurance companies annual reports, Ministry of Finance statistics, Department of financial services and peer-reviewed journals, published journals, past research papers, articles, etc. The paper highlights that while enrollment has risen significantly, claim settlement efficiency faces bottlenecks. The study finds that high awareness gaps and documentation issues hinder the full impact of this scheme, necessitating improved digital integration and financial literacy.

**KEYWORDS:** PMJJBY, Social Security, Financial Literacy, Financial Inclusion, Chhattisgarh.

## **1. INTRODUCTION**

Financial inclusion refers to providing affordable and accessible financial products and

services to all part of society, especially people who are economically weak, disadvantaged and earning low income. The financial services should be affordable to them offered by formal financial institutions and delivered in a transparent manner. (RBI, 2013)

In many developing countries, a large portion of the population remains excluded from formal financial systems due to poverty, lack of awareness, and limited banking infrastructure.

In India, the government and financial institutions have introduced several initiatives to expand

financial inclusion and strengthen social security. One of the major initiatives is the introduction of low-cost insurance scheme aimed at providing financial protection to individuals belonging to low-

income and unorganized sectors. These scheme are particularly important for rural populations where financial vulnerability is high due to irregular income and lack of social protection.

In May 2015, the Government of India launched a major social security insurance scheme: Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY). These schemes is designed to provide affordable insurance coverage to millions of citizens who previously lacked access to insurance services.

The state of Chhattisgarh, with its large rural and tribal population, presents a unique context for studying the impact of these scheme. Many households in the state depend on agriculture, daily wage labor, and informal sector employment, making them financially vulnerable to unexpected events such as accidents or death of the earning member.

## **1.1 Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) 1 1.1 INTRODUCTION**

The Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) is a government-backed, one-year renewable term life insurance scheme providing a ₹2 lakh life cover for death due to any cause. It is available to individuals aged 18-50 years with a bank or post office account, at an annual premium of

₹436, which is auto-debited. It was originally proposed in the 2015 budget speech by the Union Finance Minister, as only 20% of India's population was endorsed under any kind of insurance until then. Consequently, the PMJJBY was launched to increase the penetration of life insurance among citizens.

### **1.1.2 Nature of the scheme PMJJBY**

The scheme is a one-year cover term life insurance scheme, renewable from year to year, offering life insurance cover for death due to any cause.

### **1.1.3 Benefits under the scheme PMJJBY and premium payable**

- Rs.2 lakh is payable on a subscriber's death due to any cause.
- The premium payable is Rs.436/- per annum per subscriber.
- For those getting enrolled under PMJJBY for the first time during the middle of the policy period, payment of pro-rata premium is allowed as under;
- For enrolment in June, July and August – Full annual premium of Rs.436/- is payable.
- For enrolment in September, October, and November – pro rata premium of Rs. 342/- is payable
- For enrolment in December, January and February – pro rata premium of Rs. 228/- is payable.
- For enrolment in March, April and May – pro rata premium of Rs. 114/- is payable.

However, full year's premium @ Rs 436/- is payable at the time of renewal under the scheme.

For subscribers enrolling for the first-time, risk starts from the date of auto-debit of premium. However, insurance cover shall not be available for death (other than due to accident) occurring during the first 30 days from the date of enrolment into the scheme (lien period) and in case of death (other than due to accident) during lien period, no claim would be admissible.

## **1.2 STATEMENT OF THE PROBLEM**

- Many beneficiaries are unaware of coverage, renewal, and claim procedures.
- Financial inclusion is not just access but active usage, which is often limited.
- Lack of financial literacy is a key barrier to inclusion and leads to dormant or unused financial services.
- Rural populations face infrastructural and informational barriers compared to urban areas.
- Beneficiaries often do not fully understand their enrollment status or policy terms.
- Many studies highlight progress but also note that a large population is still uninsured.

- Social and cultural factors still restrict access for vulnerable groups.

