Jeevan Mangal plan

Introduction:

LIC's New Jeevan Mangal is a protection plan with return of premiums on maturity, where you may pay the premiums either in lump sum or regularly over the term of the policy. This plan has an in-built Accident Benefit which provides for double risk cover in case of accidental death

Benefits:

a) **Maturity Benefit:**

Provided the policy is inforce, on surviving to the date of maturity, "Sum Assured on Maturity" shall be payable which is equal to the total amount of premiums paid during the term of the contract (excluding the taxes and extra premium, if any)

b) **Death Benefit:**

Provided the policy is in force, the death benefit shall be payable as under:-
Death due to any reason other than accident:
For regular premium policies : "Sum Assured on Death" shall be payable which is defined as highest of 10 times of annualised premium or 105% of all the premiums paid as on date of death or Sum assured on Maturity or absolute amount assured to be paid on death where absolute amount assured to be paid on death is Sum Assured.
The premiums mentioned above exclude taxes and extra premium, if any.
For single premium policies : "Sum Assured on Death" shall be payable which is defined as higher of 125% of single premium (excluding the taxes and extra premium, if any) or absolute amount assured to be paid on death where absolute amount assured to be paid on death is Sum Assured.
Death due to accident :
An additional sum equal to Sum Assured shall also be payable.
An 'Accident' for the purpose of this policy is defined as "An Accident is a sudden, unforeseen and involuntary event caused by external, violent and visible means."

Eligibility Conditions and Other Restrictions

1. Eligibility Conditions and Other Restrictions:

a) Minimum age at entry	: 18 years (completed)
b) Maximum age at entry	: 55 years (nearest birthday)
c) Maximum age at maturity	: 65 years (nearest birthday)
d) Policy Term	: 10 to 15 years for regular premium. 5 to 10 years for single premium.

e) Minimum Instalment Premium : Rs 60/- under Monthly Mode

For other modes, there is no specific minimum instalment premium.

f) Minimum Sum Assured	: Rs. 10,000/-
g) Maximum Sum Assured	: Rs. 50,000/-

(Sum Assured shall be in multiples of Rs. 1,000/-)

2. Payment of Premiums :
The modes of premium payment allowable are Yearly, Half Yearly, Quarterly or Monthly. Single Premium mode is available for terms from 5 to 10 years.
A grace period of two calendar months but not less than 60 days will be allowed for all modes of payments.

3. Sample Premium Rates:
Following are some of the sample premium rates per Rs. 1000/- Sum Assured:

Annual Premium (in Rs.) for Rs.1000 Sum Assured:

Age (yrs.)	**Term of the Policy (years)**	
	10	**15**
20	58.85	36.85
30	60.15	38.15
40	66.45	43.60
50	83.60	56.15

Single Premium (in Rs.) for Rs.1000 Sum Assured

Age (yrs.)	**Term of the Policy (years)**	
	5	**10**
20	175.30	138.65
30	179.25	144.40
40	199.85	172.00
50	269.45	247.40

4. Paid-up Value:
In case of regular premium policies, if after at least three full years' premiums have been paid in respect of this policy and any subsequent premium be not duly paid, this policy shall not be wholly void, but shall subsist as a paid-up policy. The Sum Assured on Death shall be reduced to a sum, called the Death Paid-up Sum Assured. The Death Paid-Up Sum Assured shall bear the same ratio to the Sum Assured on Death as the premiums paid bears to the total number of premiums payable.
On the Life Assured's death prior to maturity, the Death Paid-Up Sum Assured shall be payable. On Maturity, total premiums paid less taxes and extra premium, if any, shall be payable.

5. Revival:
Subject to production of satisfactory evidence of continued insurability, a lapsed policy can be revived by paying arrears of premium together with interest within a period of two years from the date of first unpaid premium but before maturity. The rate of interest applicable will be as fixed by the Corporation from time to time.

