DVARA Research

Assessing the Performance of PMJJBY and PMSBY: A Systems-Level Approach

Misha Sharma

Niyati Agrawal

Policy Brief

Section 1- Context Setting

Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and Pradhan Mantri Suraksha Bima Yojana (PMSBY) are the two insurance schemes launched under the Jan-Dhan Se Jan Suraksha program. These aim to protect low-income households from economic shocks resulting from two key risks- loss of life and personal accidents. Lauded for their affordability and accessibility, the delivery of these schemes has made formal insurance a reality for millions of low-income households. As of July 2024, the program has completed nine years, with a cumulative enrolment of 20.62 crore and 45.36 crore Indian adults under the PMJJBY and PMSBY schemes, respectively.[1] Of the cumulative enrolment, only 31% of PMJJBY and 34% of PMSBY accounts are linked with Jan-Dhan accounts.[2] These numbers are no small feat and signal the scale of the program.[3]

Yet, in the last few years, customer protection issues have surfaced in the delivery of these schemes. Media investigations and reports have revealed several instances of banks charging customers' accounts for the two insurance schemes without their consent.[4,5] Desk research conducted by Dvara Research highlighted various process-level inefficiencies in the customer journey from pre-sale and onboarding to policy renewal and claim settlement. These process-level inefficiencies indicate a range of customer protection issues such as unfair conduct, inadequate disclosures, and inadequate grievance redress, eventually causing customer harm and undermining the usefulness of the two insurance schemes.

At the same time, the structural issues on the supply side are a significant part of the problem that discourages providers from adequately servicing customers of these two insurance schemes. These issues pertain to the incentive structure for financial intermediaries, the distribution channel that restricts Non-Banking Financial Companies (NBFCs) and other grassroots organisations from playing the role of intermediaries in the sale of these products, customer selection and product pricing, and instances of frauds that make the sale and servicing of these schemes a challenging proposition for the provider. According to a press release issued by the Ministry of Finance (MoF) dated 31st May 2022, 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 was 145% and 222% respectively.[6] Moreover, 50% of PMJJBY and 22% of PMSBY policies have lapsed between June 2015 to March 2022[7], highlighting

---

[1] Ministry of Finance, DFS. Insurance Analytics- https://financialservices.gov.in/beta/en/analytics-insurance

[2] Ministry of Finance, DFS. Significant developments of DFS for March 2024- https://financialservices.gov.in/beta/sites/default/files/2024-04/Significant-Development-March-2024-English_1.pdf

[3] It must be noted that the claims settlement ratio as on July 2024 for PMJJBY and PMSBY was 96% and 76%, respectively. Numbers are derived from the source mentioned here- https://financialservices.gov.in/beta/en/analytics-insurance

[4] (The Wire, 2022)-https://thewire.in/banking/banks-have-been-charging-customers-for-government-insurance-they-never-wanted

[5] (Moneycontrol, 2023)-https://www.moneycontrol.com/news/business/are-banks-deducting-insurance-premiums-for-government-schemes-from-customers-without-consent-9709311.html/amp

[6] Number of claims disbursed under PMJJBY in FY 21-22 shot up by 438% over the previous year, reflecting the high number of deaths during the second wave of COVID-19.

[7] As on March 2022, active enrolment under the PMJJBY and PMSBY schemes were 6.4 crores and 22 crores, respectively, compared to cumulative enrolment of 12.76 crores under PMJJBY and 28.37 crores under the PMSBY, as on April 2022.

the wide gap between cumulative and active enrolments under the two insurance schemes. Acknowledging the losses that insurers were making on these schemes, the MoF revised the premium rates for the two schemes- from Rs. 330 To Rs. 436 for PMJJBY and from Rs. 12 to Rs. 20 for PMSBY, effective from 1st June 2022.[8] However, in the absence of publicly available data, it remains unclear how the changes in premiums have impacted the claims ratio for insurance companies participating in these programs.

The objective of this policy brief is to summarise learnings from fieldwork conducted in Rajasthan and Gujarat towards (i) building evidence on the customer protection issues in the sale and servicing of the two insurance schemes and (ii) bringing to the forefront the structural issues on the supply-side that are holding back Financial Service Providers (FSPs) from offering high-quality service in the context of these two schemes. Addressing the issues in the structural design and architecture of the two insurance schemes are crucial to the success of the program and curbing customer protection concerns. We conclude by proposing a set of policy recommendations targeted towards the Government, the Regulator, and the Market Actors, across four broad themes- Structural Design, Process Efficiency, Market Monitoring, and Awareness and Accessibility.