### **1.3 Objective of the study**

- To evaluate the current status of enrolments and claim settlements under PMJJBY scheme in Chhattisgarh.
- To analyze the level of awareness and perception among the rural and urban population regarding these scheme.
- To identify the socio-economic factors (income, education, occupation) influencing the adoption of these social security scheme.
- To analyze the progress of enrolment under PMJJBY in Chhattisgarh across different demographic profiles (gender, income, age).
- To identify the barriers and factors enhancing the adoption of these social security scheme in Chhattisgarh.
- To evaluate the role of PMJJBY in promoting financial inclusion and social security.
- To suggest policy recommendations for improving the effectiveness of these scheme.

### **1.4 SIGNIFICANCE OF THE STUDY**

This research will provide actionable insights for:

- Policy Makers: To refine the delivery mechanism for tribal regions.
- Banks: To improve the "Financial Literacy" modules tailored for the Chhattisgarh region (using local dialects like Chhattisgarhi and Gondi).
- Society: To ensure that the "Securing the Unsecured" vision reaches the bottom of the pyramid.
- Identify gaps in awareness and implementation.
- Suggest improvements to increase participation in insurance schemes.
- The findings can also help strengthen the financial security of rural and low-income households in Chhattisgarh.

### **1.5 Scope of study**

The study is limited to only one insurance scheme namely PMJJBY . This research will help us to know the impact and implementation of PM's Social Security scheme with reference to Chhattisgarh state. The main focus of the study will be on the cumulative enrollment, services, policies benefits, premium and terms which have created awareness in the minds of

Indian people about the importance of this social security scheme.

## 2. LITERATURE REVIEW

- Ankita Sharma, Sunita Mehla, Nidhi Dhankhar (2025) according to their study the result concluded that there was incomplete awareness of all the benefits of these schemes among these respondents in Haryana state.
- Badar and Shaista (2016) disclosed that the progress and development of the economy have been strongly recommended associated with financial inclusion.
- Ghosh (2015) the researcher examined the role of social security schemes in protecting economically weaker sections of society. The study found that affordable insurance programs help reduce financial vulnerability caused by accidents, illness, and death.
- J.Suresh Kumar and Shobana (2024), expressed that Policymakers, program administrators, and advocacy groups can leverage these insights to refine existing strategies and tailor social security.
- M.Bhuvana and S.Vasanth (2016) explained that in rural areas effectiveness of financial inclusion has been decreased by certain demand and supply factors.
- MJ Senthil Kumar, P Sundara Pandian (2020) The study found that, publication of social insurance scheme performance, extending the risk coverage like medi-claim benefits, temporary sickness benefits in addition to the existing coverage, offering concessional premium amount to existing policyholders to renew their policy of the scheme, joint policy features, will definitely attract many people and increase the insurance penetration rate.
- Nirbrayan et al. (2019) in their secondary data-based study expressed that financial inclusion has helped the poor in bringing them to the mainstream of growth.
- Princy (2017) concluded that financial inclusion supports microfinance and microfinance accelerate it. Microfinance is one of the important weapons for eradicating and eliminating poverty through financial inclusion.
- Reddy and Reddy (2017) The study analyzed government insurance schemes in India and concluded that low-premium insurance schemes have significantly increased insurance coverage among low-income households. However, the study also noted that awareness about these schemes remains limited in rural areas.
- Singh and Singh (2019). The study analyzed the implementation of PMSBY and PMJJBY schemes in rural India. It found that these schemes have improved access to insurance services among low-income groups due to their affordable premium and simple enrollment

process.

•Survase, Madan & Gohil, A. (2024) Financial inclusion is an essential input to improve social welfare and promote sustainable development goals, particularly in the rural sectors.

### 3. RESEARCH GAP

•The Retention Crisis: A large percentage of enrolments are "cumulative" rather than "active." High lapse rates occur due to failed auto-debits, insufficient bank balances, or a lack of renewal awareness among the unorganised sector, rendering the insurance cover void when most needed.

