

Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)

Scheme Overview:

PMJJBY is a one-year renewable life insurance scheme that provides life insurance **coverage for death due to any reason**. The scheme is offered and administered through LIC (Life Insurance Corporation of India) and other life insurance companies with necessary approvals. Participating banks are responsible for enrolling subscribers and will partner with insurance companies to implement the scheme.

Scope of Coverage:

- **Eligibility:** All savings bank account holders between the ages of 18 and 50 years (age nearer to the birthday) in participating banks.
- **Account Requirement:** Individuals can only enroll in the scheme through one savings bank account, even if they hold multiple accounts in different banks.
- **KYC:** Aadhar will serve as the primary Know Your Customer (KYC) document for the bank account.

Enrollment Period:

- **Initial Enrollment:** For the coverage period from 1st June 2015 to 31st May 2016, subscribers were required to enroll and give auto-debit consent by 31st May 2015.
- **Late Enrollment:** Late enrollment was allowed until 31st August 2015 (extended till 30th November 2015), subject to payment of the full annual premium and submission of a self-certification of good health.
- **Future Enrollment:** Enrollment will be allowed in subsequent years subject to payment of the full annual premium and submission of a self-certification of good health for those who exit the scheme or did not join earlier.

Enrollment Modality:

- **Annual Coverage:** The coverage period runs from 1st June to 31st May each year. Subscribers must choose to join and authorize auto-debit by 31st May each year.
- **Re-Enrollment:** Members who exit the scheme can rejoin in future years by submitting a declaration of good health. Similarly, new entrants who meet the eligibility criteria can enroll at any time while the scheme is active, subject to the same conditions.

Benefits:

- **Death Benefit:** A sum of ₹2,00,000 (2 lakhs) is payable in the event of the subscriber's death due to any reason.

Premium:

- **Annual Premium:** ₹330 per year per member. **(Rs. 432 currently)**
- **Auto-Debit:** The premium is deducted from the subscriber's savings bank account via auto-debit, in one installment, by 31st May of each year.
- **Late Enrollment:** Late enrollment requires full premium payment and a self-certification of good health.
- **Premium Review:** The premium amount may be reviewed annually based on the claims experience, though efforts will be made to prevent any increase in the first three years.

Eligibility Conditions:

- **Age Range:** Savings bank account holders between the ages of 18 and 50 years (age nearer to the birthday).
- **Consent:** Subscribers must give their consent to join the scheme and authorize auto-debit from their savings account.
- **Good Health Certification:** If joining after the initial enrollment period, a self-certification of good health is required, ensuring that the individual does not suffer from any critical illnesses.

Master Policy Holder:

- **Participating Banks:** Banks acting as the master policyholders will facilitate the administration and claim settlement process in partnership with the insurance companies (LIC or others).

Termination of Assurance:

The insurance coverage for a member under the PMJJBY will terminate under the following circumstances, and no benefits will be payable:

1. **Age Limit:** The coverage will terminate upon the member reaching the age of 55 years (age nearest birthday), provided the policy has been renewed annually up to that date. **Note:** Enrollment is not allowed beyond the age of 50 years.
2. **Account Closure or Insufficient Balance:** If the member's savings account is closed or if the account balance becomes insufficient to maintain the insurance, the coverage will terminate.

3. **Multiple Coverage:** If a member is covered under PMJJBY through more than one account, and premiums are inadvertently received by LIC or another insurance company for multiple accounts, the total insurance coverage will be limited to ₹2,00,000. In such cases, the premiums paid for the duplicate coverage may be forfeited.
4. **Technical or Administrative Issues:** If the insurance coverage is discontinued due to technical reasons (e.g., insufficient balance on the due date or administrative issues), the coverage can be reinstated upon receipt of the full annual premium and submission of a satisfactory statement of good health.
5. **Premium Remittance by Banks:** Participating banks must remit the premiums to the insurance companies for regular enrollments on or before 30th June each year. For other cases, premiums should be remitted in the same month when received.

Administration of the Scheme:

The **Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)** will be administered by the **LIC P&GS Units** or other insurance company setups, as applicable. The process for data flow and data proformas will be communicated separately.

Responsibilities of Participating Banks:

- **Premium Collection:** It is the responsibility of the participating bank to recover the appropriate annual premium from the account holders in a single installment, as per the option selected, on or before the due date. This will be done through the **auto-debit** process.
- **Auto-Debit Mandate:** Members may also give a one-time mandate for auto-debit every year, which will remain in force as long as the scheme is active.
- **Enrolment Forms:** The participating bank must collect and retain the following forms from the member:
 - **Enrolment Form**
 - **Auto-Debit Authorization**
 - **Consent Cum Declaration Form** (in the prescribed proforma)

In the event of a claim, LIC or the insurance company may require the submission of these forms. LIC or the insurance company reserves the right to request these documents at any time.

- **Acknowledgment Slip:** Upon enrollment, the participating bank will provide an **acknowledgment slip** which may also serve as the **certificate of insurance**.

Monitoring and Review:

The performance and experience of the scheme will be monitored on an annual basis, including any necessary re-calibrations or adjustments, based on the claims experience and other factors.

Appropriation of Premium:

The annual premium collected from each member will be allocated as follows:

1. **Insurance Premium to LIC / Insurance Company:** ₹289 per annum per member.
2. **Reimbursement of Expenses to BC/Micro/Corporate/Agent:** ₹30 per annum per member.
3. **Reimbursement of Administrative Expenses to Participating Bank:** ₹11 per annum per member.

