

**LIFE INSURANCE CORPORATION OF INDIA
CENTRAL OFFICE**

Dept: Product Development

"Yogakshema"
Jeevan Bima Marg
Mumbai – 400 021

Ref: CO/PD/97

12th May, 2017

To,
All HODs of Central Office
All Zonal Offices
All Divisional Offices
All Branch Offices (through DOs)
MDCs, ZTCs, STCs, NIA and
Audit & Inspection Depts. of Zonal Offices.

Re: INTRODUCTION OF LIC's JEEVAN UMANG (Plan No. 845)

1. INTRODUCTION:

It has been decided to introduce LIC's Jeevan Umang (Plan No: 845) with effect from 16th May, 2017.

The Unique Identification Number (UIN) for LIC's Jeevan Umang is **512N312V01**. This number has to be quoted in all relevant documents furnished to the Policyholders and other users (public, distribution channels).

LIC's Jeevan Umang is a non-linked, with-profits whole life assurance plan. This plan provides for annual survival benefits from the end of the premium paying term till maturity and a lump sum payment at the time of maturity or on death of the policyholder during the policy term. The benefits and other details of the plan are given below.

2. BENEFITS:

The benefits payable under an inforce policy are as under:

a) Death Benefit:

i. On death before the commencement of Risk:

An amount equal to the total amount of premium/s paid without interest shall be payable.

ii. On Death after the commencement of Risk:

Death Benefit, defined as sum of "**Sum Assured on Death**" and vested Simple Reversionary Bonuses and Final Additional bonus, if any, shall be payable.

Where "**Sum Assured on Death**" is defined as the highest of

- 10 times of annualised premium; or
- Sum Assured on Maturity; or
- Absolute amount assured to be paid on death, i.e. Basic Sum Assured.

This death benefit shall not be less than 105% of all the premiums paid as on date of death.

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Premiums referred above shall not include any taxes, extra amount chargeable under the policy due to underwriting decision and rider premium(s), if any.

b) Survival Benefit:

On the life assured surviving to the end of the premium paying term, provided all due premiums have been paid, a survival benefit equal to 8% of Basic Sum Assured shall be payable each year. The first survival benefit payment is payable at the end of premium paying term and thereafter on completion of each subsequent year till the Life assured survives or till the policy anniversary prior to the date of maturity, whichever is earlier.

c) Maturity Benefit:

On the life assured surviving to the end of the policy term, provided all due premiums have been paid, "**Sum Assured on Maturity**" along with vested Simple Reversionary Bonuses (as mentioned in 3 below) and Final Additional bonus, if any, shall be payable.

Where "**Sum Assured on Maturity**" is equal to Basic Sum Assured.

3. PARTICIPATION IN PROFITS:

Depending upon the Corporation's experience with regard to policies issued under this plan, the policy shall participate in profits during the policy term.

During the premium paying term:

Policies shall be eligible to receive Simple Reversionary Bonuses declared as per the experience of the Corporation during the premium paying term, provided the policy is inforce.

Final Additional Bonus may also be declared under an inforce policy in the year when such policy results into a claim by death. However, Final Additional Bonus shall not be payable under paid-up policy or on surrender of a policy during the premium paying term.

In case the premiums are not duly paid, the policy shall cease to participate in future profits during premium paying term.

After the premium paying term (applicable only for fully paid-up policies or for paid-up policies with Maturity Paid-up Sum Assured of Rs. 2 lakhs or more):

Under a fully paid-up policy (i.e. where all premiums payable during the term of the policy are paid) or in a paid-up policy with Maturity Paid-up Sum Assured of Rs. 2 lakhs or more, the terms for participation of profits after the premium paying term may be in a different form and on a differential scale depending on the Corporation's experience under this plan at that time.

Final Additional Bonus may also be declared under the policy in the year when a policy results into a claim either by death or maturity. In addition, applicable Final Additional Bonus for surrendering policies, if any, may also be considered in payment of Special Surrender Value.

Under a paid-up policy with Maturity Paid-up Sum Assured of less than Rs. 2 lakhs, the policy shall not participate in future profits.