Section 2- Primary Evidence on the Performance of PMJJBY and PMSBY: Learnings from Fieldwork in Gujarat and Rajasthan

2.1 Customer Interviews

We conducted quantitative structured surveys and qualitative in-depth interviews along with Focus Group Discussions (FGDs) with customers in rural Rajasthan and urban Gujarat. The research revealed diverse experiences with the PMJJBY and PMSBY schemes. In Rajasthan, respondents were primarily agricultural workers earning ₹7000-10,000 monthly, with low literacy levels. On the other hand, Gujarat respondents were migrants from Odisha, earning ₹20,000-25,000 monthly in textile and diamond factories.

We found that most active policyholders were unaware of their policy status as their explicit consent was not obtained at the time of enrolment. Additionally, many were not provided with physical policy documents, which could lead to complications in claims filing at a later stage, for their nominees. The features of the schemes, claims settlement, and grievance redress processes, were not properly explained by Business Correspondents (BCs), bank officials, or post office officials to most customers at the point of sale. Insufficient balance for auto-debit of premiums and dormant accounts also led to policy lapses.

Experiences related to filing claims revealed that most family members of the deceased policyholders were unaware of their active policy status or the claims filing procedure. Others did not file claims due to the absence of support or their distrust in the system, as some of their peers who applied did not receive their claims. Even among those few families who did apply for claims, applicants lacked mechanisms to track their claims or raise grievances and often had to rely on banks for information, increasing their costs on follow-ups. Moreover, if claims were submitted 30

[8] Press release by Ministry of Finance on revisions of premium rates- https://pib.gov.in/PressReleasePage.aspx?PRID=1829772

days after the policyholders' death, applicants either faced significant processing delays or their applications were not accepted by the banks, regardless of the claim form stating that it is 'preferable' (not enforceable) to file claims within 30 days of policyholder's death. Among those who applied for claims, about half received their claim amounts within 40-60 days, while others received no reasons for rejection or delay.

Customer experiences were found to be similar across Rajasthan and Gujarat. However, compared to Gujarat, a higher proportion of respondents in Rajasthan claimed that their consent was not taken at the time of enrolment.

2.2 FSP Interviews

We conducted FSP interviews among bank branch managers, BC agents, and post office officials to understand their perspectives on the sale and distribution of the two insurance schemes. Interviews with FSPs revealed key structural issues discouraging providers from adequately servicing their customers. Almost all FSPs we interviewed identified low customer awareness and a lack of demand (among those who knew about these schemes) as two key issues, necessitating extensive efforts on their part to promote the program. FSPs also pointed to low-income customers maintaining insufficient bank balances either due to distrust in the banking system or due to the need for liquid cash, causing policies to lapse.

Regarding practices relating to the sale and marketing of these schemes, bank managers highlighted instances of field staff selling these policies to high-risk customers (elderly or those with poor health) due to a higher probability of conversion (from sale to actual purchase) among these customers. At the same time, FSP interviews revealed high-risk customers self-selecting themselves into the scheme, due to lax requirements for enrolment (primarily the absence of the underwriting process at the time of enrolment). Bank agents also spoke about receiving higher commissions in the sale of other products compared to the PMJJBY and PMSBY schemes. Further, bank branch officials highlighted the government-led target-driven approach as one of the key strategies in increasing customer enrolments for the two insurance schemes. In the absence of customer demand for these schemes, combined with the lack of incentives on the supply side, the target-driven approach has further exacerbated challenges on the ground. This has given rise to customer protection issues such as enrolment without customer's consent, information asymmetry, and poor grievance redress.

As part of this study, we also spoke to senior management teams across 3 large Insurance Companies and 1 Payments Bank. A summary of the issues highlighted during these conversations are listed below in Table 1.

