

PRADHAN MANTRI SURAKSHA BIMA YOJANA

The Inside 'n Out – Episode Number Nine

Pradhan Mantri Suraksha Bima Yojana (PMSBY) is a government-backed accident insurance scheme in India. It was originally mentioned in the 2015 Budget speech by Finance Minister Arun Jaitley in February 2015. It was formally launched by Prime Minister Narendra Modi on 9 May in Kolkata.

PMSBY is an accidental Death and Disability insurance scheme.

What is the Objective of this Scheme?

In India, most of the people in Rural areas are not covered under any kind of social security scheme. A large section of this population has not even gained the benefits of the banking system. These people are completely unaware of various governmental schemes that are launched from time to time. To correct this serious problem GOI launched the PMSBY along with two other insurance- and pension-related schemes.

Age Limit

PMSBY is available to people between 18 and 70 years of age with bank accounts.

Premium

It has an annual premium of ₹12 (18¢ US) excluding service tax, which is about 14% of the premium. The amount will be automatically debited from the account. In case of accidental death or full disability, the payment to the nominee will be ₹2 lakh (US\$2,900) and in case of partial Permanent disability ₹1 lakh (US\$1,500).

What is Full or Partial Disability?

Full disability has been defined as loss of use in both eyes, hands or feet. Partial Permanent disability has been defined as loss of use in one eye, hand or foot.

Mode of payment of premium

The premium amount will be deducted from the account holder's savings bank account through 'auto debit' facility in one installment for the entire year, as per the option to be given on enrollment.

Who will implement the PMSBY?

All government-sponsored general insurance companies will offer the scheme, while other insurance companies will have the option to join the program delivery by signing-up with banks.

When can the accident cover assurance terminate?

The accident cover of the member shall terminate/be restricted accordingly on any of the following events:

- i. On attaining age 70 years (age neared birth day).
- ii. Closure of account with the Bank or insufficiency of balance to keep the insurance in force.
- iii. 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 account and the premium shall be liable to be forfeited.

THANK YOU 😊 😊 😊