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Emerging Trends in INSURANCE, BANKING & TOURISM



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A STUDY ON CENTRAL AND STATE GOVERNMENT INSURANCE SCHEMES IN INDIA

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ABSTRACT

Insurance sector in India is one of the most booming sectors of the economy and is growing at a faster rate. In India, insurance is a flourishing industry, with several national and international players competing with each other's. Indian insurance companies offer a comprehensive range of insurance plans. The insurance industry of India consists of 59 insurance companies of which 24 are in life insurance business and 35 are non-life insurers. Among the life insurers, Life Insurance Corporation is the sole public sector company. Apart from that, among the non-life insurers there are six public sector insurers. In addition to these, there is sole national re-insurer, namely, General Insurance Corporation of India. Due to the growing demand for insurance, more and more companies are now emerging in the Indian insurance sector. Insurance as a Risk Transfer mechanism Credit Flow to the key sectors of the economy/ farmers and common man. The key flagship schemes being currently run/managed by the Government of India include the Pradhan Mantri Jan Dhan Yojana (PMJDY), Pradhan Mantri Suraksha Bima Yojana (PMSBY), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Pradhan Mantri Mudra Yojana (PMMY), Atal Pension Yojana (APY), Pradhan Mantri Vaya Vandana Yojana (PMVVY) and the Standup India Scheme. The Department provides policy support to the Public Sector banks (PSBs), Public Sector Insurance Companies (PSICs) and Development Financial Institutions (DFIs) like National Bank for Agriculture and Rural Development (NABARD), Small Industries Development Bank of India (SIDBI), India Infrastructure Finance Company Ltd. (IIFCL), National Housing Bank (NHB), and Export-Import Bank of India (EXIM Bank), Industrial Finance Corporation of India (IFCI). It also monitors the performance of these PSBs, PSICs and DFIs and undertakes policy formulation in respect of the Banking and Insurance Sector in India. This Department deals with legislative and policy issues pertaining to the concerned regulatory bodies i.e. the Reserve Bank of India (RBI), the Insurance Regulatory and Development Authority of India (IRDAI) and the Pension Fund Regulatory and Development Authority (PFRDA). DFS also deals with the legislative framework relating to debt recovery.

Key words: Insurance schemes, NABARD, IRDA.

INTRODUCTION:

Government supported insurance schemes are a form of social security in India. These schemes are initiated by the Government to provide protection to certain sections of population against income losses. The need for public support for these schemes arises from the fact that risk adjusted premium rates are often unaffordable for the weaker sections of the population to which the schemes are targeted and the Government needs to step in to provide financial support to facilitate the provisioning of insurance for these sections of population. In India, a number of Government supported insurance schemes have been initiated over the last decade. A number of schemes that existed earlier have also been modified substantially. While some of these changes have taken place at the State level, the most important changes, in particular some of the largest insurance schemes in terms of implementation across the country have been initiated by the Central government. This