•Claim Settlement Bottlenecks: While the national Claim Settlement Ratio appears high, there are severe regional disparities. Stringent documentation requirements—such as specific death certificates for PMJJBY- act as deterrents for rural, semi-literate beneficiaries, leading to high rejection rates that are often under-reported in macro-level summaries.

•The Information Asymmetry: There is a persistent gap between being "enrolled" and being "informed." Many account holders are unaware of their coverage or the specific claim process, leading to "ghost policies" where premiums are deducted, but no claims are ever filed by the bereaved families.

•The existing literature on the Social Security scheme has primarily focused on its overall impact and effectiveness at a macro level, neglecting the nuances challenges faced by participants at the local level. The research gap in this study is that the Social Security scheme's awareness and effectiveness are mostly seen in the studies. Most of them have selected research located in Delhi, Mumbai and Gujarat for their study, with no one located in the Chhattisgarh state.

### 4. RESEARCH HYPOTHESIS

Hypothesis 1: Awareness and Enrollment

H<sub>0</sub> (Null Hypothesis): There is no significant relationship between awareness of PMJJBY and enrollment in these schemes.

H<sub>1</sub> (Alternative Hypothesis): There is a significant relationship between awareness of PMJJBY and enrollment.

Hypothesis 2: Financial Literacy and Participation

H<sub>0</sub>: Financial literacy has no significant impact on participation in PMJJBY. H<sub>1</sub>: Financial literacy significantly influences participation.

Hypothesis 3: Income Level and Scheme Adoption

H<sub>0</sub>: Income level does not significantly affect adoption of PMJJBY. H<sub>1</sub>: Income level significantly affects adoption.

Hypothesis 4: Scheme Participation and Financial Inclusion

H<sub>0</sub>: Participation in PMJJBY does not significantly improve financial inclusion. H<sub>1</sub>: Participation significantly improves financial inclusion.

## 5. RESEARCH METHODOLOGY

This research paper is completely based on the secondary data collected from various sources such as Jan Dhan-Yojana reports, Loksabhaquestions\_annexture, government publications and websites, bank and insurance companies annual reports, past research papers, journals, articles, Ministry of Finance statistics, Annual reports of public sector insurance companies, Department of financial services and peer-reviewed journals, published journals.

## 6. Social Security Impact of PMJJBY in Chhattisgarh.

- a) High Coverage: The scheme have brought millions of lower-income families under the insurance umbrella due to low premiums (i.e., ₹436 for PMJJBY ).
- b) Rural Penetration: PMJJBY has seen high adoption among rural workers and labourers, providing security against death due to any reason.
- c) Impact on Financial Inclusion: Linked to PMJDY accounts, these scheme promote economic security for the vulnerable section, particularly the rural and tribal populations of Chhattisgarh.

## 7. Critical Evaluation of Claim Settlement Efficiency

- a) Settlement Ratios: While the overall claim settlement ratio for PMJJBY is high at the national level (99.95% as of 18<sup>th</sup> Feb 2026), and of Chhattisgarh is (95.38% as of 18<sup>th</sup> Feb 2026)
- b) Challenges in Claims:
  - (i) Documentation: Delays often occur due to lack of death certificates or procedural awareness, particularly in remote areas.
  - (ii) Operational Hurdles: High number of "lapsed" policies due to non-renewal or lack of funds in linked accounts, affecting the continuity of coverage.
  - (iii) Bank Dependence: Efficiency relies on local bank branches' willingness to process