4. OPTIONAL BENEFIT:

The following four optional riders are available under this plan. However, the policyholder can opt for either LIC's Accidental Death and Disability Benefit Rider or LIC's Accident Benefit Rider. Therefore, a policyholder can opt for a maximum of three riders under this plan.

a) **LIC's Accidental Death and Disability Benefit Rider UIN (512B209V01):**

LIC's Accidental Death and Disability Benefit Rider is available as an optional rider by payment of additional premium. This rider can be opted for at any time within the premium paying term of the Base Plan provided the outstanding premium paying term is atleast 5 years. The benefit cover under this rider shall be available upto the policy anniversary on which the age nearer birthday of the Life Assured is 70 years. Thereafter the cover shall cease.

If this benefit is opted for, an additional amount equal to the Accident Benefit Sum Assured is payable on death due to accident, provided the rider is inforce at the time of accident. In case of accidental permanent disability (within 180 days from the date of accident), an amount equal to the Accident Benefit Sum Assured will be paid in equal monthly installments spread over 10 years and future premiums for Accident Benefit Sum Assured as well as premiums for the portion of Basic Sum Assured which is equal to Accident Benefit Sum Assured under the policy, shall be waived. The premium for the portion of Basic Sum Assured which exceeds the Accident Benefit Sum Assured and premium(s) in respect of other Rider(s), if opted for, shall continue to be paid. If the policy becomes a claim by way of death before the expiry of the said period of 10 years, the disability benefit instalments which have not fallen due will be paid along with the claim amount.

The premium for this rider will not be required to be paid after the premium paying term of the base plan.

LIC's Accidental Death and Disability Benefit Rider shall not acquire any paid-up value and the rider benefit will cease to apply, if policy is in lapsed condition.

Beyond the specific details as mentioned in this circular in respect of this rider, any additional details like refund to be made in respect of this rider on surrender of base plan, requirements of claim, definition of disability etc., may be referred from the rider circular Ref: CO/PD/44 dated 2nd January, 2014.

b) **LIC's Accident Benefit Rider UIN (512B203V02):**

LIC's Accident Benefit Rider is available as an optional rider payment of additional premium.

This rider can be opted for at any time within the premium paying term of the Base Plan provided the outstanding premium paying term is atleast 5 years. The benefit cover under this rider shall be available **only** during the premium paying term of the base plan. Thereafter the cover shall cease.

If this benefit is opted for and if the Life Assured is involved in an accident leading to death within 180 days from the date of accident then an additional amount equal to the Accident benefit Sum Assured is payable. However, the policy shall have to be inforce at the time of accident irrespective of whether or not it is inforce at the time of death.

LIC's Accident Benefit Rider shall not acquire any paid-up value and the rider benefit will cease to apply, if policy is in lapsed condition.

Beyond the specific details as mentioned in this circular in respect of this rider, any additional details like requirements of claim etc., may be referred from the rider circular Ref: CO/PD/36 dated 9th November, 2013.

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c) **LIC's New Term Assurance Rider (UIN: 512B210V01):**

LIC's New Term Assurance Rider is available as an optional rider at the inception of the policy by payment of additional premium. The additional premium for this rider will need to be paid along with the premium of the Base Plan and any other rider(s), if opted for, during the premium paying term of the policy. The benefit cover under this rider shall be available for a term of 35 years or till the policy anniversary on which the age nearer birthday of the Life assured is 75 years, whichever is earlier. Thereafter the cover shall cease. If this rider is opted for, an additional amount equal to Term Assurance Rider Sum Assured shall be payable on death of the life assured, provided the rider cover is inforce.

Beyond the specific details as mentioned in this circular in respect of this rider, any additional details like refund to be made in respect of this rider on surrender of base plan etc., may be referred from the rider circular Ref: CO/PD/59 dated 3rd November, 2014.

d) **LIC's New Critical Illness Benefit Rider (UIN: 512A212V01):**

LIC's New Critical Illness Rider is available as an optional rider at the inception of the policy by payment of additional premium. The additional premium for this rider will need to be paid along with the premium of the Base Plan and any other rider(s), if opted for, during the premium paying term of the policy. The cover under this rider shall be available for a policy term of 35 years or till the policy anniversary on which the age of the Life Assured is 75 years, whichever is earlier.

If this rider is opted for, on first diagnosis of any one of the 15 critical illness covered under this rider, the Critical Illness Sum Assured shall be payable subject to the conditions specified in the rider circular Ref: CO/PD/90 dated 19th December, 2016.

