

LIC launches much awaited cheaper term plan Jeevan Amar; know its features and eligibility

By: Amitava Chakrabarty |

Updated: August 6, 2019 2:19:59 PM

Not only LIC of India's new term plan Jeevan Amar is much cheaper than its just withdrawn Amulya Jeevan Plan, but it is also more flexible and has much wider features.



The premium amount of LIC's Jeevan Amar Plan will be different for male and female as well as for smokers and non-smokers.

The Life Insurance Corporation (LIC) of India has launched its much awaited term insurance plan Jeevan Amar, which is much cheaper than its just-withdrawn Amulya Jeevan Term Plan. Not only the new term plan is cheaper, but it is more flexible and has much wider features.

As Jeevan Amar is a term plan, it is a without profit plan and is also a non-linked plan. Which means, the plan is not market-linked and there will be no maturity

value and only death claim will be payable to the nominee in case of unfortunate demise of the life assured during the policy term, provided the policy is in force. The minimum policy term of Jeevan Amar Plan is 10 years and the maximum term is 40 years, while minimum entry age is 18 years (completed) and the maximum entry age is 65 years (last birth day), but the maximum cover ceasing age is 80 years.

There will also be flexibility to Choose sum assured (SA) as either Level SA or Increasing SA. If Level SA is chosen, Death Benefit will remain at same level throughout the Policy Term, while in case of Increasing SA, Death Benefit will remain at same level during the first 5 Policy Years, but will increase by 10 per cent of basic sum assured (BSA) every year for the next 15 years or end of policy term (whichever is earlier) and then will remain static at that level for the remaining Policy Term. However, the increased SA can't be more than double the BSA.

Flexibility will be there in choosing mode of receiving the amount of death claim, which may be opted at the time of proposal or during the policy term. Apart from receiving the death claim in lump sum, a policyholder may also opt to get full death benefit in installments or a part of it in lump sum and a part in installments over a chosen period of 5, 10 or 15 years.

The minimum BSA may be opted for under this plan is Rs 25 lakh and there is no maximum limit, but the maximum cover limit will depend upon a person's age and income level. BSA may be opted in multiple of Rs 1 lakh up to Rs 40 lakh of life cover and thereafter in multiple of Rs 10 lakh.

There will be three options to pay premium – Single Premium, Regular Premium and Limited Premium. Under Limited Premium, the two options of Premium Paying Term (PPT) are – 5 years less than the Policy Term and 10 years less than the Policy Term. However, the maximum premium ceasing age will be 70 years.

No surrender value will be available under regular premium option, but it will be available under single premium and limited premium options subject to some terms and conditions.

The premium amount at the inception, a Life Proposed has to choose smoker or non-smoker category and a person who selects non-smoker category, has to undergo an extra Urine Cotinine test.

The minimum installment premium will be Rs 3,000 under regular and limited premium options, while under single premium option, the minimum installment premium will be Rs 30,000.

Following is a sample premium table showing premium for non-smoker males and females of age categories of 20 years, 30 years and 40 years under regular premium option for Level SA of Rs 1 crore for a policy term of 10 years.

LIC's Jeevan Amar: Sample Premium			
Policy Term= 10 Years PPT=10 Years (Regular Premium Policy)		Sum Assured= Rs. 1,00,00,000/- Mode= Yearly Category = Non-Smoker Option 1: Level Sum Assured	
Age (LBD)	Male	Female	Remark (Per Month Equivalent Premium)
20	Rs. 8,080	Rs. 7,760	Male=673, Female=647
30	Rs. 9,280	Rs. 8,720	Male=773, Female=727
40	Rs. 16,065	Rs. 13,260	Male=1339, Female=1105
The above illustrative premiums are exclusive of GST.			

Sample premium for LIC of India's Jeevan Amar Term Insurance Plan.