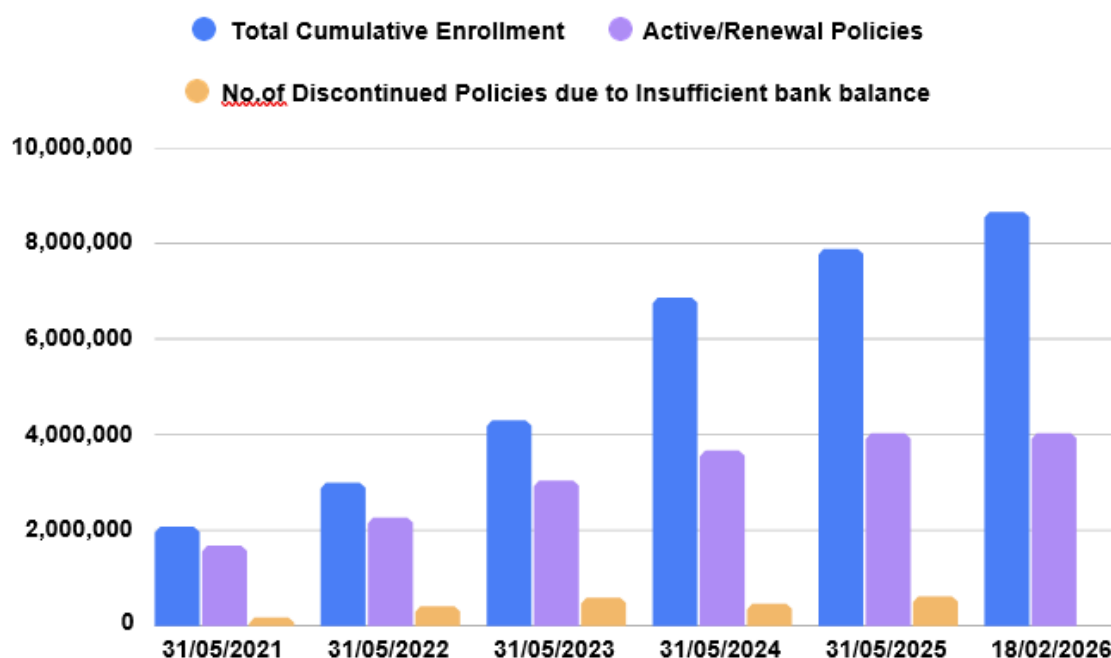
claims quickly.

## 8. Key Findings

Table -1: Status of PMJJBY scheme in Chhattisgarh as on 18.02.2026								
Financial Year	Total Enrollment (Cumulative)	Active/Renewed Policies	No.Of Discontinued Policies due to Insufficient bank balance	Cumulative No. of Claims Received	Cumulative No. of Claims Settled/Paid	Cumulative No. of Claims Rejected	Claim Settlement Ratio (CSR) %	Total Disbursement (Cr.)
31/5/2021	2,075,495	1,681,320	180,808	10,432	9,898	393	98.65	197.96
31/5/2022	2,997,575	2,269,706	414,267	17,940	16,600	861	97.33	332
31/5/2023	4,298,270	3,044,760	591,166	22,731	21,371	960	98.24	427.42
31/5/2024	6,868,181	3,667,640	466,300	26,186	24,772	986	98.37	495.44
31/5/2025	7,888,327	4,029,928	619,020	33,704	31,143	1,071	95.58	622.86
18/2/2026	8,661,892	4,033,772	-	38,340	35,456	1,113	95.38	709.12

Source: Banks (for universal schemes) and Insurance companies (for converged schemes)