LIC's New Critical Illness Rider shall not acquire any paid-up value and the rider benefit will cease to apply, if policy is in lapsed condition.

Beyond the specific details as mentioned in this circular in respect of this rider, any additional details like refund to be made in respect of this rider on surrender of base plan etc., may be referred from the rider circular Ref: CO/PD/90 dated 19th December, 2016.

Note: The premiums under all the riders put together shall be subject to a ceiling of 30% of the premium of the Base policy. Any benefit arising under each of the riders shall not exceed the Sum Assured under the Basic product.

5. ELIGIBILITY CONDITIONS AND RESTRICTIONS:

i) **For Base Plan:**

1) Minimum Age at entry	: [90] days (completed)
2) Maximum Age at entry	: 55 years (nbd) for PPT=15 50 years (nbd) for PPT=20 45 years (nbd) for PPT=25 40 years (nbd) for PPT=30
3) Premium Paying Term (PPT)	: [15, 20, 25 and 30] years
4) Minimum age at the end of the PPT	: [30] years (nbd)
5) Maximum Age at the end of PPT	: [70] years (nbd)
6) Age at Maturity	: [100] years (nbd)
7) Policy Term	: [100-age at entry] years
8) Minimum Basic Sum Assured	: Rs. 2,00,000
9) Maximum Basic Sum Assured	: No Limit

The Basic Sum Assured shall be in multiples of Rs. 25,000/- only.

Age at entry for the Policyholder is to be taken as age nearer birthday (nbd) except for the minimum age at entry 90 days i.e. where it is completed days.

Date of commencement of risk:

In case the age at entry of the Life Assured is less than 8 years, the risk under this plan will commence either one day before the completion of 2 years from the date of commencement of policy or one day before the policy anniversary coinciding with or immediately following the completion of 8 years of age, whichever is earlier. For those aged 8 years or more, risk will commence immediately.

Date of issuance of policy:

It is a date when a proposal after underwriting is accepted as a policy and the contract gets effected.

Date of vesting under this plan (Applicable only if the Life Assured is below 18 years on the date of commencement of policy):

If the policy is inforce and the Life Assured is alive on the vesting date and if a request in writing for surrendering the policy has not been received by Corporation before such vesting date from the person entitled to the policy moneys, this policy shall automatically vest in the Life Assured on such vesting date i.e. on the policy anniversary coinciding with or immediately following the completion of 18 years of age and shall on such vesting be deemed to be a contract between the Corporation and the Life Assured.

ii) For LIC's Accidental Death and Disability Benefit Rider:

- 1) Minimum Entry Age : 18 years (completed)
- 2) Maximum Entry Age : The cover can be opted for at inception or at any policy anniversary thereafter, provided the outstanding premium paying term under the base plan is at least 5 years.
- 3) Maximum cover ceasing Age : 70 years (nbd)
- 4) Minimum Accident Benefit Sum Assured : Rs. 10,000/-
- 5) Maximum Accident Benefit Sum Assured: An amount equal to the Basic Sum Assured under the Base Plan subject to the maximum of Rs.100 lakhs overall limit taking all existing policies of the Life Assured under individual as well as group policies including policies with inbuilt accident benefit taken with Life Insurance Corporation of India and the Accident Benefit Sum Assured under the new proposal into consideration.

The Accident Benefit Sum Assured shall be in multiples of Rs. 10,000/-only.

iii) For LIC's Accident Benefit Rider: (cover under this rider shall be available during the PPT only)

- 1) Minimum Entry Age : 18 years (completed)
- 2) Maximum Entry Age : The cover can be opted for at inception or at any policy anniversary thereafter, provided the outstanding premium paying term under the base plan is at least 5 years.
- 3) Cover ceasing Age : Age at the end of premium paying term
- 4) Minimum Accident Benefit Sum Assured : Rs. 20,000/-
- 5) Maximum Accident Benefit Sum Assured: An amount equal to the Basic Sum Assured under the base plan subject to the maximum of Rs.100 lakh overall limit taking all existing policies of the Life Assured under individual as well as group policies including policies with inbuilt accident benefit taken with Life Insurance Corporation of India and the Accident Benefit Sum Assured under the new proposal into consideration.