Commencement and Renewal:

- **Commencement Date:** The scheme will begin on **1st June 2015**.
- **Annual Renewal:** The scheme will be renewed annually on **1st June** each year.
- **Discontinuation:** The scheme may be discontinued before the renewal date if required due to unforeseen circumstances or changes in policy.

Question & Answer based on PMJJBY Scheme Overview

Q1: What is the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)?

Ans: PMJJBY is a one-year renewable life insurance scheme **launched on 1st June 2015, offering life insurance coverage of ₹2,00,000** in the event of death due to any cause. It is administered through Life Insurance Corporation (LIC) and other approved insurance companies, with banks acting as the facilitators for enrollment and claim settlement.

Q2: Who is eligible to enroll in PMJJBY?

Ans: The scheme is available to all savings bank account holders between the ages of **18 and 50 years** (age nearest to the birthday). Enrollment can be done through one savings account in a participating bank.

Q3: Can a person enroll in PMJJBY through multiple bank accounts?

Ans:No. A person can only enroll in the scheme through **one savings bank account**, even if they hold multiple accounts in different banks.

Q4: What document is required for KYC verification during enrollment in PMJJBY?

Ans: **Aadhaar** will serve as the primary **Know Your Customer (KYC)** document for enrollment in the scheme.

Q5: What was the initial enrollment period for PMJJBY?

Ans: The initial enrollment period for the coverage year from 1st June 2015 to 31st May 2016 was up to **31st May 2015**. There was a **late enrollment window** available until 30th November 2015, subject to full premium payment and self-certification of good health.

Q6: Can a person enroll in PMJJBY after the initial enrollment period?

Ans: Yes, enrollment is allowed in subsequent years subject to the following conditions:

- Payment of the full **annual premium**.
- Submission of a **self-certification of good health**.

Q7: How does the enrollment and renewal process work for PMJJBY?

Ans: Annual Coverage Period: From 1st June to 31st May each year.

Re-enrollment: Subscribers must renew their coverage every year by authorizing auto-debit by 31st May.

Exit and Rejoin: Members who exit can rejoin by providing a declaration of good health.

Q8: What is the premium amount for PMJJBY?

Ans: The **annual premium** for PMJJBY is **₹330** per member, which is paid via **auto-debit** from the subscriber's bank account. As of 2024, **the premium has increased to ₹432**.

Q9: How is the premium deducted for PMJJBY?

Ans: The premium is **deducted automatically via auto-debit** from the subscriber's bank account in one installment, by **31st May** each year.

Q10: Can a person be enrolled in multiple PMJJBY policies?

Ans:No, if a person is enrolled under multiple accounts, the total coverage will be limited to ₹2,00,000. Any excess premiums paid will be forfeited.

Q11: Under what circumstances will the PMJJBY coverage terminate?

Ans:The coverage will terminate under the following circumstances:

1. The member reaches the age of **55 years** (age nearest birthday).
2. The **savings account is closed**, or there are insufficient funds to maintain the insurance.
3. The member holds multiple policies, and duplicate premiums are received.
4. Coverage is discontinued due to **technical or administrative issues**, which can be reinstated upon payment of the full premium and submission of a good health certificate.

Q12: What are the responsibilities of participating banks in the PMJJBY scheme?

Ans:Participating banks are responsible for:

- **Premium Collection:** Ensuring the premium is collected through auto-debit and paid to the insurance company.
- **Enrollment Process:** Collecting and retaining enrollment forms, auto-debit authorizations, and consent forms.
- **Issuing Acknowledgment Slips:** Providing the subscriber with an acknowledgment slip that serves as the certificate of insurance.

Q13: What happens if a member's bank account does not have sufficient balance for premium deduction?

Ans:If there is **insufficient balance**, the premium will not be deducted, and the **coverage may be discontinued**. The coverage can be reinstated upon payment of the full annual premium and submission of a satisfactory statement of good health.

Q14: How are the premiums allocated in PMJJBY?

Ans:The annual premium of ₹330 is allocated as follows. (Rs. 432)

- ₹289 (378) per member is paid to the insurance company (LIC or others).
- ₹30(39) per member is reimbursed to the BC/Micro/Corporate/Agent.
- ₹11 (14) per member is allocated to the participating bank for administrative expenses.

Q15: What happens if a member fails to authorize auto-debit by 31st May each year?

Ans:If the member does not authorize the auto-debit by the due date (31st May), they will not be enrolled or renewed for that year. To continue the coverage, the member must give consent and complete the enrollment process for the following year.

Q16: What is the death benefit provided under PMJJBY?

Ans: In the event of the policyholder's death due to any reason, the beneficiary will receive a **sum of ₹2,00,000**.

Q17: Can PMJJBY be discontinued before the renewal date?

Ans: Yes, the scheme can be discontinued **before the renewal date** in case of unforeseen circumstances or policy changes by the government or the insurance companies.

Q18: How does the scheme contribute to financial inclusion?

Ans: PMJJBY is aimed at providing affordable life insurance to a large segment of the population, especially the economically weaker sections, helping them access financial security at a very low premium. By linking the scheme with Aadhaar and bank accounts, it has enabled easy and efficient enrollment and premium collection.

Q19: What is the role of the Master Policyholder in PMJJBY?

Ans: The **master policyholders** are the participating banks, which facilitate the administration of the scheme, including enrolling subscribers, collecting premiums, and handling claim settlements in partnership with the insurance companies.

Q20: Is PMJJBY available to individuals who are not account holders in a participating bank?

Ans: No, only individuals who hold a savings account in a participating bank are eligible to enroll in PMJJBY.