report focuses on the insurance schemes being implemented by the Central Government for the vulnerable sections of the society. It provides an overview of the nature of schemes and their basic features, analyzes aspects of their performance and the factors affecting them, highlights expenditure and commitment of Government of India on these schemes, and discusses issues related to the design and implementation of these schemes. Further, the report also provides some insight into the extent of overlap between Central and State schemes, and the possibility of implementing some of the Central schemes through a common implementing agency. The insurance industry can be broadly divided into two: life insurance and general insurance. While life insurance relates to risk cover for life or disability/accidents of an individual or a group of individuals, general insurance or non-life insurance covers risk to other insurable assets such as property, vehicles, health etc. Penetration (premium as a percentage of GDP) of life insurance stood at 2.7% as compared to the global average of 3.5%. On the other hand, the general insurance penetration stood at a mere 0.8% as compared to the global average of 2.8%. This shows the huge untapped potential in the Indian insurance market. The insurance sector is regulated by the Insurance Regulatory and Development Authority of India (IRDAI). The IRDAI opened up the insurance sector for private participation in 2000. Until 2000, there were only one life insurer and four general insurers in the country, all from the public sector. Presently there are 24 life insurance companies and 30 general insurance companies operating in the country. General insurance can be broadly divided across fire, marine, motor, health, and crop product segments. Motor, health, and crop were the three biggest segments with shares of 39.5%, 27% and 16% of the general insurance pie in FY17. Life insurance products can be classified as non-linked and linked. Non-linked products are traditional products with a protection and savings element built in or only pure-protection products. Non-linked savings products can be further divided into participating products and non-participating products. Participating products have variable returns, as it is linked to the performance of the insurance company. Linked products' returns, on the other hand, are tied to the performance of debt and equity markets. Linked products started gaining traction from FY07. As of fiscal 2017, non-linked products was the biggest segment accounting for 87% of the total premium collected. However, the share was much lower for private players, constituting 56% of the total premium. Reinsurance refers to the arrangement whereby insurers transfer part of the risks and liabilities to one or more insurers or reinsurers by entering reinsurance contracts and paying premiums. Reinsurance allows direct insurers to manage capacity, ease surplus strain, minimise fluctuations in claim payments and lapse exposure and also manage their portfolios. The fortunes of the reinsurance industry are tied to the growth of underlying life and non-life insurance businesses. The size of the Indian reinsurance market was estimated to be around Rs 388 billion in FY17. Reinsurance of non-life insurance business accounted for a lion's share of 95% of the total premium during the year. The dominance of non-life in the reinsurance pie can be attributed to the better geographical spread of life policies compared to non-life and because the insured amounts are typically smaller in comparison, reinsurance need is correspondingly lower. In addition, life insurance is viewed as a protection-cum-savings product in India. Therefore, the uptake of pure life protection policies (term insurance) that can be reinsured is on the lower side.

OBJECTIVES:

The following are the specific objectives of the study

- a To study the impact of insurance schemes.
- b To examine the different insurance schemes lunched by state and central government.
- c To study how the insurance schemes help to farmers and poor people in the country.

RESEARCH METHODOLOGY:

The study is based on the secondary data. It is collected from various government reports, publications, newspapers and websites etc...

CENTRAL AND STATE GOVERNMENT INSURANCE SCHEMES IN INDIA:

1) ATAL PENSION YOJANA

The Government announced the introduction of universal social security schemes in the Insurance and Pension sectors for all Indians, specially the poor and the under-privileged, in the Budget for the year 2015-16. Therefore, it has been announced that the Government will launch the Atal Pension Yojana (APY), which will provide a defined pension, depending on the contribution, and its period. The APY will be focused on all citizens in the unorganized sector, who join the National Pension System (NPS) administered by the Pension Fund Regulatory and Development Authority (PFRDA). Under the APY, the subscribers would receive the fixed minimum pension of Rs. 1000 per month, Rs. 2000 per month, Rs. 3000 per month, Rs. 4000 per month, Rs. 5000 per month, at the age of 60 years, depending on their contributions, which itself would be based on the age of joining the APY. The minimum age of joining APY is 18 years and maximum age is 40 years. Therefore, minimum period of contribution by any subscriber under APY would be 20 years or more. The benefit of fixed minimum pension would be guaranteed by the Government. The APY would be introduced from 1st June, 2015.

Fixed pension for the subscribers ranging between Rs. 1000 to Rs. 5000, if he joins and contributes between the age of 18 years and 40 years. The contribution levels would vary and would be low if subscriber joins early and increase if he joins late.

Atal Pension Yojana (APY) is open to all bank account holders. The Central Government would also co-contribute 50% of the total contribution or Rs. 1000 per annum, whichever is lower, to each eligible subscriber account, for a period of 5 years, i.e., from Financial Year 2015-16 to 2019-20, who join the NPS between the period 1st June, 2015 and 31st December, 2015 and who are not members of any statutory social security scheme and who are not income tax payers. However the scheme will continue after this date but Government Co-contribution will not be available.

The minimum age of joining APY is 18 years and maximum age is 40 years. The age of exit and start of pension would be 60 years. Therefore, minimum period of contribution by the subscriber under APY would be 20 years or more.

