

First ever Revision of premium rates of Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and Pradhan Mantri Suraksha Bima Yojana (PMSBY) w.e.f. 1st June 2022

1st revision in the premium rates since inception of both schemes in 2015, 7 years ago

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In view of the long-standing adverse claims experience of the schemes, Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and Pradhan Mantri Suraksha Bima Yojana (PMSBY), and in order to make them economically viable, the premium rates of the schemes have been revised by making it Rs 1.25 per day premium for both schemes that includes revising PMJJBY from Rs. 330 to Rs. 436 and PMSBY from Rs. 12 to Rs. 20.

The number of active subscribers enrolled under PMJJBY and PMSBY as on 31.3.2022 are 6.4 crore and 22 crore, respectively. Since the launch of the PMSBY, an amount of Rs 1,134 crore has been collected by the implementing insurers towards premium and claims of Rs. 2,513 crore have been paid under PMSBY as on 31.3.2022. Further, an amount of Rs. 9,737 crore has been collected by the implementing insurers towards premium and claims of Rs. 14,144 crore have been paid under PMJJBY as on 31.3.2022. Claims under both the Schemes have been deposited into the bank account of the beneficiaries through the DBT route.

The transmission of benefits through these schemes were closely monitored during COVID and a host of measures were taken to simplify the procedures and expedite claims, including, outreach programmes and messages from the banks to reach out to beneficiaries of the people who died during COVID, simplifying claim form and proofs of death and many more.

It may be recalled that the original approval at the time of launch of the schemes in 2015 provided for an annual review of the premium amount (Rs. 12/- for Pradhan Mantri Suraksha Bima Yojana and Rs. 330/- for Pradhan Mantri Jeevan Jyoti Bima Yojana) based on the claims experience. **However, no revision of premium rates was made in the last seven years since inception of the schemes in spite of recurring losses to the insurers.**

Upon examination of the claims experience of the schemes, IRDAI informed that while the claims ratio (percentage of amount of claims paid to premium earned) pertaining to PMJJBY and PMSBY, for the period up to 31st March, 2022, is 145.24 % and 221.61% respectively the combined ratio (sum of claims ratio and expense ratios) pertaining to PMJJBY and PMSBY, for the period up to 31st March, 2022, is 163.98 % and 254.71% respectively.

In view of the adverse claims experience of the schemes, PMJJBY and PMSBY and in order to make them viable for the implementing insurers **the premium rates of PMJJBY and PMSBY have been revised w.e.f. 1.6.2022.** This would also encourage other private insurers to come on board for implementing the schemes, thereby increasing the saturation of the schemes amongst the eligible target population, especially those who are underserved or unserved population of India.

Towards fulfilling the vision of Prime Minister Shri Narendra Modi of making India a fully insured society, a target has been set to increase the coverage from 6.4 crore to 15 crore under PMJJBY and from 22 crore to 37

crore under PMSBY in the next five years that will take us closer to cover the eligible population through these two flagship schemes for social security.

RM/MV/KMN

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