Table 1: Supply-side Challenges in the delivery of PMJJBY and PMSBY

Category	Description
Product Pricing	• Mispricing of risk, as premiums are not actuarially fair[9] • Low margins in the sale of these schemes (claims ratio is unsustainable- total claims paid is higher than the amount of premium collected) • Pricing structure not adequate to tackle costs related to marketing, customer service, and creating and maintaining a data infrastructure
Sale and Distribution	• Only Banks and India Post can act as master policyholders for the schemes, thereby restricting wider distribution channels for these schemes (NBFCs and Fintechs can act as Corporate BCs to banks, but commissions not adequate to incentivise their participation) • FSPs allege forced participation • The government sets targets for banks and post offices, with informal penalties for non-compliance • Inadequate support from government in raising awareness about these schemes, thereby increasing distribution costs for banks and BCs • Inadequate incentives due to low commissions for banks and BCs to support customers throughout their product journey
Customer Selection	• Customer level- assessment of risk at the time of onboarding is absent • Insurers are faced with an adverse selection problem as high-risk customers are more likely to enroll for the scheme/s
Fraud	• Insurers allege fake claims being submitted using fake death certificates and the spread of organised networks colluding to make illegal profits through this scheme

Overall, FSP interviews revealed significant challenges in the sale and servicing of the two insurance schemes across the product lifecycle, stemming largely due to structural issues in the design and architecture of the two schemes. Addressing and eliminating these challenges is crucial to the success of the program and curbing customer protection issues in the delivery of these two insurance schemes. Given that the premium revisions came into effect from June 2022 and the FSP interviews for our study took place between June to December 2023, there are two ways to interpret our findings- (i) the revised pricing is not adequate to cover for the claims and expenses that insurers are incurring on these schemes or (ii) the revised pricing might be adequate only if further volumes

[9] Insurers mentioned that customer-specific risks were not assessed within the contours of this program, therefore leading to mispricing of risks.

are achieved and the gap between cumulative and active enrolment for these schemes shrink. However, in the absence of annual data on enrolments (both cumulative and active), claims received and settled, it is not possible to comment on whether the revised pricing has improved the claims ratio for insurance companies.

Section 3- Policy Recommendations

In this section, we organise proposed solutions and recommendations along four broad themes, Structural Design, Process Efficiency, Market Monitoring, and Awareness and Accessibility. Recommendations to improve the structural design of the program addresses the core issue constraining the success of the program, while the latter three recommendations aim to directly address the customer protection concerns.

3.1 Structural Design

- **Overall architecture of the program-** Given the structural issues on the supply side, there is a need for the government in coordination with the insurance industry to assess if the contours of the current program can realistically attain the objective of suitable insurance penetration for LIHs. Moreover, the design of the product from a customer's point of view, in terms of coverage, premium amount, grievance redress channel, etc. should also be reviewed. For example, the sum assured under both these schemes is set to a maximum of Rs. 2 lakhs. Assuming an average income of Rs. 3 lakhs for a primary income earner from a low-income household and a desired sum assured of 8 to 10 times the individual income, the optimal sum assured for these schemes should at least be between Rs. 24 to 30 lakhs. The current sum assured guaranteed under these schemes is therefore less than one-tenth of the desired sum assured. There is thus a need for the government to assess if the contours of the current program can adequately address the vulnerabilities and needs of LIHs. Finally, the MoF along with IRDAI should also consider how this scheme sits against the proposed Bima Vistaar program designed to increase insurance penetration among rural households and therefore fashion a consolidated strategy for increasing insurance uptake among LIHs.[10]
- **Distribution**- While the role of banks as distribution partners is a promising approach in ensuring accessibility to the two schemes (as well as facilitating back-end linkages with the Jan-Dhan bank account), banks do not have adequate incentives to market and sell these schemes. Given the breadth of innovation in the Fintech industry and the use of technology in facilitating seamless transactions and services for customers, the government can consider inviting a wider set of applicants as 'master policyholders' for these schemes. NBFCs and Fintechs, particularly those catering to low-income households, could be well placed to distribute these schemes in a cost-efficient manner, provided the right incentive structures are set in place. Moreover, grassroots organisations such as Haqdarshak, CRISIL Foundation, Shram Sarathi, among others are playing an important role in the outreach of these schemes. Relying on an agent-led-assisted model, these organisations disseminate

[10] All-in-one insurance product: IRDAI prices Bima Vistaar at Rs. 1500 per policy- https://indianexpress.com/article/insurance/all-in-one-insurance-product-irdai-prices-bima-vistaar-at-rs-1500-per-policy-9292915/

information about the insurance programs, facilitate access, and provide customer service support throughout the customer journey. An assisted model, where assistance related to awareness, facilitating access and onboarding, customer support, etc. is being provided by grassroots organisations (such as the ones mentioned above) can make for better economics for the insurance companies by achieving scale quickly, reducing lapsation rates, and reducing frauds.

