

**LIFE INSURANCE CORPORATION OF INDIA
CENTRAL OFFICE**

Dept.: Product Development

"Yogakshema"
Jeevan Bima Marg
Mumbai – 400 021

Ref: CO/PD/167

Date: 16th February, 2021

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

Re: INTRODUCTION OF LIC's BIMA JYOTI (Plan No.860)

1. INTRODUCTION:

It has been decided to introduce LIC's Bima Jyoti Plan (Plan No.860) with effect from 22nd February, 2021.

The Unique Identification Number (UIN) for LIC's Bima Jyoti Plan is **512N339V01**. This number has to be quoted in all relevant documents furnished to the Policyholders and other users (public, distribution channels etc).

LIC's Bima Jyoti is a Non-linked, Non-participating, Individual, Limited Premium Payment, Life Insurance Savings Plan. Under this plan, Guaranteed Additions shall accrue **at the rate of Rs.50 per thousand Basic Sum Assured at the end of each policy year throughout the policy term** as detailed in Para 4 below.

This plan can be purchased Online as well as Offline.

The benefits and other details of the plan are given below.

2. ELIGIBILITY CONDITIONS AND RESTRICTIONS FOR BASE PLAN:

- a) Minimum Basic Sum Assured : Rs. 1,00,000/-
- b) Maximum Basic Sum Assured : No Limit
(The Basic Sum Assured shall be in multiples of Rs. 25,000/-)
- c) Policy Term : 15 to 20 years
- d) Premium Paying Term (PPT) : (Policy term less 5) years
- e) Minimum Age at entry : 90 days (completed)
- f) Maximum Age at entry : 60 years (nearer birthday)
- g) Minimum Age at Maturity : 18 years (completed)
- h) Maximum Age at Maturity : 75 years (nearer birthday)

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 2 years from the date of commencement or from the policy anniversary coinciding with or immediately following the attainment of 8 years of age, whichever is earlier.

For those aged 8 years or more, risk will commence immediately.

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

Date of Vesting under the plan (Applicable only if the Life Assured is below 18 years on the date of commencement of policy): If 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 Life Assured. The Life Assured shall become the absolute owner of the policy and proposer or his estate shall cease to have any right or interest therein.

3. BENEFITS UNDER THE BASE PLAN:

The benefits payable under an inforce policy are as under:

a) Death Benefit:

On death during the policy term before the date of commencement of risk: Return of premiums paid excluding taxes, any extra amount chargeable under the policy due to underwriting decision and rider premium(s), if any.

On death during the policy term after the date of commencement of risk: “**Sum Assured on Death**” along with accrued Guaranteed Additions

Where “**Sum Assured on Death**” is defined as the higher of

- 125 % of Basic Sum Assured or
- 7 times of annualized premium

This death benefit shall not be less than 105% of all the premiums paid upto the date of death. Premiums referred above shall not include taxes, any extra amount chargeable under the policy due to underwriting decision and rider premium(s), if any.

b) Maturity Benefit:

On the life assured surviving to the end of the policy term, “**Sum Assured on Maturity**” along with accrued Guaranteed Additions, shall be payable.

Where “**Sum Assured on Maturity**” is equal to the Basic Sum Assured.

4. GUARANTEED ADDITIONS:

Provided the policy is inforce by payment of due premiums, Guaranteed Addition **at the rate of Rs.50 per thousand Basic Sum Assured shall accrue at the end of each policy year.** In case of death under inforce policy, the Guaranteed Addition in the year of death shall be for full policy year. In case the premiums are not duly paid, the Guaranteed Additions shall cease to accrue under a policy.

In case of a paid-up policy or on surrender of a policy, the Guaranteed Addition for the policy year in which the last premium is received (i.e. wherein full year's premiums have not been received) will be added on proportionate basis in proportion to the premium received for that year.

5. OPTIONAL RIDER BENEFITS:

The following five optional riders are available under this plan. However, the policyholder can opt between **either of LIC's Accidental Death and Disability Benefit Rider or LIC's Accident Benefit Rider and/or the remaining three riders subject to the eligibility as detailed below:**

i) LIC's Accidental Death and Disability Benefit Rider UIN (512B209V02):

LIC's Accidental Death and Disability Benefit Rider is available as an optional Rider by payment of additional premium. Under an inforce policy, this Rider can be opted for at any time within the Premium Paying Term of the Base Plan provided the outstanding Premium Paying Term of the Base Plan is atleast 5 years. The benefit cover under this Rider shall be available till the end of Policy Term.

If this benefit is opted for, an 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 instalments spread over 10 years and future premiums, if any, shall also be waived in respect of this Rider and the premium for Base Policy corresponding to Basic Sum Assured equal to Accident Benefit Sum Assured. The premiums for other Rider(s), if opted for and premium for Base Policy corresponding to the difference in the Basic Sum Assured and Accident Benefit Sum Assured (if Basic Sum Assured exceeds the Accident Benefit Sum Assured) shall continue to be paid. If the policy becomes a claim by way of death or maturity 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.

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 Policy, requirements of claim, definition of disability etc., may be referred from the Rider Circular Ref: CO/PD/44 dated 2nd January, 2014 and CO/PD/102 dated 16th December 2017.

Eligibility conditions and restrictions:

- | | |
|---|--|
| a) Minimum Entry Age | : 18 years (completed) |
| b) 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 Policy is at least 5 years. However, in any case maximum age at entry shall not exceed 65 years (nearer birthday). |
| c) Rider Term | : Outstanding Policy Term of the Base Plan or (70 minus age at entry), whichever is lower |
| d) Cover ceasing Age | : 70 years (nearer birthday) |
| e) Minimum Accident Benefit Sum Assured | :Rs. 10,000/- |
| f) 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 (excluding additional limit of Rs.100 lakhs under policies taken under LIC's Jeevan Shiromani) 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. |

Even considering the additional Accident Benefit Sum Assured limit of Rs. 100 lakhs above this, allowed under LIC's Jeevan Shiromani only, the maximum Accident Benefit cover offered to an individual in any case including the policies taken under LIC's Jeevan Shiromani will not exceed Rs. 200 lakh.