2) PRADHAN MANTRI JEEVAN JYOTI BIMA YOJANA:

ICICI Bank Savings Bank (SB) Account holders between 18 years (completed) and 50 years (age nearer birthday) who have given the consent to join the scheme / enable auto-debit, as per the modality, will be enrolled into the scheme.

The cover shall be for one year starting from June 1 to May 31 of next year. For the Savings Account holder joining on or after June 1, the cover shall commence from the date of Account holder's request and end on May 31 of next year.

As per the earlier guidelines by Ministry of Finance, the annual premium for PMJJBY scheme was constant at Rs 330 for a period of 1 year starting from June 1 to May 31 irrespective of the request date of the customer into the scheme.

3) PRADAN MANTHRI SURAKSHA BIMA YOJANA:

Savings Bank (SB) Account holders between 18 years (completed) and 70 years (age nearer birthday) who give their consent to join / enable auto-debit, as per the modality, will be enrolled into the scheme.

The cover shall be for one year starting from June 1 to May 31 of next year. For the Saving Account holder joining on or after June 1, the cover shall commence from the date of premium debit and end on May 31 of next year. Rs. 12 per annum. The premium will be directly auto-debited by the Bank from the subscribers savings account held with the Bank. This is the only mode available. For renewal of the policy, it will be auto debited between May 25 and May 31, unless the customer has given a cancellation request to the Bank for the policy. Total coverage (sum-insured) under the scheme is Rs.2 Lakh

4) SUKANYA SAMRIDDHI SCHEME:

Sukanya Samriddhi Account, abbreviated as SSA, is a savings scheme that is especially designed for the welfare of the girl child, as evident from the name. It was introduced by the Ministry of Finance and launched by the Hon'ble Prime Minister of India, Shri Narendra Modi, on 22nd January 2015, as a part of the 'Beti Bachao Beti Padhao' campaign.

The objective of Sukanya Samriddhi Yojana is to ensure the financial independence of women by encouraging them to invest in a savings scheme that would enable them to fulfil their long-term life goals and dreams like higher education, marriage, etc. and ensure financial stability. As per the FY 2018-19 AY 2019-20, the rate of interest is 8.5%, one of the best for savings schemes of this nature. This further emphasises on the benefit of investing in Sukanya Samriddhi Yojana savings scheme. Not just that, it also offers tax benefits under Section 80C of the Income Tax Act, 1961.

The Government of India has made the Sukanya Samriddhi Yojana easily accessible to people by enabling them to open an account at any post office. One can also open a Sukanya Samriddhi Yojana account at any one of its extensive list of 22 authorized banks, as discussed later in the article. The initial deposit can range between Rs. 250 and Rs. 1, 50, 000 annually, as per the financial objectives of the account holder. The subsequent deposits can be made in multiples of Rs.100. While the account holder has to pay towards Sukanya Samriddhi Yojana savings scheme for 14 years, the investment reaches its maturity term after 21 years since the date it was issued. The government enables the flexibility of the savings scheme account to be transferred from one bank or post office to another bank or post office within India

5) PRADAN MANTHRI ARISHTHA PENSION BIMA YOJANA:

Government of India in the Union Budget 2014-2015, announced the revival of Varishtha Pension Bima Yojana. Excerpts from budget speech by Honorable Finance Minister are, "*NDA Government during its last term in office had introduced the Varishtha Pension Bima Yojana (VPBY) as a pension scheme for senior citizens. Under the scheme a total number of 3.16 lakh annuitants are being benefited and corpus amounts to Rs.6, 095 Crore. I propose to revive the scheme for a limited period from 15th August 2014 to 14th August 2015 for the benefit of citizens aged 60 years and above*"

6) RYTHU BIMA:

Agriculture in Telangana State is characterized by poor productivity and production owing to frequent occurrence of droughts, lesser technological penetration and poor investment capacity of the farmers, resulting in lower levels of income and social security to the farmers. The majority of the farmers are small, marginal and resource poor, dependent solely on farming for their livelihood.