The Accident Benefit Sum Assured shall be in multiples of Rs. 5,000/-only.

Note :The overall limit of Accident Benefit Sum Assured shall be inclusive of Sum Assured under both the Accident Benefit riders i.e. the LIC's Accidental Death and Disability Benefit Rider and LIC's Accident Benefit Rider.

iv) For LIC's New Term Assurance Rider:

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| 1) Minimum Entry Age | : 18 years (completed) |
| 2) Maximum Entry Age | : 55 years (nbd) for PPT=15
50 years (nbd) for PPT=20
45 years (nbd) for PPT=25
40 years (nbd) for PPT=30 |
| 3) Premium paying term | : same as Base plan |
| 4) Maximum policy term | : 35 years |
| 5) Maximum cover ceasing Age | : 75 years (nbd) |
| 6) Minimum Term Assurance Rider Sum Assured: | Rs. 1,00,000/- |
| 7) Maximum Term Assurance Rider Sum Assured: | An amount less than or equal to the Basic Sum Assured under the Base plan, but not exceeding the overall limit of Rs.25 lakhs taking all Term Assurance Rider Sum Assured under all existing policies of the Life Assured including the new proposal into consideration. |

The Term Assurance Rider Sum Assured shall be in multiples of Rs. 5,000/-only.

v) For LIC's New Critical Illness Benefit Rider:

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|---|---|
| 1) Minimum Entry Age | : 18 years (completed) |
| 2) Maximum Entry Age | : 55 years (last birthday) for PPT=15
50 years (last birthday) for PPT=20
45 years (last birthday) for PPT=25
40 years (last birthday) for PPT=30 |
| 3) Maximum cover ceasing Age | : 75 years (last birthday) |
| 4) Maximum policy term | : 35 years |
| 5) Premium paying term | : same as Base plan |
| 6) Minimum Critical Illness Sum Assured | : Rs. 1,00,000/- |
| 7) Maximum Critical Illness Sum Assured | : An amount equal to the Sum Assured on Death under the Base plan but not exceeding an overall limit of Rs.25 lakh Critical Illness Sum Assured taking all existing policies of the Life Assured under this rider and the Critical Illness Sum Assured under the new proposal into consideration. |

The Critical Illness Sum Assured shall be in multiples of Rs 25,000/- only.

6. MODE OF PREMIUM PAYMENT:

The modes of premium payment allowable are Yearly, Half Yearly, Quarterly, and Monthly (NACH only) or through salary deductions.

7. PREMIUM RATES:

- i. Base Plan: The tabular annual premium rates per thousand Basic Sum Assured are enclosed as **Annexure 1**.

The Class – I extra premium rates per thousand Basic Sum Assured applicable at NB and Revival stage are enclosed as **Annexure 2**.

- ii. LIC's Accidental Death and Disability Benefit Rider: The tabular premium rates per thousand Accident Benefit Sum Assured are enclosed as **Annexure 3**. There are two categories for Accident benefit premium rates. Category-I rates are applicable to all the life

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assured except those falling under Category -II. Category-II rates are applicable to Life Assureds engaged in police duty in any police organisation other than paramilitary forces and opt for this cover while engaged in police duty.

- iii. LIC's Accident Benefit Rider: The premium rate for this rider is as under:
 - Rs. 0.50 per thousand Accident Benefit Sum Assured irrespective of age.
 - Rs. 1.00 per thousand Accident Benefit Sum Assured, if the Life Assured is engaged in police duty either in any military, naval or police organisation and opts for this cover while engaged in the police duty.
- iv. LIC's New Term Assurance Rider: The tabular premium rates per thousand Term Assurance Rider Sum Assured are enclosed as **Annexure 4**.

The Class – I extra premium rates per thousand Term Assurance Rider Sum Assured applicable at NB and Revival stage is enclosed as **Annexure 5**.

- v. LIC's New Critical Illness Benefit Rider: The tabular premium rates per thousand Critical Illness Sum Assured for are enclosed as **Annexure 6**.

The Class – I extra premium rates per thousand Critical Illness Sum Assured applicable at NB and Revival stage are enclosed as **Annexure 7**.

The above premium rates are exclusive of taxes.

