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A STUDY ON CREATING AWARENESS ABOUT AAM AADMI BHIMA YOJANA

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ABSTRACT:

Aam Admi Bima Yojana (AABY) is one of the major social insurance schemes launched by the Government of India and is known for its aim to bring financial security to socially and economically backward communities of India. The scheme has seen many modifications since its launch in the year 2007. Recently the scheme was merged with the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY). At this juncture, it is appropriate to review the achievements of AABY. It examines the role of the scheme in providing financial security in terms of insurance inclusion to the marginalized sections of society. It also attempts to understand the benefits and challenges faced by the converged AABY scheme. The study concludes that state-wise coverage under the scheme is skewed. Convergence of the scheme with PMJJBY may bring the focus back to the marginalized community as envisaged in the mission statement of PMJJBY while retaining the aim of AABY. The scheme will require modification in premium to remain viable in the future.

KEYWORDS:

FINANCIAL INCLUSION, SOCIAL INSURANCE SCHEMES, AAM AADMI BIMA YOJANA (AABY), CONVERGED PRADHAN MANTRI JEEVAN JYOTI BIMA YOJANA (PMJJBY), PMJJBY.

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1.1 INTRODUCTION

India is known as a developing nation but as a matter of fact many parts are still under developed. With an intent to set forth regional development, the government has instigated various initiatives to let the poor and economically weaker sections of society enjoy an average standard of living. One among many has been Aam Aadmi Bhima Yojana.

Aam Aadmi Bima Yojana was initially launched on 2nd October, 2007 and was later merged with Janashree Bima Yojana. On January 2013 it was renamed as Aam Aadmi Bima Yojana. It is a social security scheme for the poor and economically weaker sections of the society. Any earning member below poverty line or marginally above poverty line, aged between 15 years to 59 years is eligible for the scheme. Premium per annum per member is Rs.200 for a cover of Rs.30,000.

1.2 STATEMENT OF THE PROBLEM

Most of India's total workforce is employed in the unorganized sector. Workers belonging to such occupational groups are prone to accidents and illnesses. With an aim to provide social security to occupational groups under unorganized sector, the Government of India launched Aam Aadmi Bima Yojana (AABY) on October 2007.

In spite of great intentions, sadly, the target people aren't aware of the scheme. There is no proper channel for disseminating substantial information to the nook and corner of the country. The benefit hasn't reached the needy because the effort to execute the scheme hasn't been solemnly done. Many rural areas are so unsophisticated that they don't have the privilege to own smart phones and televisions and such places require awareness of such schemes in person.

1.3 REVIEW OF LITERATURE

1. Sanjeev kumar shrivastav (2014) The study has highlighted that micro-Insurance is the tool that protests rural as well as poor urban people by offering low-cost insurance to mitigate their risk. LIC is a major player; concerned with employment generation also offering social security schemes.

2. Vijayalakshmi and geetha (2015) The study explain that micro insurance in India has broadly developed as a sub sector of the insurance industry. India is among the few countries to draft and implement specific micro insurance regulations. Micro insurance sector will soon cease to be influenced by low-income segment of the society.

3. Manivannan and karunanidhi (2015) The study has highlighted that Aam Aadmi Bhima Yojana provides an opportunity to the insurance companies to meet their social responsibility as well as secure a strong footing in the rural market. The active distribution products for micro insurance in India are NGO& MFIs micro insurance agents.

4. Dilip Bania (2016) The Study has concluded that insurance being a commercial activity, gives importance only to persons and bodies with financial sounds. The people on the middle- and lower-income group are neglected. Nevertheless, Government Schemes like AABY offers a huge opportunity for the poor to safeguard their lives.

1.4 OBJECTIVES

1. To create awareness about Aam Aadmi Bhima Yojana for the people in Angappan Kottam , Vadipatti.

2. To know the number of people who had already enrolled in Aam Aadmi Bhima Yojana

3. To establish the importance of this government scheme and the effect of the scheme in pursuing a better life.

1.5 LIMITATIONS

1. The respondents did not openly talk about the drawbacks of government schemes.

2. The study is carried out only for a month.

3. It was hard to connect with the respondents in person because of covid-19.

1.6 RESEARCH METHODOLOGY

Research Design The study requires for descriptive research design as only after detail study of scheme and people's view on it, we could bring out a sensible interpretation and the justify the research undertaken.

Sampling The data was collected through random sampling method as the scheme is for the unorganized sector and for both men and women.

Population of the study The population of the study includes people belonging to an unorganized sector. They employ themselves in low-income jobs like Cobblers, carpenters and tailors. They carry out their livelihood below poverty line.

Sample Size The study covers 100 respondents for the purpose of collecting the data.

Source of the data The study was completed based on the primary data, collected through self-made questionnaires. We also interviewed the rural people to know their insights and views.

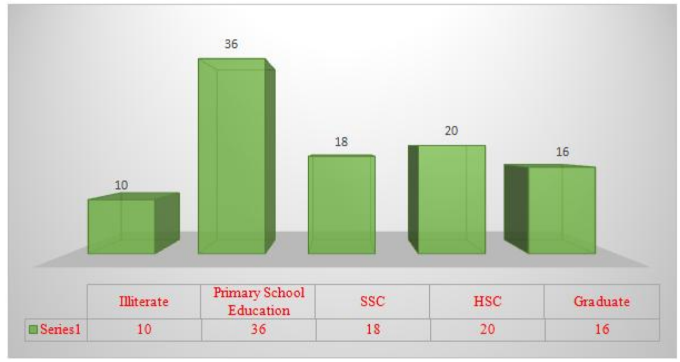
Tools of analysis The data collected was analysed, interpreted and presented by using various tools of analysis. For example, Bar chart, Pie chart, mean and various other statistical tools like survey will be employed.