Keeping this in view, in order to ensure the economic and social security to the farmers, the Government of Telangana has conceptualized and implementing an innovative scheme named as Farmers Group Life Insurance Scheme (Rythu Bima) in addition to other initiatives in agriculture sector. This scheme is first of its kind and unique in the country as it is implemented based on farmer-wise online land data base through Information Technology and Online Portals and MIS that are being used by all the outreach officers for effective and efficient implementation.

The main objective of the Farmers Group Life Insurance Scheme (Rythu Bima), is to provide financial relief and social security to the family members/ dependents, in case of loss of farmer's life due to any reason. In the event of the loss of the farmer life, their families are facing severe financial problems even for their day-to-day needs. The farmers Group Life Insurance Scheme ensures financial security and relief to the bereaved members of the farmer's family. Farmers in the age group of 18 to 59 years are eligible for enrol under the scheme. The entire premium is paid by the government to the Life Insurance Corporation of India (Largest public sector PSU for Insurance in India). In the event of the death of the enrolled farmer due to any cause including natural death, the insured amount of 5.00 Lakhs INR (Approx. USD 6928) is deposited into the designated nominee account within (10) days. This scheme has a tremendous impact on the lives of the bereaved families and helping their livelihoods, since most of them are resource poor small farmers and belong to weaker sections of the society.

This scheme has been implemented through the Information Technology with development of Online Portals and MIS developed by National Informatics Centre (NIC). The uniqueness of this scheme is that, the nominee is not required to approach any office for the settlement of claim amount. The outreach officers at village level collects data from revenue department in the event of loss of life of any farmer and submitted to the LIC on behalf of designated nominee of the farmer. The claimed amount would be transferred through RTGS into nominees account.

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ABOUT THE BOOK

This book is an outcome of affluent and thoughtful contribution of Two Day National Seminar on “Emerging Trends in Insurance, Banking and Tourism” held at OU Campus on June 28th - 29th 2019.

This book is divided into of three parts: Part 1 covers insurance, part 2 covers banking and part 3 covers Tourism. The papers from banking area of the seminar highlighted on issues like Omni-channel for banking transactions, demonetization, digitalization and mobile banking. Insurance papers are highlighted the crop insurance, life insurance and livestock insurance and Tourism papers are highlighted eco-tourism, employability, skills developments in tourism and CSR in tourism sector. This book is a modest attempt to help, Research Scholars, Academicians and policy makers to understand the diversified emerging issues on Service Sector such as Insurance, Banking and Tourism.

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expectations of consumers and achieve a sustainable business success. Despite the importance of big data analytics for marketing of businesses, research on this issue is scarce.

Rahul Arun (2023) found that Netflix has used the best content marketing strategy in the last decade. The company thinks of an out-of-the-box way to grab quick attention from users. They are bringing standalone products and unmatched experiences.

Objectives of the Study:

- To study the importance of digital marketing analytics in present scenario.
- To identify the major tools and challenges of big data for digital marketing analytics.

Sources of Data: The present study mainly based on secondary data sources. It collected from articles, journals, periodicals, case studies, social media and websites.

Importance of Digital Marketing Analytics in Present Scenario:

In the fast-paced world of digital marketing, success hinges on more than just creative campaigns and engaging content. In current times, data is one of the most powerful tools in a marketer's arsenal. When marketers analyze data from various sources, they gain valuable insights into their customers and their behavior patterns, and, as a result, the effectiveness of their marketing campaigns also increases.

Running a successful digital marketing campaign is a challenging task. It can't do this blindly and only rely on your vision of the situation. This is where you need to focus on data that will help you make more informed decisions, allocate your budget correctly, and create successful marketing campaigns. It goes without saying that any company wants to succeed in this highly competitive digital landscape. And this is where investing in online marketing analytics might be the right solution to help them to achieve their goals.

- **Digital marketing analytics allows you to know your clients:**

It lets you learn more about their demographics, behavior, and preferences and helps you discover what motivates them and how they interact with your brand. You can't do without this information when creating personalized marketing campaigns.

- **Analytics for digital marketing helps answer specific questions:**

It can help you find out why the traffic suddenly spikes on your website, why some conversions drop, and what you can do to improve this.