3.2 Process Efficiency

The recommendations made under this theme aim to improve the quality of services provided to PMJJBY and PMSBY customers, and thereby enhance customer protection.

- Standard Operating Procedure- The Department of Finance Service (DFS) at the Ministry of Finance (MoF) can consider mandating a Standard Operating Procedure (SOP) for banks in the sale and servicing of the PMJJBY and PMSBY schemes. This SOP should include a list of do's and don'ts for banks that they must adhere to in their engagement with the customer. These do's and don'ts should be followed at each stage of the customer's journey in accessing and availing the benefits of the products. These SOPs also align with the principles laid out in the RBI's 'Charter of Customer Rights'.[11] The Charter enshrines broad, overarching principles for the protection of bank customers and enunciates the following five basic rights of bank customers: Right to Fair Treatment, Right to Transparency, Fair and Honest Dealing, Right to Suitability, Right to Privacy, and Right to Grievance Redress and Compensation. In the context of the delivery of the two insurance schemes, this means that Banks, being the master policyholder[12] of the two schemes, should protect the rights of the customers at each stage of their journey- enrolment, policy renewal, claim settlement, and policy exit, if required. An indicative list of this SOP is laid out below-
    - Banks should take due consent from the customer at the time of enrolment into the insurance scheme/s
    - Banks should explain the product features to the customer at the point of sale and address relevant queries and concerns of the customer in a transparent and accurate manner
    - Banks should explain the grievance redress process to the customer at the point of sale
    - Banks should provide timely assistance if the customer wants to exit the scheme at any point in time
    - Banks should provide adequate training to BCs and other banking staff to answer customer queries at all stages of the customer's engagement with the product
    - Banks should handhold the customer's nominee in filing the claim application if required
    - Banks must treat the customer fairly and should protect the privacy of the customer

[11] RBI Charter of Customer Rights- https://rbidocs.rbi.org.in/rdocs/content/pdfs/CCSR03122014_1.pdf

[12] Both Banks and India Post are the master policyholders for the two insurance schemes under the Jan-Suraksha Yojana. For this policy brief, we focus our attention on Banks since our study mostly covered customer interviews who had enrolled for insurance policies with participating banks.

- Banks should not reject a claim application if submitted after 30 days of the policyholder's death

- In addition to the current practice of sending an SMS notification with a link to download the policy document, banks can consider providing a soft copy of the policy document containing the terms and conditions of the policy using WhatsApp or other instant messaging services. For customers who do not have access to smartphones, a physical copy of the policy document should be provided upon customer request.
- Banks in consultation with insurance companies should provide a Customer Information Sheet (CIS) as a physical hard copy which can act as a concise, one-page document containing details of the policy such as the insurance cover, premium amount, auto-renewal details, claim application process, and grievance redress information. Simultaneously, a soft copy using WhatsApp or other instant messaging services can be provided to customers. It would be ideal to issue the CIS in the preferred language of the customer (typically the regional language).
- In addition to the current practice of sending an SMS notification alerting the customer about the auto-renewal of their policies, banks can consider sending pre-recorded IVR calls reminding the customer one week before the auto-renewal of the policy to avoid policy lapsation.
- Banks and insurance companies should provide customer updates via SMS notifications regarding the status of the claim application at each stage of the application process (receipt of claim application by the bank, verification, and submission of claim application by the bank to the insurance company, approval/rejection of claim application by the insurance company).
- Banks can consider creating FAQs related to the two insurance schemes that can aid BCs and other banking staff in providing high-quality service and assistance to their customers.
- Similar to the Death Claims Registry maintained by the Life Insurance Council (as per the Government's mandate), the MoF can consider supporting the development of a data infrastructure that can act as a Customer Registry System. This can be used by banks to check for duplication of accounts (more than one account for the same customer) before enrolling the customer so that multiple debits for the same customer can be avoided.

3.3 Market Monitoring

Market Monitoring is "*a regulatory approach that Regulators use to identify, understand, and track industry developments and market-level consumer risks and consumer behaviour. Market monitoring shifts the focus of supervisory activities from individual Financial Service Providers (FSPs) to broader market participants and their financial consumers. This helps Regulators gather deep insights into consumer experiences with FSPs and the risks and consequences of that engagement*" (CGAP, 2022).[13] Market Monitoring therefore is a key customer protection approach focused on customer outcomes. The Department of Financial Services (DFS) at the Ministry of Finance (MoF) should consider using Market Monitoring (MM) approaches and tools to monitor the quality of

[13] Market Monitoring for Financial Customer Protection- https://www.cgap.org/topics/collections/market-monitoring

customer service provided in the context of the two insurance schemes. Strengthening the supervisory system can lead to an improvement in the overall service delivery of the schemes.