### 8.1 Enrollment and Retention Trends.



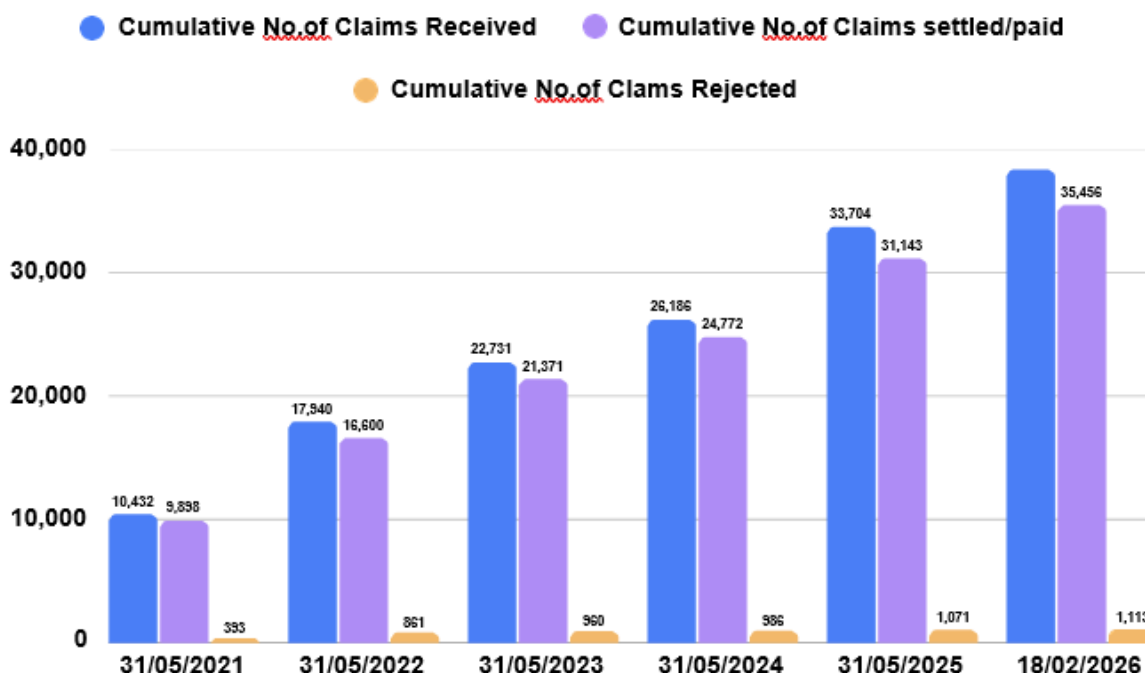
The scheme has seen massive growth in reach, but there is a widening gap between cumulative enrollments and active policies.

- Significant Growth: Total cumulative enrollment jumped from 2,075,495 in 2021 to 8,661,892 by early 2026—a 317% increase.
- The Retention Gap: While enrollments are high, the number of active/ renewal policies (4,033,772) is less than half of the total enrollments. This suggests that while many

people sign up, a large portion does not maintain the policy long-term.

- **Insufficient Funds:** A major pain point is policy discontinuation due to low bank balances. This peaked in May 2025 with over 619,000 discontinued policies, highlighting a challenge in financial consistency among the target demographic.