6. Surrender Value:
The Guaranteed Surrender Value available under this plan is as under:
Single Premium policies : The policy may be surrendered for cash at any time during the policy term. The Guaranteed Surrender Value shall be as under:
- Within three policy years from Date of Commencement of policy: 70% of the Single premium excluding taxes and extra premium, if any.
- Thereafter: 90% of the Single premium excluding taxes and extra premium, if any.

Regular Premium policies : The policy may be surrendered for cash provided the premiums have been paid for atleast three consecutive years. The Guaranteed Surrender Value shall be equal to Guaranteed Surrender Value factor multiplied by total premiums paid (excluding taxes and extras, if any). The Guaranteed Surrender Value factor will depend on the policy term and policy year in which the policy is surrendered and is as under:

Policy Year	**Policy Term**					
	10	**11**	**12**	**13**	**14**	**15**
1	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

3	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
4	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
5	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
6	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
7	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
8	65.00%	60.00%	57.50%	56.00%	55.00%	54.29%
9	80.00%	70.00%	65.00%	62.00%	60.00%	58.57%
10	80.00%	80.00%	72.50%	68.00%	65.00%	62.86%
11		80.00%	80.00%	74.00%	70.00%	67.14%
12			80.00%	80.00%	75.00%	71.43%
13				80.00%	80.00%	75.71%
14					80.00%	80.00%
15						80.00%

Corporation may, however, pay special surrender value if it is more favourable to the policy holders.

7. Loan:
No loan facility will be available under this plan.

8. Taxes:
Taxes including Service Tax, if any, shall be as per the Tax laws and the rate of tax shall be as applicable from time to time.

The amount of tax as per the prevailing rates shall be payable by the policyholder on the premiums including extra premiums, if any. The amount of Tax paid shall not be considered for the calculation of benefits payable under the plan.

9. Cooling-off period:
If the policyholder is not satisfied with the "Terms and Conditions" of the policy, the policy may be returned to the Corporation within 15 days from the date of receipt of the policy stating the reason of objections. On receipt of the same the Corporation shall cancel the policy and return the amount of premium deposited after deducting the proportionate risk premium for the period on cover and charges for stamp duty.

10. Exclusions:

a) Suicide :

Under Single Premium policies :
The policy shall be void if the Life Assured (whether sane or insane) commits suicide at any time within 12 months from the date of commencement of risk and the Corporation will not entertain any claim under this policy except to the extent of 90% of the single premium paid excluding taxes and any extra premium paid.

Under Regular Premium policies :
This policy shall be void

i. If the Life Assured (whether sane or insane) commits suicide at any time within 12 months from the date of commencement of risk and the Corporation will not entertain any claim under this policy except to the extent of 80% of the premiums paid excluding any taxes and extra premiums, if any, provided the policy is In-force.

ii. If the Life Assured (whether sane or insane) commits suicide within 12 months from date of revival, an amount which is higher of 80% of the premiums paid till the date of death (excluding any taxes and extra premiums, if any) or the surrender value, provided the policy is inforce, shall be payable. The Corporation will not entertain any other claim under this policy.

b) Accident Benefit:

The Corporation will not be liable to pay the additional sum referred if the death of the Life Assured shall:

(i) be caused by intentional self injury, attempted suicide, insanity or immorality or whilst the Life Assured is under the influence or consumption of intoxicating liquor, drug or narcotic; or

(ii) be caused by injuries resulting from taking any part in riots, civil commotion, rebellion, war (whether war be declared or not), invasion, hunting, mountaineering, steeple chasing, racing of any kind, paragliding or parachuting, taking part in adventurous sports; or

(iii) result from the Life Assured committing any breach of law with criminal intent; or

(iv) occur after 180 days from the date of accident of the Life Assured.

