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# IMPORTANT TOPIC



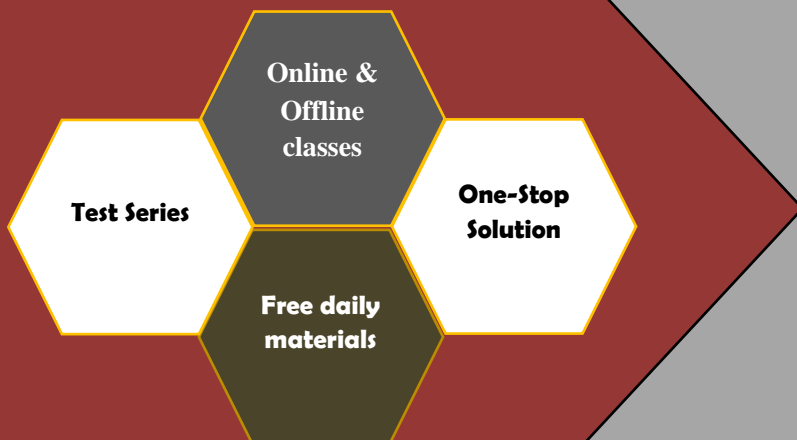
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## Saral Jeevan Bima: IRDAI

Notes for civil services preparation



UPSC

General Studies

## Saral Jeevan Bima: IRDAI

- Saral Jeevan Bima, launched by IRDAI (Insurance Regulatory and Development Authority of India) in 2020, has become a popular term life insurance product among masses.
- IRDAI is an autonomous body that was established in 1999 to regulate and develop the insurance industry.

## Term Life Insurance

- Term life insurance guarantees payment of a stated death benefit to the insured's beneficiaries if the insured person dies during a specified term.
- These policies have no value other than the guaranteed death benefit and feature no savings component as found in a whole life insurance product.
- Term life premiums are based on a person's age, health, and life expectancy.

## Key Points

- IRDAI in October 2020 had mandated all life insurers to launch the Saral Jeevan Bima plans from 1st January 2021.
- Saral Jeevan Bima is a regulator-mandated standard term life insurance plan offering basic protection to people who are self-employed or belong to a lower income category.
- It is a pure term life insurance product that can be purchased by people in the age group of 18 to 65 years and will have a policy term of 5 to 40 years.
- The sum assured for the term life insurance policy ranges from Rs 5 lakh to Rs 25 lakh (in multiples of Rs 50,000).
- However, the insurer will have the option of providing a sum assured beyond Rs 25 lakh.
- It provides for payment of sum assured in lump sum to the nominee in case of the life assured's unfortunate death during the policy term.
- There are no exclusions, other than suicides.