8. GRACE PERIOD FOR PAYMENT OF PREMIUM:

A grace period of one calendar month but not less than 30 days will be allowed for payment of yearly or half-yearly or quarterly premiums and 15 days for monthly mode of premium payment.

If the death of the Life Assured occurs within the grace period but before the payment of premium then due, the policy will be treated as inforce and the benefits will be paid after deduction of the said unpaid premium and also the unpaid premium/s falling due before the next policy anniversary.

If premium is not paid before the expiry of the days of grace, the policy lapses.

If the Policy has not lapsed and the claim is admitted in case of death under the policy where the mode of payment of premium is other than yearly, unpaid premium(s), if any, falling due before the next policy anniversary shall be deducted from the claim amount.

The above grace period will also apply to rider premium(s) as the rider premium(s) are to be paid along with the premium of the base plan.

9. REBATES:

The rebates for base plan are as under:

Mode Rebate:

<u>Mode</u>	<u>Percentage</u>
Yearly mode	: 2% of tabular premium
Half-yearly mode	: 1% of tabular premium
Quarterly and monthly (NACH) and SSS mode	: NIL

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High Basic Sum Assured Rebate:

<u>Basic Sum Assured (B.S.A)</u>	<u>Rebate per Rs.1000 B.S.A</u>
2,00,000 to 4,75,000	: Nil
5,00,000 to 9,75,000	: 1.25 % B.S.A
10,00,000 to 24,75,000	: 1.75 % B.S.A
25,00,000 and above	: 2.00 % B.S.A

10. CORPORATION EMPLOYEES INSURANCE SCHEME (CEIS) REBATE:

Policy completed under Corporation's Employee Insurance Scheme (CEIS) will be eligible for CEIS rebate of 10% on tabular premium for the base plan as well as on rider premium(s), if opted for, provided policy is not taken through any intermediary such as Agent/ Corporate Agent/Broker/Direct Sales Executive etc.

11. COMMISSION PAYABLE TO INTERMEDIARIES & CREDIT TO DEVELOPMENT OFFICERS:

a) Commission rates (as a percentage of premiums net of taxes) during the premium paying term are as under:

Agents and Corporate Agents:

<u>1st Year</u>	<u>2nd & 3rd Year</u>	<u>Subsequent Years</u>
25%	7.5%	5%

Bonus Commission: 40% of 1st year commission.

Brokers:

<u>1st Year</u>	<u>Subsequent Years</u>
30%	5%

Bonus Commission: No bonus commission is payable to brokers.

b) **Development Officer's Credit (D.O. Credit):** 100 % of the first year premium net of taxes.

12. PAID-UP VALUE:

If at least three full years' premiums have been paid and any subsequent premiums be not duly paid, this policy shall not be wholly void, but shall continue as a paid-up policy till the end of policy term.

The "Sum Assured on Death" under a paid-up policy shall be reduced to a sum called **Death Paid-up Sum Assured** and shall be equal to [Sum Assured on Death * number of premiums paid /Total number of premiums payable].

The "Sum Assured on Maturity" under a paid-up policy shall be reduced to a sum called **Maturity Paid-up Sum Assured** and shall be equal to [(Number of premiums paid /Total number of premiums payable)*(Sum Assured on Maturity)].

Survival benefits under a paid-up policy:

1. If Maturity Paid-up Sum Assured is less than the minimum Basic Sum Assured i.e. Rs. 2 lakhs, Survival Benefits shall not be paid under such policies.
2. If Maturity Paid-up Sum Assured is equal to or more than minimum Basic Sum Assured of Rs. 2 lakhs, Survival Benefits equal to 8% of Maturity Paid-up Sum Assured shall be payable each year. The first survival benefit payment is payable at the end of premium

paying term and thereafter on completion of each subsequent year till the Life Assured survives or till the policy anniversary prior to the date of maturity, whichever is earlier.

A paid-up policy shall not be entitled to participate in the future profits during the premium paying term, however, the vested Simple Reversionary Bonuses shall remain attached to the reduced paid-up policy. Further, if a paid-up policy wherein the Maturity Paid-up Sum Assured is Rs. 2 lakhs or more, continues after premium paying term, it may participate in future profits after the premium paying term, depending on the Corporation's experience under such paid-up policies.