- Diagnostic Toolkit
    - The diagnostic toolkit proposed by Dvara Research called the 'User Experience of PMJJBY/PMSBY' is a market monitoring tool that can help in monitoring the quality of customer service provided to existing customers of the two insurance schemes (refer to Table # 2 and Table # 3). The toolkit contains a set of two questionnaires with less than 5 questions each that can be administered using a 5-minute IVR phone survey. An IVR-based phone survey can be scaled at a low cost to collect data from a representative sample of customers. The data can be converted into an overall index score that can signal the performance of each insurance company in terms of the quality of service provided. The higher the score, the better their quality of customer service. The index score can also be disaggregated at the level of region (state, district, block) and customer profile (age, gender, occupation), thereby providing granular data for devising appropriate solutions by FSPs. The framework used for the diagnostic toolkit can also be applied to monitor the quality of service provided compared to other insurance products, thereby enabling the replicability and scalability of the tool.
    - Given the leadership of the MoF in scaling the reach of these schemes, the MoF should consider mobilising the diagnostic toolkit in partnership with key stakeholders within the industry. Under the leadership and guidance of MoF, the diagnostic toolkit can be implemented by industry associations such as the Life Insurance Council (for the PMJJBY scheme) and General Insurance Council or General Insurance Public Sector Associations (for the PMSBY scheme) in coordination with insurance companies. Alternatively, the data can be collected directly by the compliance or customer service teams housed within insurance companies. Finally, the Policyholder Protection and Grievance Department within the IRDAI can also consider adopting this toolkit to monitor the quality of service offered by insurance companies across a range of products including the two insurance schemes under the Jan-Suraksha program.
    - The indices scores emerging from the diagnostic toolkit should be made publicly available by MoF, both at an aggregate and disaggregated level.
    - The MoF can consider using insights from the diagnostic toolkit data to assess the performance of banks and directly work with industry associations in the banking sector such as the Indian Banks' Association (IBA) in implementing corrective measures as required. The diagnostic toolkit data can also be used by insurance companies to periodically review the quality of customer service provided by banks, thereby incentivising banks to deliver high-quality service.
- If not already mandated, IRDAI can consider mandating insurance companies to report annual data specifically for the two Jan-Suraksha insurance schemes on the following parameters- total number of new enrolments and total number of renewals, claims settlement ratio, average turn-around time for settlement of claims, number of claims rejected by reason type. Moreover, data on these metrics should be made publicly available by IRDAI.

- The MoF should review the performance of insurance companies across the two insurance schemes using the data obtained through the diagnostic toolkit and the periodic reporting mandates, and take corrective measures as required.

Table 2-Diagnostic toolkit for active policyholders

Questions	Score
As per our records, you are an active policyholder of PMJJBY/PMSBY. Was your consent obtained at the time of enrolment into this scheme?	Yes = 1; No = 0
Were the features of the scheme explained at the time of enrolment into this scheme?	Yes = 1; No = 0
Were you told by someone at the point of sale that the premium for the policy will be auto debited from your bank account on or before 31st May every year?	Yes = 1; No = 0
In case of a query or a grievance related to this policy, were you told who to reach out to at the point of sale?	Yes = 1; No = 0
How would you rate your overall experience with the scheme?	Ok/Good = 1; Bad = 0

Table 3- Diagnostic toolkit for customer's nominees for whom at least 60 days have passed since they filed the death claims applications

Questions	Score
Did you receive assistance from any bank official or BC to file your claim application?	Yes = 1; No/NA = 0
Did you receive regular communication or updates about the status of your claim application?	Yes = 1; No = 0
Did you receive your claim amount?	Yes = 1; No = 0
If you didn't receive the claim amount, were you communicated why?	Yes = 1; No = 0
How would you rate your overall experience with the scheme?	Ok/Good = 1; Bad = 0

Note: Response to each question will be assigned a score of either 0 or 1. The maximum score a customer survey can receive is 5. Averaging scores across customer surveys will help arrive at a score for each insurance company.

