

**AN EMPIRICAL STUDY ON THE MOTIVATING FACTORS FOR THE
REMITTANCE OF PREMIUM FOR PRADHAN MANTHRI JEEVAN JYOTHI BIMA
YOJANA IN TAMIL NADU**

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ABSTRACT:

Motivation is the method of influencing individuals to attain specified goal. It is a desire to fulfill an action. It includes desire, interest, beliefs, intentions or necessities. The remittance is the money sent in Payment. Remittance refers to money that is sent or transferred to another party. It is the process of making payment from an account. It is an act of payment of money by submitting a written request. In other words, it is a process of transfer of money through Electronic Fund Transfer and Automated Disbursement. Prime Minister Jeevan Jyothi Bima Yojana is a government – backed life insurance scheme of India. It is a pure term insurance policy which covers only mortality with no investment component and has a life cover of Rs.2 lakh. It is an auto-renewable system. The cover period is 1st June of each year to 31st May of subsequent years. Nearly 28 crore people joined under this scheme and the total number of claims settled till May 2022 were nearly 4,69,548 in India. This scheme is available to people in the age group of 18 to 50 years.(Life cover up to the age of 55) having savings bank account who give their consent to join and enable auto-debit. There are certain factors that affect people to make payment in time. The most common factors are lack of awareness, lack of support from bank, insufficient bank balance, non-issue of self-certificate of good health and non- issue of consent letter. The two – way analysis of variance and weighted average ranking method are applied to test the remittances based on different motivating factors. This article highlights the benefits of Prime Ministers Jeevan Jyothi Bima Yojana and the difficulties faced by the

customers of banks belonging to Southern Regions of Tamil Nadu in remitting the premium yearly.

Keywords: Pradhan Mantra Jeevan Jothi Bima Yojana; Remittance; Motivation; Premium;

INTRODUCTION

Prime Ministers Jeevan Jyothi Bima Yojana [PMJJBY] was introduced in 2015 by Finance Minister Mr. Arun Jaitley and launched by Prime Minister Narendra Modi. PMJJBY is a one-year life insurance scheme, renewable from year to year, offering coverage for death. The coverage under PMJJBY is for the death only and the benefit will accrue only to the nominee. It is purely an insurance policy, which covers only mortality with no investment components. The cover period is 1st June of each year to 31st May of subsequent year. The subscribers are required to enroll and give their auto-debit consent by 31st may every year. Those joining subsequently would be able to do so with the payment of full annual premium for prospective cover. PMJJBY is available to people in the age group of 18 to 50 years. (Life cover up to age 55) having saving bank account, who give their consent to join and enable auto-debit. Under this scheme, life cover of Rs.2 lakh is available at a premium of Rs.330 per annum per member and from May 2022 the premium amount has been increased to 436 per annum and certain convergence has been made in the policy. The premium amount is renewable every year. In case of a joint account, all holders of the joint account can join the scheme based on their eligibility and each have to pay the premium at the rate of Rs.436 per annum. In case, if the insured person wants to discontinue the policy, then he or she can submit a cancellation request to stop the premium payment deduction. The lien period of this policy is 45 days from the enrolment date into the scheme.

BENEFITS OF PMJJBY

- Death Benefit

On the death of the insured person, PMJJBY provides a death coverage of Rs.2,00,000 to the beneficiary of the policy.

- Maturity Benefit

As it is a pure term insurance plan, PMJJBY does not offer any maturity or surrender benefit.

- Tax Benefit

The premium paid towards the policy is eligible for tax deduction under 80C of the Income Tax Act. If the insurance holder fails to submit form 15G/15H, then any insurance proceeds exceeding Rs.1,00,000 will be taxable by 2%.

- Risk Coverage

PMJJBY provides a risk coverage of one year. As it is a renewable policy, the policy holder can choose one or more years by auto-debit option linked to savings bank account.