## 8.2 Claim Settlement Performance

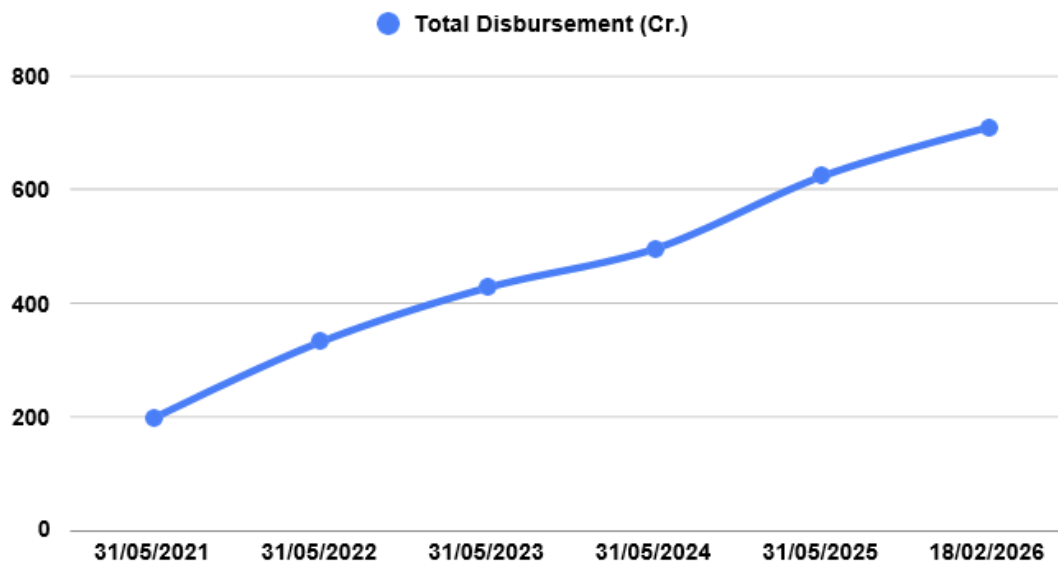
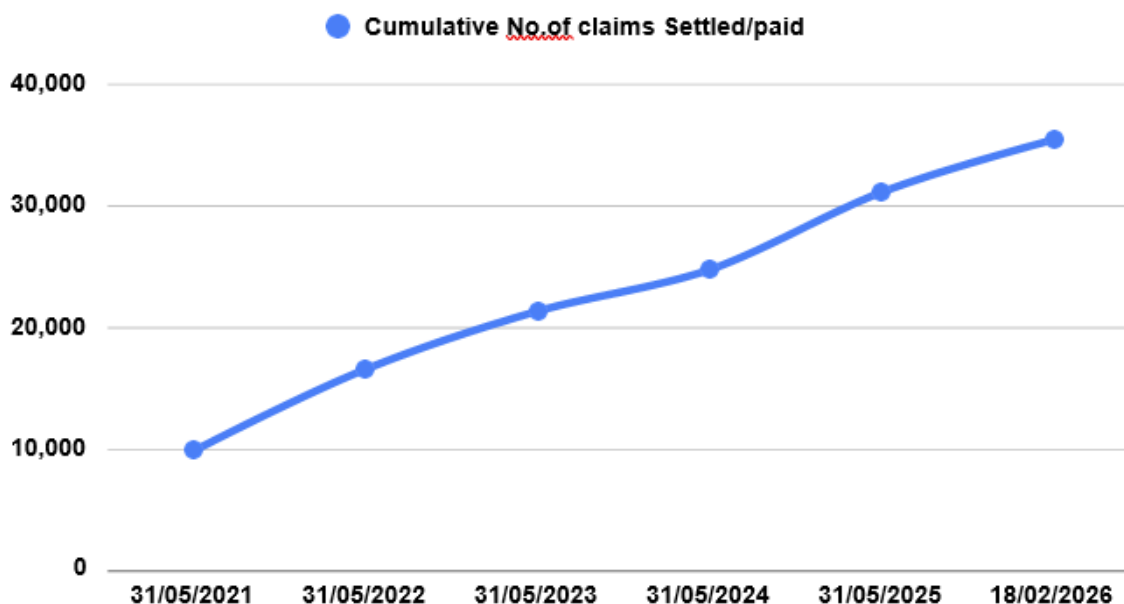


The efficiency of an insurance scheme is measured by its ability to pay out claims. PMJJBY in Chhattisgarh shows high efficiency but a slight downward trend in recent years.

- **Claim Volume:** Claims received have increased steadily from 10,432 to 38,340, tracking with the aging and growing size of the insured pool.
- **Claim Settlement Ratio (CSR):\*** The CSR remained exceptionally strong (above 98%) until 2024.
- There is a noticeable dip to 95.38% in 2026. While still high by industry standards, the 3% drop indicates either more stringent verification processes or a backlog in processing as volumes increase.
- **Rejections:** Rejections remain low relative to total claims, though they have nearly tripled in absolute numbers (from 393 to 1,113).
- **Major Reason for Claim Rejection under the Social Security Scheme: PMJJBY –**

1. Death during lien period.
2. Incorrect age submitted for enrollment.
3. Duplicate Claim.

### 8.3 Financial Impact and Disbursement.



The number of Claim Settlement and Total amount of Disbursement jumped from 9,898 and ₹197.96 Cr. in May 2021 to 35,456 and 709.12 Cr. by early 2026—a 258% increase.