Notwithstanding what is stated above, if atleast 3 full years' premiums have been paid in respect of this policy, and any subsequent premium be not duly paid, in the event of the death of the Life Assured within six months from the due date of first unpaid premium, "Sum Assured on Death" along with vested simple reversionary bonuses and final additional bonus, if any, will be paid after deduction of (a) the premium(s) for the base policy unpaid with interest thereon upto the date of death on the same terms as for revival of the Policy during such period, and (b) the balance premium(s) for the base policy falling due from the date of death and before the next Policy anniversary.

Notwithstanding what is stated above, if at least 5 full years' premiums have been paid in respect of this policy, and any subsequent premium be not duly paid, in the event of death of the Life Assured within 12 months from the first unpaid premium, "Sum Assured on Death" along with vested simple reversionary bonuses and final additional bonus, if any, will be paid after deduction of (a) the premium(s) for the base policy unpaid with interest thereon upto the date of death on the same terms as for revival of the Policy during such period, and (b) the balance premium(s) for the base policy falling due from the date of death and before the next Policy anniversary.

The above mentioned non-forfeiture provisions do not apply to Rider(s) as they do not acquire any paid up value.

13. SURRENDER VALUE:

The policy can be surrendered at any time during the policy term provided atleast three full years' premiums have been paid.

Guaranteed Surrender Value:

The Guaranteed Surrender Value shall be a percentage of total premiums paid excluding any taxes, extra amount, if charged under the policy due to underwriting decision and rider premium(s), if opted for. This percentage will depend on the policy term and policy year in which the policy is surrendered and is enclosed as **Annexure 8**.

In addition, the surrender value of vested Simple Reversionary bonuses, if any, shall also be payable, which is equal to vested bonuses multiplied by the guaranteed surrender value factor applicable to vested bonuses. These guaranteed surrender value factors will depend on the policy term & policy year in which policy is surrendered and are enclosed as **Annexure 9**.

Special Surrender Value:

Corporation may however, pay Special Surrender Value as applicable as on the date of surrender, provided the same is higher than Guaranteed Surrender Value.

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(i) Special Surrender Value payable during premium paying term in respect of an inforce policy or a paid-up policy:

The Special Surrender Value (SSV) will be Special Surrender Value factor multiplied by the Sum of (Maturity Paid-up Sum Assured (as specified in para.12) and the vested Simple Reversionary Bonuses, if any).

These Special Surrender Value factors shall depend on the premium paying term and the duration elapsed since commencement of the policy. The Special Surrender Value factors are enclosed as **Annexure 10**.

(ii) Special Surrender Value payable after premium paying term in respect of a fully paid-up policy (i.e. where all the premiums payable during the term of the policy are paid) or a paid-up policy:

In case of fully paid-up policy:

The Special Surrender Value shall be 90% of (Basic Sum Assured + vested Simple Reversionary Bonuses, if any).

In case of paid-up policy:

The Special Surrender Value shall be 90% of (Maturity Paid-up Sum Assured + vested Simple Reversionary Bonuses, if any).

In addition, the applicable Final Additional Bonus for surrendering policies, if any, may also be considered in payment of Special Surrender Value on surrender of a fully paid-up policy or a paid-up policy where the Maturity Paid-up Sum Assured is Rs 2,00,000 or more.

Important Note: The payment of Final Additional bonus for surrendering policy in case of a fully paid-up policy or a paid-up policy where the Maturity Paid-up Sum Assured is Rs 2,00,000 or more may be considered after elapsation of premium paying term only. Any policy surrendered during premium paying term will not be eligible for any Final Additional Bonus.

Further, if an inforce policy is surrendered during the last policy year the surrender value payable shall be the discounted value of maturity claim. Where, in case of inforce policy the maturity claim is Sum Assured on Maturity alongwith Simple Reversionary bonuses and Final Additional bonus, if any,

(iii) LIC's Accidental Death and Disability Benefit Rider, LIC's New Term Assurance Rider and LIC's New Critical Illness Benefit Rider will not acquire any surrender value. However, refund of additional rider premiums charged in respect of cover after premium paying term shall be refunded in respect of these riders and shall be as prescribed in their respective introductory circulars.