STATEMENT OF THE PROBLEM

The changes are inevitable. It is an obligation to adjust with those changes. As for as a developing country like India is considered, major share of people finds their income only for their routine life. The low-income group of people fails to maintain savings to meet their future requirements. It is a known fact that majority of the bank customers are not able to remit their premium amount due to their personal obligations. In addition to that many of the customers felt different reasons for the delay in payment of dues in time. Many of the bank customers felt it difficult to pay their dues in respect of PMJJBY even after getting the message from the bank. Even though this scheme is found to be an attractive one, a large number of customers could not make their remittances in time during the period of May – June. This situation motivated the researcher to have a study on the remittance of premium under Prime Ministers Jeevan Jyothi Bima Yojana.

REVIEW OF LITERATURE

Various articles and publications have been done in the light of social security.

Sandeep(2015) in his study encouraged the people to invest a small portion of their income for the future benefits irrespective of age. The study also extended by encouraging the savings habits of people specially to meet the unforeseen circumstances likely to arise in future.

Dr.R.Anitha (2017) highlights the importance of two social schemes, PMJJBY and Prime Ministers Suraksha Bima Yojana, a health insurance scheme. On this study, she pointed out the difference of these two schemes and comparative benefits of those schemes

A study conducted by Divya Shree D.V(2015)focused the attention to identify the role of government of India for uplifting various social security insurance schemes introduced by the Government during 2015.

Another study conducted by Seema Joseph (2018) pointed out that the social security benefits to large number organized sectors of the economy. In addition to that, rural and urban wise enrolment, particularly bank – wise gross enrolment under various schemes studied and presented in detail.

Dr.Srinivasan P. (2016) concluded a social awareness of PMJJBY with special mention on the association and difference between the demographic factors of PMJJBY.

OBJECTIVES OF THE STUDY

- To study the factors motivated the customers of banks to remit the premium on PMJJBY
- To know the measures taken over by the bank to maintain the customers regular remittance on PMJJBY.
- To suggest measures that can be done for improvement.

SCOPE OF SYUDY

Present study focuses attention on motivation for the remittance of premium by insured customers under PMJJBY . The main aspect to deal with this study is to analyze the factors that motivated the customers to remit the due premium or whether any alternative measures taken for remittance. The result of the study will help to make some policy enactments for the economic development and to promote the financial inclusion plan.

RESEARCH METHODOLOGY

Both primary and secondary data collected from suitable sources. The primary data required for the study were collected from banks directly and contacted 315 respondents from Kanyakumari, Tirunelveli and Tuticorin District who had remitted the premium on PMJJBY with the help of interview schedule.Cochran's sample size is adopted for sampling and then with in the districts,the convenience sampling method is adopted to select the sample. The secondary

data required for the study were collected from various publications. The present study provides importance to gather information from low-income group of people belonging to study area.

ANALYSIS AND INTERPRETATION

An analysis is a detailed examination of variables. It is a process of application of numerical values to gain a better understanding on the selected variables.

ANALYSIS OF VARIANCE

The analysis of variance is a procedure used to test the difference between and among the different data groups .

HYPOTHESIS

Null Hypothesis H_{01} : There is no significant difference between the motivating factors in remitting the premium on PMJJBY in Southern Regions of TamilNadu

Alternative Hypothesis H_{a1} : There is significant difference between the motivating factors in remitting the premium on PMJJBY in Southern Regions of Tamil Nadu.

Null Hypothesis H_{02} : There is no significant difference between the age group of bank customers in remitting the premium on PMJJBY in Southern Regions of Tamil Nadu.

Alternative Hypothesis H_{a2} : There is significant difference between the age group of bank customers in remitting the premium on PMJJBY in Southern Districts of Tamil Nadu.

Table No:1

The motivational factors and the age group of respondents in Southern Regions of Tamil Nadu

Sl. No.	Age factor	Self-Awareness	Influence from bank	Influence from Family members	Compulsory Factor	Others	Total
1.	Below 24	21	25	17	21	9	93
2.	25-34	25	21	25	21	17	109
3.	35-44	21	17	8	21	4	71

4.	Above 45	9	8	13	8	4	42
Total		76	71	63	71	34	315

Source: Calculated data

The above table shows the distribution of numerical values marked by the respondents of three districts. The following table represents the Analysis of Variance test showing the significant difference between the age group of respondents and the motivating factors on the payment of premium on PMJJBY.

