

## **The Guidelines and Features of Life Cover under Pradhan Mantri Jan Dhan Yojana (PMJDY)**

### **Preamble**

The Hon'ble Prime Minister in his Independence Day Speech on 15<sup>th</sup> August, 2014 announced a comprehensive program of Financial Inclusion targeting the large number of people who are currently deprived of even rudimentary financial services. The Pradhan Mantri Jan Dhan Yojana (PMJDY) sets out to provide a basic Bank account to every family who till now had no account. The bank account comes with a RuPay debit card with a built-in accidental cover of Rs 1 lakh.

During the launch of the PMJDY scheme on 28.08.14 in New Delhi, Hon'ble Prime Minister announced a life cover of Rs. 30,000/- with the RuPay Card for all those who subscribe to a bank account for the first time during the period 15<sup>th</sup> August, 2014 to 26<sup>th</sup> January, 2015.

This Rs. 30,000/- life insurance cover under Pradhan Mantri Jan Dhan Yojana, will give a life insurance cover on death of the life assured, due to any reason, to the deceased's family. The scheme aims to provide security to those families who cannot afford direct insurance, namely the urban poor and rural poor who are not covered under any social security scheme.

### **Benefits**

The scheme provides for life cover of Rs. 30,000/- payable on death of the beneficiary due to any cause, subject to fulfillment of the following eligibility conditions:

### **Basic Eligibility Conditions**

- i. Person opening Bank account for the first time, with RuPay Card in addition, during the period from 15-08-14 to 26-01-15, or any additional period as may be extended further by Government of India.
- ii. The person should normally be head of the family or an earning member of the family and should be in the age group of 18 to 59 (i.e. person should be at least 18 years old, and should not have turned 60). In case the head of family is 60 years or more of age, the second earning person of the family in the above mentioned age group will be covered, subject to eligibility.

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- iii. Person must have a RuPay Card and Bio – Metric Card linked to bank account or in process of being linked to bank account if not already there.
- iv. The account can be any bank account including a small account.
- v. For the coverage to be effective the above RuPay Card should be valid and in force.
- vi. Only one person in the family will be covered in the Bima Scheme and in case of the person having multiple cards / accounts the benefit will be allowed only under one card i.e. one person per family will get a single cover of Rs.30,000/-, subject to the eligibility conditions.
- vii. The life cover of Rs 30,000/- under the scheme will be initially for a period of 5 years, i.e. till the close of financial year 2019-20. Thereafter, the scheme will be reviewed and terms and condition of its continuation, including the issue of future payment of premium by the insured thereafter, would be suitably determined.

### **Ineligible Categories**

- i. Central Government and State Government employees (in service or retired) and their families.
- ii. Employees (in service or retired) of Public Sector Undertakings, Public Sector Banks, any entity owned by Central Government, any entity owned by a State Government or any entity jointly owned by the Central Government and any State Government, and their families.
- iii. Persons whose income is taxable under I.T. Act 1961 or are filing the yearly Income Tax return or in whose case TDS is being deducted from the income, and their families.
- iv. Persons who are included in the Aam Aadmi Bima Yojana covering 48 occupations defined under the Scheme, and their families.
- v. Otherwise eligible account holders, who have life cover on account of any other scheme of the Bank against the account, shall have to choose between the two schemes and derive benefit from only one.
- vi. All persons who do not fulfill the basic eligibility conditions of the scheme.

### **Death benefit eligibility**

The nominee of the account holder will be entitled to receive death benefit of Rs.30,000/- in case of the unfortunate death of the account holder on account of any cause.

**Exit from Scheme:** The person will exit the scheme on reaching age 60 i.e. on the day the person turns 60.

**Claim Settlement**

- a) The Claim amount of Rs.30,000/- is payable to the nominee(s) of the account holder. The Risk cover will be provided to the person from his age of 18 (Completed) till he attains the age of 60 years completed i.e. eligibility will cease on turning 60 years and he will exit the scheme on the day the person turns 60.
- b) The claim settlement process will be decentralized to the Offices of LIC. The Process followed will be as follows:
  - i. Claim papers will be collected by the District Branch / Nodal Branch of the concerned Bank and submitted to the Pension & Group Scheme Units of LIC for processing of Claims.
  - ii. The Claim will be paid to the nominee who is the nominee in the Bank Account.
  - iii. The Claim amount will be credited to Bank account of the nominee through APBS/NEFT.