

Pradhan Mantri Suraksha Bima Yojana (PMSBY)

February 4, 2021

In news : Recently, the President of India has mentioned that more than 21 crore poor have been linked to the Pradhan Mantri Suraksha Bima Yojana at a premium of just one rupee per month.

About the Pradhan Mantri Suraksha Bima Yojana

- It is a government backed accident insurance scheme in india.
- It was launched by the Prime Minister in 2015

What is the nature of the scheme?

The scheme will be a one year cover Personal Accident Insurance Scheme, renewable from year to year, offering protection against death or disability due to accident

Scope of coverage:

All savings bank account holders in the age 18 to 70 years in participating banks will be entitled to join. In case of multiple saving bank accounts held by an individual in one or different banks, the person would be eligible to join the scheme through one savings bank account only. Aadhar would be the primary KYC for the bank account

Risk coverage

The risk coverage under the scheme is Rs.2 lakh for accidental death and full disability and Rs. 1 lakh for partial disability.

Premium

The premium of Rs. 12 per annum is to be deducted from the account holder's bank account through 'auto-debit' facility in

one installment.

Enrollment Modality / Period:

- The cover shall be for the one year period stretching from 1st June to 31st May for which option to join / pay by auto-debit from the designated savings bank account on the prescribed forms will be required to be given by 31st May of every year, extendable up to 31st August 2015 in the initial year.
- Initially on launch, the period for joining may be extended by Govt. of India for another three months, i.e. up to 30th of November, 2015. Joining subsequently on payment of full annual premium may be possible on specified terms.
- However, applicants may give an indefinite / longer option for enrolment / auto-debit, subject to continuation of the scheme with terms as may be revised on the basis of past experience.
- Individuals who exit the scheme at any point may re-join the scheme in future years through the above modality.
- New entrants into the eligible category from year to year or currently eligible individuals who did not join earlier shall be able to join in future years while the scheme is continuing

Implementation:

The scheme is being offered by Public Sector General Insurance Companies or any other General Insurance Company who are willing to offer the product on similar terms with necessary approvals and tie up with banks for this purpose.

Master Policy Holder:

Participating Bank will be the Master policy holder on behalf of the participating subscribers. A simple and subscriber friendly administration & claim settlement process shall be finalized by the respective general insurance company in

consultation with the participating Banks.

Termination of cover:

The accident cover for the member shall terminate on any of the following events and no benefit will be payable there under:

- On attaining age 70 years (age nearest birth day).
- Closure of account with the Bank or insufficiency of balance to keep the insurance in force.
- In case a member is covered through more than one account and premium is received by the Insurance Company inadvertently, insurance cover will be restricted to one only and the premium shall be liable to be forfeited.
- If the insurance cover is ceased due to any technical reasons such as insufficient balance on due date or due to any administrative issues, the same can be reinstated on receipt of full annual premium, subject to conditions that may be laid down.
- During this period, the risk cover will be suspended and reinstatement of risk cover will be at the sole discretion of the Insurance Company.
- Participating banks will deduct the premium amount in the same month when the auto debit option is given, preferably in May of every year, and remit the amount due to the Insurance Company in that month itself.