Table No.:2

ANOVA TABLE

Source of variable	Sum of squares	Degrees of freedom	Mean square	F -ratio
Between motivating factors	284.5	$(C-1) = (5-1) = 4$	MSC = 71.125	$F_1 = 71.125/15.96 = 4.457$
Between age	505.75	$(r-1) = (4-1) = 3$	MSR = 168.58	
Residual	191.5	$(C-1)(r-1) = (5-1)(4-1) = 12$	MSE = 15.96	$F_2 = 168.58/15.958 = 10.564$
Total	981.75	$N-1 = 19$	-	

Source: Calculated data

INTERPRETATION

- Since the computed value of $F_1 = 4.624$ which is greater than the table value (3.26) for 4 and 12 degrees of freedom at 5%, the hypothesis is to be rejected and thus there is significant difference between motivating factors in remitting the premium on PMJJBY.
- The calculated value of $F_2 = 10.564$, which is much greater than the table value (3.49) for 3 and 12 degrees of freedom at 5%, the hypothesis is to be rejected.

Therefore, there is significant difference among the different age groups in remitting the premium on PMJJBY.

WEIGHTED AVERAGE RANKING

Weighted Average Ranking method is applied to analyze the factors that motivated the people to make on PMJJBY. The factors taken into consideration for weighted average ranking are :

- Self – Awareness
- Influence from Bank
- Influence from family members
- Compulsory factor and
- Other factors

Five-point scale is adopted the weighted average ranking. And the result Obtained from the study has been listed as follows :

Table No.:3

Weighted average ranking on the factors motivated to have awareness to enroll under PMJJBY scheme in Southern Regions of Tamil Nadu.

Factors	I	II	III	IV	V	Total	Average	Rank
Self-Awareness	330 66	248 62	123 41	100 50	96 96	897	179.4	V
Influence from Bank	210 42	276 69	273 91	122 61	52 52	933	186.6	IV

Compulsory factor	280 56	336 84	114 38	154 77	60 60	944	188.8	III
Influence of family member	365 73	180 45	219 73	164 82	42 42	970	194	II
Other reasons	390 78	220 55	216 72	90 45	65 65	981	196.2	I

Source: Primary Data

From the table it is clear that other factors obtained first rank, influence from family members scored second, compulsory factor got third rank, influence from bank stands fourth place and self-awareness placed last rank.

INTERPRETATION

The result obtained from the study shows that other factors other than major factors motivated the bank customers to remit the premium on PMJJBY.

LIMITATIONS OF THE SUDY

- The present study covered only one bank insurance scheme of Pradhan Mantri Jeevan Jothi Bima Yojana.
- The study is attempted to know only one aspect – motivating factors for the remittance of premium.
- The study covered only three districts.

FINDINGS

- It has been identified that the banks cannot take any measures in respect of remittances on PMJJBY. Since it is an auto – debit system, banking authorities have no part to

influence or to compel the bank customers in making remittances or to suggest a future date for remittance.

- From the Analysis it is evident that there is significant difference between the motivating factors in remitting the premium on PMJJBY.
- Similarly, there is significant difference among the different age group in remitting the premium on PMJJBY.
- The ranking on motivating factors reveals that other factors other than major motivating factors motivated the bank customers to remit the premium on PMJJBY.

SUGGESTION

- The policy amendments should be made to pay the premium according to the convenience of the bank customers.
- Since it is an insurance scheme, Government has to give some relaxation in payment of premium so as to promote the financial inclusion plan.
- The government and the bank have to take proper measures to give proper awareness on the remittance of premium on PMJJBY.
- The banking sector should motivate their customers to subscribe in this scheme for the future development of the economy.

CONCLUSION

Let the lack of investment, social security, least cost, easy accessibility and the flexible characteristics of the policy may full fill the moto of our government 'Jan – Dan Se Jan Suraksha'. The banking insurance schemes may promote the social life of customers and in turn have a significant change in the banking sector of the economy.

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