14. REVIVALS:

If the policy has lapsed, it may be revived during the lifetime of the Life Assured, but within a period of 2 consecutive years from the date of first unpaid premium on submission of proof of continued insurability and the payment of all the arrears of premium together with interest (compounding half-yearly) at such rate as may be decided by the Corporation from time to time.

The Corporation reserves the right to accept at original terms, accept with modified terms or decline the revival of a lapsed policy. The revival of a lapsed policy shall take effect only after

the same is approved by the Corporation and is specifically communicated in writing to the Life Assured.

If the revival period falls beyond the premium paying term and the policy is revived after the due date of survival benefit(s), then:-

- i. the unpaid survival benefit(s) (applicable in case of paid-up policy wherein the Maturity Paid-up Sum Assured is less than 2 lakhs) or;
- ii. the difference between Survival Benefits on full Basic Sum Assured and Survival benefits on Maturity Paid-up Sum Assured (applicable in case of paid-up policy wherein the Maturity Paid-up Sum Assured is equal to or greater than 2 lakhs); shall be paid to the policy holder.

Revival of Rider, if any, will only be considered along with the revival of the Base policy and not in isolation.

15. LOAN:

Loan facility shall be available under this plan after at least 3 full years' premiums have been paid.

i) If loan is availed during the premium paying term:

The maximum loan as a percentage of surrender value shall be as under:

- For inforce policies- upto 90%
- For paid-up policies- upto 80%

Interest on Loan during the premium paying term shall be paid on compounding half-yearly basis to the Corporation at the rate to be specified by the Corporation at the time of taking loan under this policy. In case the loan is not repaid during the premium paying term and if there is default in interest payment, then due interest on the loan shall be recovered from survival benefits due or any other amount payable under the policy.

If loan is availed after the premium paying term:

The maximum permissible amount of new loan (where no previous loan taken earlier is outstanding) for policies which are entitled for survival benefits shall be arrived at in such a way that the effective annual interest amount payable on loan does not exceed 50% of the annual survival benefit payable under the policy.

Interest on the loan shall be recovered from the survival benefits and at the rate which shall be specified by the Corporation when the loan is made.

- ii) In the event of default in payment of loan interest on the due dates and when the outstanding loan amount along with interest is to exceed the surrender value the policy shall be foreclosed. On foreclosure of such policies, the difference of surrender value and the loan outstanding amount along with interest, if any, shall be paid to the policyholder and the policy will terminate.
- iii) In case a policy becomes a claim by way of death, surrender or maturity the amount of outstanding loan along with all due interest shall be recovered from the claim benefit payment.

16. UNDERWRITING, AGE PROOF AND MEDICAL REQUIREMENTS :

U & R department will issue instructions in this regard.

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17. SUICIDE CLAUSE:

This policy shall be void

- a) If the Life Assured (whether sane or insane) commits suicide at any time within 12 months from the date of commencement of risk, the Corporation will not entertain any claim except for 80% of the premiums paid excluding any taxes and extra amount if charged under the policy due to underwriting decision and rider premium(s) other than Term Assurance rider, if any, provided the policy is inforce. This clause shall not be applicable in case the age of Life Assured is below 8 years.
- b) 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, extra amount if charged under the policy due to underwriting decision and rider premium(s) other than Term Assurance rider, if any, or the surrender value shall be payable. The Corporation will not entertain any other claim under this policy. This clause shall not be applicable:
 - (i) In case the age of Life Assured is below 8 years at the time of revival; or
 - (ii) For a policy lapsed without acquiring paid-up value and nothing shall be payable under such policies.

18. FORFEITURE IN CERTAIN EVENTS:

In case it is found that any untrue or incorrect statement is contained in the proposal, personal statement, declaration and connected documents or any material information is withheld, then and in every such case the policy shall be void and all claims to any benefit by virtue thereof shall be subject to the provisions of Section 45 of the Insurance Act, 1938 as amended from time to time.

19. TAXES:

Statutory Taxes, if any, imposed on such insurance plans by the Govt. of India or any other constitutional tax Authority of India shall be as per the Tax laws and the rate of tax shall be as applicable from time to time.

The amount of Service Tax payable as per the prevailing rates shall be payable by the policyholder on premiums (for base policy & rider(s) if any) including extra amount if charged under the policy due to underwriting decision. The amount of Tax paid shall not be considered for the calculation of benefits payable under the plan.

