**LIC Jeevan Pragati Plan**

The LIC Jeevan Pragati Plan is the new scheme started by Life Insurance Corporation of India (LIC) that is owned by Indian Government. LIC bags top rank in the list of Indian Insurance Companies. The bill was passed in 1956 by the Parliament of India to form a Life Insurance Corporation under which more than 245 private companies were merged. It provides more than 20 plans suitable for each individual. They have kept in mind every individual’s needs.

LIC Jeevan Pragati is one such endowment plans in which savings and Protection; both are offered at the same time under one plan.

**How Jeevan Pragati Plan works**

Though the plan is a combination of many benefits, but still there are a few features that the buyers should surely look into before getting this plan.

The policy premium term will be of your choice and as per your requirement. After deciding this, you need to pay the premium for every term without failing. And you will be eligible for a life cover called “Basic Sum Assured” from the time onwards. For 0-5 years of policy, the risk cover provided is 100% of Basic Sum Assured. For 6-10 years of policy, the risk cover provided is 125% of Basic Sum Assured. For 11-15 years of policy, the risk cover provided is 150% of Basic Sum Assured.

For 16-20 years of policy, the risk cover provided is 200% of Basic Sum Assured. In short, the life risk covered under this plan will increase after every 5 years. The launch date for this plan is 3rd February 2016. This product does provide the bonus. Along with this, you can also add “Accidental Death and Disability Rider” which you can buy giving an extra amount.

**The Perks You Get Out of This Plan**

In total there are three riders of the LIC Jeevan Labh Plan, but the first two riders of the policy are merged together to provide one.

**Death Benefit:** Upon the death of the policyholder, this benefit is provided. If all the regular premiums for decided term are paid with no balance premium, the Death benefit is calculated by adding following amounts:

**Death Benefit = Sum Assured on death + Vested simple Reversionary Bonus + Final Additional Bonus.** The Sum Assured on death is relative to the Life Risk rates provided above. The final Death Benefit will never be less than 105% of all the premiums paid regardless of the exact tenure of the policy. The premium paid during the decided tenure does not include any extra tax. The only extra amount needs to be paid for Rider Premium, if applicable.

**Maturity Benefit:** Upon completing the tenure of the policy, Maturity benefit is provided to the survivor. The key here is all the premiums should be paid for the entire term. The Maturity benefit is calculated as follows:

**Maturity Benefit = Sum Assured on maturity + Vested simple Reversionary Bonus + Final Additional Bonus.**Here the Sum Assured on maturity is nothing but Basic Sum Assured. This lump sum amount is paid on the maturity of the policy.

**Profit of Participation**

Your policy should be eligible, and it should incur profit for the Corporation. Then the policy is entitled to Simple Reversionary Bonus. For this, the policy should be active and in force. The Reversionary bonus will be calculated based on the Basic Sum Assured.

Final Additional Bonus depends upon the year of policy maturity or the year in which it is claimed under death of policyholders.

**Rider Benefit:**This Accidental Death and Disability Benefit Rider can be added by the policyholder as an option. For this, the policyholder has to pay the extra cost along with the usual premium.

**What are the Eligibility Criteria for LIC Jeevan Pragati Policy?**

You can start the policy premium from the age of 12 years until 45 years. The term varies depending on the age of the policyholder. Age of policy maturity can be from 12 to 20 years. So at max, the policyholder will be of 65 years when the policy matures. Coverage provided by the policy plan starts from 1,50,000INR till higher limits.

**Tax Benefit:** Similar to other policy schemes, the LIC Jeevan Pragati Policy provides benefits in income tax. The premiums are tax exempted Under the Section 80 C of Income Tax Act. The maturity amount provided at the end of Policy tenure is also tax-free. So we need not pay any tax on that amount. The maturity sum decided at the end will be given as it is. It is assured under the section 10 D.

**Policy surrender:** There is provision to surrender the policy in need. This can be done after paying a premium for 3 complete years. There are many calculators available online to calculate the estimate of surrender policy.