



Saral Jeevan Bima: IRDAI

Why in News

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.**

Source: IE