1.7 DATA ANALYSIS

TABLE 1.1 EDUCATION QUALIFICATION

PARTICULARS	FREQUENCY	PERCENTAGE
Illiterate	10	10%
Primary School Education	36	36%
SSC	18	18%
HSC	20	20%
Graduate	16	16%
TOTAL	**100**	**100**

CHART -1

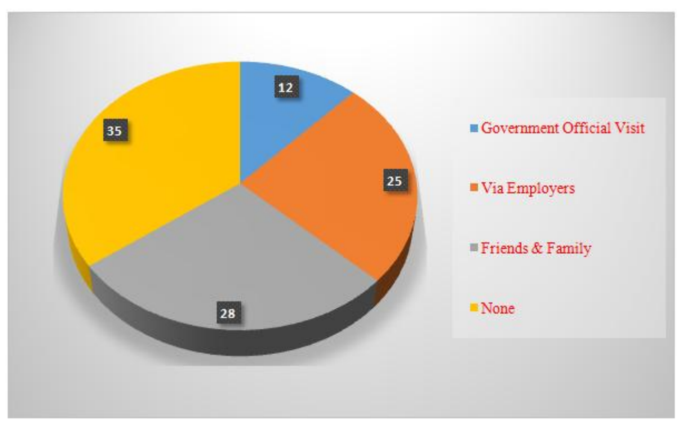


Interpretation: - From the above table, It shows the educational qualification of the respondents. 10% of the respondents are illiterate and they are engaged in Flowers selling, construction work then rests 90% of the respondents have been to school and graduated from college.

TABLE 1.2 SOURCE OF AWARENESS

PARTICULARS	FREQUENCY	PERCENTAGE
Government Official Visit	12	12%
Via Employers	25	25%
Friends & Family	28	28%
None	35	35%
TOTAL	**100**	**100**

CHART -2

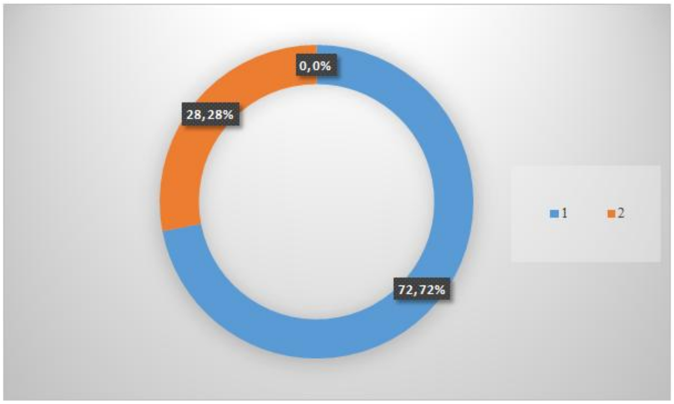


Interpretation: - From the above table it is inferred that the rural people of 12% had awareness by the government officials instead 25% were privy to the scheme by the employers, 28% had known it outwardly of such scheme available and the remaining 35% hadn't known the scheme to begin with.

TABLE 1.3 AFFORDABILITY OF THE PREMIUM

PARTICULARS	FREQUENCY	PERCENTAGE
Yes	72	72%
No	28	28%
TOTAL	**100**	**100**

CHART -3



Interpretation: - From the above table, it shows that 28 out of 100 students still find the premium unaffordable and they constituted of flower sellers, construction workers, scrappers whereas 72% find it affordable.

1.8 FINDINGS

1. From the study, we've found that most of the unorganized sector had been to school, constituting 36% of respondents but have never been able to go to colleges whereas the 10% of the respondents who mainly comprised of rag pickers, construction workers had never been to school at all and were first generations who were born into poverty.
2. From the study, It is apparent that the government hasn't take any probable effort to reach people in assent with the scheme and the rest 53% of the respondents had known about AABY via third parties such as employers and friends.
3. From the study, it is found that 72% of the respondents find the premium amount affordable and the remaining 28% couldn't afford the premium due to insufficient earnings.
4. From the study, the special features of AABY such as affordability, free add-on benefit, less paperwork have appealed most for the respondents.

1.9 SUGGESTIONS

The following are some the suggestions of the researchers based on the survey taken:

1. Government should take sincere efforts into introducing the scheme to the one needed the most. As per study, many could be helped out but they didn't know the scheme to start with.
2. If the schemes are more flexible and customized in assent with what people's need, keeping in mind the budget, the scheme will be approached by many.

1.10 CONCLUSION

AABY has a special place under the social insurance schemes because of its focus on socially and economically marginalised sections of the society. However, the impact of scheme is limited as the state-wise coverage under the scheme is skewed. Whereas only very few states have performed well consistently, many of the states have remained unengaged under the scheme. It can become advantageous for PMJJBY as the convergence of the scheme may bring the focus back to the marginalised community. It has also the advantage of increased benefits under the scheme which was long being demanded. But convergence has also posed challenges of financial viability of the scheme.

There is a clear impact of convergence on sustainability of the scheme, as the claim experience may become negative in the near future. Necessary measures like revision of the sum assured or premium or both will be required by the government to keep the scheme viable in future as well. Also, adequate measures are required to improve the implementation of the scheme by the increased use of the Information and Communication Technology solutions now readily available

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