SECTION 45 OF THE INSURANCE ACT, 1938:

The provision of Section 45 of the Insurance Act, 1938 shall be as amended from time to time. The simplified version of this provision is as under:

Provisions regarding policy not being called into question in terms of Section 45 of the Insurance Act, 1938 as amended by Insurance Laws (Amendment) Act, 2015 are as follows:

1. No Policy of Life Insurance shall be called in question on any ground whatsoever after expiry of 3 yrs from
a. the date of issuance of policy or
b. the date of commencement of risk or
c. the date of revival of policy or
d. the date of rider to the policy
whichever is later.

2. On the ground of fraud, a policy of Life Insurance may be called in question within 3 years from
a. the date of issuance of policy or
b. the date of commencement of risk or
c. the date of revival of policy or
d. the date of rider to the policy
whichever is later.

For this, the insurer should communicate in writing to the insured or legal representative or nominee or assignees of insured, as applicable, mentioning the ground and materials on which such decision is based.

3. Fraud means any of the following acts committed by insured or by his agent, with the intent to deceive the insurer or to induce the insurer to issue a life insurance policy:
a. The suggestion, as a fact of that which is not true and which the insured does not believe to be true;
b. The active concealment of a fact by the insured having knowledge or belief of the fact;
c. Any other act fitted to deceive; and
d. Any such act or omission as the law specifically declares to be fraudulent.

4. Mere silence is not fraud unless, depending on circumstances of the case, it is the duty of the insured or his agent keeping silence to speak or silence is in itself equivalent to speak.

5. No Insurer shall repudiate a life insurance Policy on the ground of Fraud, if the Insured / beneficiary can prove that the misstatement was true to the best of his knowledge and there was no deliberate intention to suppress the fact or that such mis-statement of or suppression of material fact are within the knowledge of the insurer. Onus of disproving is upon the policyholder, if alive, or beneficiaries.

6. Life insurance Policy can be called in question within 3 years on the ground that any statement of or suppression of a fact material to expectancy of life of the insured was incorrectly made in the proposal or other document basis which policy was issued or revived or rider issued. For this, the insurer should communicate in writing to the insured or legal representative or nominee or assignees of insured, as applicable, mentioning the ground and materials on which decision to repudiate the policy of life insurance is based.

7. In case repudiation is on ground of mis-statement and not on fraud, the premium collected on policy till the date of repudiation shall be paid to the insured or legal representative or nominee or assignees of insured, within a period of 90 days from the date of repudiation.

8. Fact shall not be considered material unless it has a direct bearing on the risk undertaken by the insurer. The onus is on insurer to show that if the insurer had been aware of the said fact, no life insurance policy would have been issued to the insured.

9. The insurer can call for proof of age at any time if he is entitled to do so and no policy shall be deemed to be called in question merely because the terms of the policy are adjusted on subsequent proof of age of life insured. So, this Section will not be applicable for questioning age or adjustment based on proof of age submitted subsequently.

[Disclaimer: This is not a comprehensive list of Section 45 of the Insurance Act, 1938 as amended by Insurance Laws (Amendment) Act, 2015 and only a simplified version prepared for general information. Policy Holders are advised to refer to the Insurance Laws (Amendment) Act, 2015, for complete and accurate details.]

PROHIBITION OF REBATES SECTION 41 OF THE INSURANCE ACT, 1938 AS AMENDED BY INSURANCE LAWS (AMENDMENT) ACT, 2015:

1) No person shall allow or offer to allow, either directly or indirectly, as an inducement to any person to take out or renew or continue an insurance in respect of any kind of risk

relating to lives or property in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the policy, nor shall any person taking out or renewing or continuing a policy accept any rebate, except such rebate as may be allowed in accordance with the published prospectuses or tables of the insurer: provided that acceptance by an insurance agent of commission in connection with a policy of life insurance taken out by himself on his own life shall not be deemed to be acceptance of a rebate of premium within the meaning of this sub-section if at the time of such acceptance the insurance agent satisfies the prescribed conditions establishing that he is a bona fide insurance agent employed by the insurer.

2) Any person making default in complying with the provisions of this section shall be liable for a penalty which may extend to ten lakh rupees.