- **Data analytics helps predict future marketing challenges:**

The COVID pandemic has changed how businesses build marketing campaigns. Today, they are more focused on predictive analytics, which enables them to anticipate future challenges and make proactive decisions. With the help of this information, businesses can predict when some of their products or services will be more in demand than others.

- **Digital marketing analytics optimizes marketing efforts:**

It also helps identify trends in marketing campaigns. Analytics can show you where customers engage, click and buy as well as where they lose interest. For example, an ad that performs well on Facebook might not do the same on Instagram or Twitter, and several factors could cause this, such as user experience and ad placement within the app. A solid digital marketing analytics pipeline aggregates these different data points to find insights that aid data-driven decision-making when crafting marketing campaigns.

- **Digital marketing analytics helps businesses find new business possibilities and innovations:**

Data analytics helps businesses find new business possibilities and innovations, organise their everyday activities, make strategic decisions, and manage their budgets and marketing campaigns. As a result, businesses now more than ever benefit from data collection, registration, storage, processing, and analysis.

Main Tools for Digital Marketing Analytics

In today's data-driven world, understanding the intricacies of the company's marketing performance is the key to success. By harnessing the right tools, the companies can gain invaluable insights,

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मानविकी एवं समाजविज्ञान की द्विभाषी शोध-पत्रिका



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Life time member in TCA* & IAA**

1) Presented paper in:

4TH Annual conference of Telangana commerce association

One day national conference on

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Title of the paper: Exploring the factors influencing the adoption of mobile payment systems among street vendors- a case study in jadcherla town

Photos of conference:



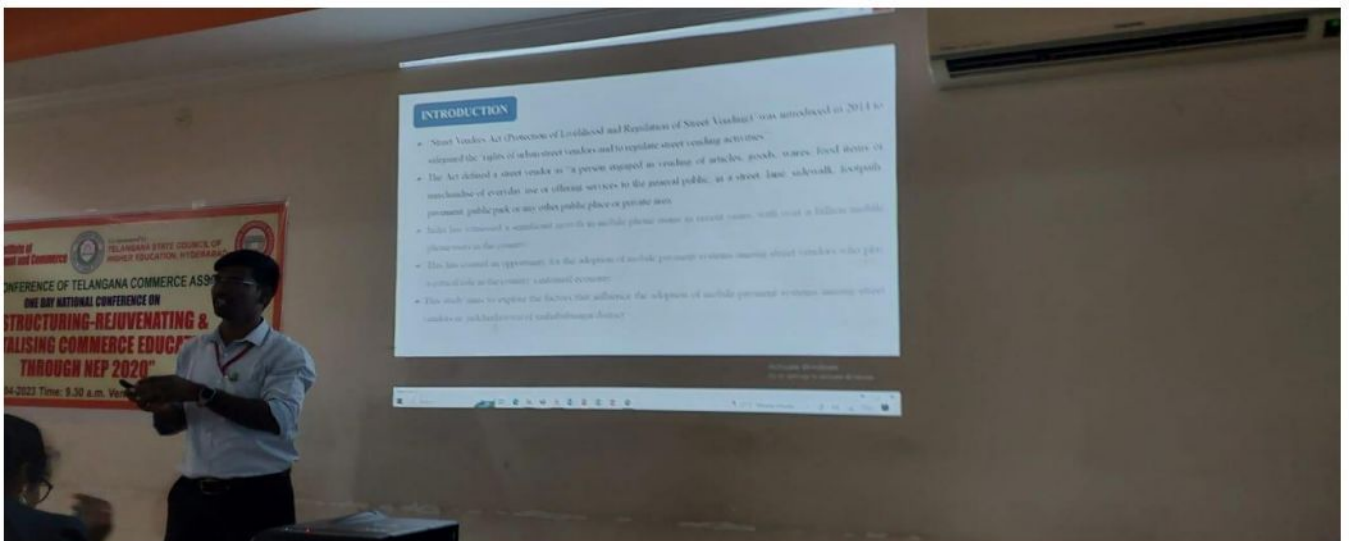
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2) Presented paper in:

**Three-day international conference on
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Date: 11, 12 &13th of September 2023.

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