The direct correlation between settled claims and disbursement suggests a fixed payout per claim (standard for PMJJBY, which offers ₹2 lakh). By February 2026, the scheme had infused over ₹700 Crore into the families of deceased policyholders in the state.

## 9. SUGGESTIONS

- Introduce automated reminders or alerts before policy renewal dates to avoid discontinuation and enhance policy retention
- Explore options for flexible payment methods to reduce lapse due to insufficient funds.
- Boost Enrollment Growth by targeting new user outreach campaigns, especially focusing on regions with lower enrollment.
- Leveraging success stories and claim settlement efficiency as promotional points to boost up enrollment ratio.
- Improve Claims Management by reducing claim rejection by providing clear information and support regarding claim documentation.
- Develop education programs to increase understanding of scheme benefits among policyholders and nominees.
- Increase the use of the Jan Suraksha Portal in local languages to allow beneficiaries in rural Chhattisgarh to track their status online.

## 10. Limitations of the Study

- The study covered only the state Chhattisgarh and only single Social Security Scheme PMJJBY.
- Limited sample size may affect generalization of results.
- Respondents may have incomplete information about the scheme.

## 11. CONCLUSION

The PMJJBY (Pradhan Mantri Jeevan Jyoti Bima Yojana) has shown the maximum percentage increase in recent growth cycles in Chhattisgarh.

Historically, PMJJBY (the life insurance scheme) has seen more aggressive growth spikes recently—often growing at rates exceeding 12-15% annually—as saturation campaigns focus on bringing more people under life cover. Policy makers shall formulate appropriate strategies to engage the vast youth population through digital and social media platforms so as to make them aware about various insurance schemes, their rights and processes to follow. It is highly recommended to take the scheme to ensure comprehensive protection at a very low cost.

## BIBLIOGRAPHY

1. Ankita Sharma, Sunita Mehla, Nidhi Dhankhar (2025). Study on Awareness Level and Challenges Faced in Implementation of Social Security Schemes among the

- Beneficiaries of Haryana, India.
2. Badar, A. Iqbal & Shaista, S. (2016). Role of banks in financial inclusion in India. <http://economictimes.indiatimes.com>
  3. <http://financialservices.gov.in/PMJJBY.asp>
  4. IRDAI (2023). Annual Report on Social Security Schemes.
  5. Jan-Dhan Se Jan Suraksha portal.-<https://www.jansuraksha.gov.in>.
  6. J.Suresh Kumar and Shobana (2024), A Study on Evaluation and Implementation of Indian Social Security schemes.
  7. M, Bhuvana & S, Vasantha (2016). Drivers of Financial Inclusion to Reach Out Poor.
  8. MJ Senthil Kumar, P. Sundara Pandian (2020). A study on policyholder's attitude towards social insurance scheme—with special reference to PMJJBY and PMSBY scheme in Virudhunagar district.
  9. Nirbrayan, P.kumar, Tanwar, N. & Tripathi, K. (2019). PMJDY: The Biggest Financial Inclusion Initiative in the world.
  10. NSSO (2021). Household Consumption Survey.
  11. PIB press release
  12. Princy, P.James (2017). Micro Finance and Financial Inclusion.
  13. Rajya Sabha Debates.
  14. ResearchGate (2022). A Study on the Progress of Social Security Schemes.
  15. Reserve Bank of India (2022). Financial Inclusion Index Report.
  16. Reserve Bank of India (2013). Financial literacy and financial inclusion in India: The Indian way.
  17. Survace, M., G Gohil ,A. (2024). Empowering Self-Help Groups: The Impact of Financial Inclusion on Social Well-Being.
  18. Vijay Pal Singh, Rupesh Roshan Singh, Gagan Singh (2022). Financial inclusion through social security schemes in Himachal Pradesh: A study of PMSBY, PMJJBY and APY schemes.
  19. [www.jansuraksha.gov.in/Claims.aspx](http://www.jansuraksha.gov.in/Claims.aspx). [www.pradhanmantriyojana.co.in](http://www.pradhanmantriyojana.co.in).