The instructions regarding issues related to taxes will be issued by Finance & Accounts Department, Central office, separately, as applicable from time to time.

20. NORMAL REQUIREMENTS FOR CLAIM:

The normal documents which the claimant shall submit while lodging the claim in case of death of the Life Assured shall be claim forms, as prescribed by the Corporation, accompanied with original policy document, NEFT mandate from the claimant for direct credit of the claim amount to the bank account, proof of title, proof of death, proof of accident/disability/Critical Illness (as mentioned in the rider circular), medical treatment prior to the death, School/College/employer's certificate, whichever is applicable, to the satisfaction of the Corporation. If the age is not admitted under the policy, the proof of age of the Life assured shall also be submitted.

Where the policy results into a maturity claim or in case of surrender of a policy, the Life Assured shall submit the discharge form along with the original policy document, NEFT mandate from the claimant for direct credit of the claim amount to the bank account besides proof of age, if the age is not admitted earlier.

21. FREE LOOK (COOLING – OFF) PERIOD:

If a Policyholder is not satisfied with the "Terms and Conditions" of the policy, he/she may return the policy to the Corporation stating the reasons of objections, within 15 days from the date of receipt of the policy.

The refund of premium to the Policyholder shall be subject to following deductions:

1. Stamp duty on policy;
2. Actual cost of medical examination and special reports, if any;
3. Proportionate risk premium (in respect of Base policy and Rider, if opted for) for the period on cover as per C.O. Circular Ref: CO/ PD/ 39 dated 31st December, 2013 and Ref: CO/PD/90 dated 19th December, 2016.

22. BACK-DATING INTEREST:

The policies can be dated back within the same financial year. Back-dating interest as applicable at the time of completion of the policy (at the rate as fixed by the Corporation from time to time) will be charged for the period in excess of one month. However, if the policy is back dated to lean months, viz. April, May, July & August, interest is to be charged for period in excess of three months. The period upto 14 days is to be ignored and 15 days or more is to be rounded to a month for this calculation.

Any further instructions would be issued by Actuarial Department, Central Office, as applicable from time to time.

23. POLICY STAMPING:

For Base Plan, policy stamping charges will be at the rate of 20 paise per thousand **Sum Assured on Death**.

For Rider, policy stamping charges will be at the rate of 20 paise per thousand Rider Sum Assured, if opted for.

Any updates in this regard shall be issued by Legal Department, Central Office.

24. REINSURANCE:

Normal procedure for Reinsurance shall apply as per applicable Reinsurance Treaty.

25. ASSIGNMENTS/NOMINATIONS:

a) **Assignments:** Assignment is allowed under this plan as per Section 38 of Insurance Act, 1938, as amended from time to time.

The notice of assignment should be submitted for registration to the office of the Corporation, where the policy is serviced.

b) **Nominations:** Nomination by the holder of a policy of life assurance is required as per Section 39 of the Insurance Act, 1938, as amended from time to time.

The notice of nomination or change of nomination should be submitted for registration to the office of the Corporation, where the policy is serviced. In registering nomination the Corporation does not accept any responsibility or express any opinion as to its validity or legal effect.

26. ACCOUNTING OF INCOME AND OUTGO:

Instructions regarding the accounting procedure to be followed under the plan shall be issued separately by Finance & Accounts Department, Central office.

27. PROPOSAL FORM :

Revised Proposal Form No. 300, 340 and 360 shall be used under this plan.

28. POLICY DOCUMENT :

The specimen Policy Document will be sent by the Corporate Communications Department, Central Office.

29. DISCLOSURES:

At the time of sale, a client specific Benefit Illustration shall be provided to the Policyholder. Such Benefit Illustration shall be signed by both the prospective policyholder and intermediary and shall form part of the policy document.

30. ADDRESS OF OMBUDSMAN:

At the stage of issuance of policy the address of the nearest Ombudsman is to be mentioned in the Policy Document. In case of any change in address by policyholder, the address of the nearest Ombudsman from the transferring in branch has to be informed to the policyholder along with confirmation of change in address.

Further, instructions in this regard to be issued by CRM Department, Central office.



Executive Director (Marketing / Product Development)



Encl – Annexure 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10.