3.4 Awareness and Accessibility

The recommendations under this theme aim to increase insurance penetration among low-income households.

- Insurance companies as part of their role as 'Lead Insurer' (as mandated by IRDAI) can consider developing socio-cultural, context-specific strategies to increase insurance awareness and inclusion in consultation with local community members, Bima Vahaks, and

Civil Society Organisations (CSOs). IRDAI's Bima Vahak (women-led distribution channel) guidelines in this regard are a step in the right direction as Bima Vahaks could be engaged directly or indirectly by insurance companies to provide insights into the social, cultural, and economic context of the local community, which could be used in building appropriate strategies for increasing awareness and uptake.

- The Ministry of Finance can mobilise resources in piloting, testing, and implementing strategies to increase insurance awareness and uptake in consultation with local CSOs and community members, and FSPs, thereby playing a lead role in building awareness around these schemes. MoF can also consult with the State governments as part of the State Insurance Plan initiated by IRDAI, thereby increasing the role governments can play in providing the necessary support infrastructure to FSPs.

A summary of these recommendations along with a high-level indicator of the modes of intervention needed and the order of prioritisation is provided below in Table 4.

Table 4: Summary of Policy Recommendations

Theme	Recommendation	Outcome of Interest	Mode of Intervention			Priority
			Regulator	Government	Financial Service Providers	
Structural Design	Reconsider structural design of the program- pricing & sum assured, incentive structure, and distribution	Better architecture of the program		✓		High
Process Efficiency	Standard Operating Procedure (SOP) for banks in the sale and servicing of the PMJJBY and PMSBY schemes	Enhanced customer protection		✓		High
	Policy document containing the terms and conditions of the policy to be provided to customers				✓	Medium
	Customer Information Sheet (CIS) to be provided as a physical hard copy to customers				✓	High
	Alerting customers (through IVR based phone calls) one week before auto-renewal of the policy to avoid policy lapsation				✓	Low
	Mandating banks and post offices not to reject claim applications if they are filed 30 days after the policyholder's death			✓		High
	Providing customer updates via SMS notification regarding the status of the claim application at each stage of the application process				✓	High

	Creating FAQs related to the two insurance schemes to aid BCs and other banking staff in providing high quality service to customers				✓	Medium
	Data infrastructure that can act as a Customer Registry System to avoid multiple auto debits for the same customer			✓		Low
Market Monitoring	Diagnostic toolkit proposed by Dvara Research- User Experience of PMJJBY/PMSBY	Improved supervision of the schemes through better data collection		✓		High
	Annual reporting of scheme performance -related data by insurance companies to be made publicly available by IRDAI		✓			High
	Monitoring the Jan-Suraksha scheme performance of insurance companies by MoF			✓		Low
Awareness and Accessibility	Develop socio-cultural context specific strategies to increase insurance awareness and inclusion in consultation with local community members, Bima Vahaks, and Civil Society Organisations (CSOs)	Increased insurance penetration			✓	Low
	Mobilise resources in piloting, testing, and implementing strategies to increase insurance awareness and uptake in consultation with state governments, local CSOs and community members, and FSPs			✓		Low

Section 4- Concluding Remarks

This policy brief outlines a pathway for enhancing the performance of the two insurance schemes, PMJJBY and PMSBY. The recommendations in this policy brief call for a reconsideration of the structural architecture of the program and aim to resolve customer protection issues at various stages of the customer journey. It lays out concrete steps that the Government, the Regulator, and the Supply-Side Actors can take towards these objectives. Although some of the recommendations may have cost implications, they are categorised into high, medium, and low priority, allowing those with the highest priority to be accorded greater attention. Moreover, cost implications (wherever

applicable) will either be minimal once the program scales up or will have a one-time, fixed-cost implication with long-term benefits for the end customer. Finally, our study indicates that the customer protection issues in the context of the two insurance schemes- PMJJBY and PMSBY are largely an effect of the structural design issues on the supply side. Therefore, addressing these issues is crucial to the success of the program. While our policy brief makes some preliminary recommendations on this front, considerable dialogue is required between the Government, specifically the Ministry of Finance, and the industry stakeholders, i.e., insurance companies, banks, insurance and banking sector industry associations, to iron out some of the key concerns. These discussions should adopt a systems-level thinking towards resolving the key challenges addressed in this brief, with an ultimate objective of creating a visible path towards scale and profitability for FSPs and access to high-quality insurance for low-income households.