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

ii) LIC's Accident Benefit Rider UIN (512B203V03):

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

Under an inforce policy, this Rider can be opted for at any time within the Premium Paying Term of the Base Plan provided the outstanding Premium Paying Term of the Base Plan is atleast 5 years. The benefit cover under this Rider shall be available only during the Premium Paying Term of the Base Policy. 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 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 and CO/PD/102 dated 16th December 2017.

Eligibility conditions and restrictions:

- | | |
|---|--|
| a) Minimum Entry Age | : 18 years (completed) |
| b) 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 Policy is at least 5 years. However, in any case maximum age at entry shall not exceed 65 years (nearer birthday). |
| c) Rider Term | : Outstanding Premium Paying Term of the Base Plan or (70 minus age at entry), whichever is lower |
| d) Cover ceasing Age | : 70 years (nearer birthday) |
| e) Minimum Accident Benefit Sum Assured | : Rs. 20,000/- |
| f) 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 (excluding additional limit of Rs.100 lakhs under policies taken under LIC's Jeevan Shiromani) 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. |

Even considering the additional Accident Benefit Sum Assured limit of Rs. 100 lakhs above this, allowed under LIC's Jeevan Shiromani only, the maximum Accident Benefit cover offered to an individual in any case including the policies taken under LIC's Jeevan Shiromani will not exceed Rs. 200 lakh.

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 all the Accident Benefit Riders i.e. the LIC's Accidental Death and Disability Benefit Rider, LIC's Accident Benefit Rider and LIC's Linked Accidental Death Benefit Rider.

iii) 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 during the Policy Term.

If this benefit is opted for, an amount equal to Term Assurance Rider Sum Assured shall be payable on death of the Life Assured during the Policy Term, provided the Rider cover is inforce.

LIC's New Term Assurance 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/59 dated 3rd November, 2014.

Eligibility conditions and restrictions:

- a) Minimum Entry Age : 18 years (completed)
- b) Maximum Entry Age : Same as Base Plan
- c) Policy Term/PPT : Same as Base Plan
- d) Minimum Term Assurance Rider Sum Assured: : Rs. 1,00,000/-
- e) Maximum Term Assurance Rider Sum Assured : An amount equal to Basic Sum Assured under the Base Plan subject to the maximum of Rs.25 lakhs overall limit 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.

iv) LIC's New Critical Illness Benefit Rider (UIN 512A212V02):

LIC's New Critical Illness Benefit Rider is available at the inception of the policy on 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 during the Policy Term.

If this rider is opted for, on first diagnosis of any one of the 15 Critical Illnesses covered under this rider, the Critical Illness Sum Assured shall be payable subject to the conditions specified in the Rider circulars Ref: CO/PD/90 dated 19th December, 2016 and Ref: CO/PD/162 dated 1st October, 2020.

LIC's New Critical Illness 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, 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.

Eligibility conditions and restrictions:

- a) Minimum Entry Age : 18 years (last birthday)
- b) Maximum Entry Age : Same as Base Plan
- c) Policy term/PPT : Same as Base plan
- d) Minimum Critical Illness Sum Assured : Rs. 1,00,000/-
- e) Maximum Critical Illness Sum Assured : An amount equal to Basic Sum Assured under the Base Plan subject to maximum of Rs.25 lakhs overall limit taking all existing policies of the Life Assured under this Rider and the Critical Illness Sum Assured under the new proposal into consideration.

Age at entry for the Policyholder is to be taken as age last birthday.

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

v) LIC's Premium Waiver Benefit Rider (UIN: 512B204V03)

LIC's Premium Waiver Benefit Rider shall be allowed under a proposal / policy wherein the Life Assured is minor (i.e. upto age 17 years (nbd)) at the time of opting this Rider.

This Rider is allowed on the life of eligible Proposer on payment of additional premium. This Rider can be opted for at any time during the Premium Paying Term of the Base policy (ie. on the Policy Anniversary coinciding with or the next Policy Anniversary following the date of

acceptance of application) provided the outstanding Premium Paying Term of the Base policy and the Rider is at least 5 years. However, in any case the Rider Term shall be outstanding Premium Paying Term of Base Policy as on date of opting this Rider or (25 minus age of the minor Life Assured at the time of the opting the Rider), whichever is lower.

On death of Proposer of Base Policy:

If this Rider is opted for, on death of Proposer of the Base Policy (on whose life this Rider has been opted for) during the Rider Term, premiums payable in respect of Base Policy, falling due on and after the date of death till the expiry of Rider Term, shall be waived.

If any other Rider(s) is(are) also attached with the Base Policy, the premiums in respect of such Rider(s) shall not be waived and hence shall continue to be paid as per respective Rider conditions.

Further, if Premium Paying Term of the Base Policy exceeds the Rider Term, all the premiums due under the Base Policy from the date of expiry of this Premium Waiver Benefit Rider shall be payable by the Life Assured as per the terms and conditions of the Base Policy.

The additional premium charged in respect of PWB Rider shall not be taken into account in arriving at the amount to be refunded in calculating the surrender value of the policy.

The medical report and special reports, if required, at proposal stage or on revival, shall be at the proposer's own expense from the Corporation's appointed Medical Examiner.

LIC's Premium Waiver 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, additional details like refund during free look period, policy stamping etc., may be referred from the Rider Circular Ref: CO/PD/127 dated 31st January, 2020.

Eligibility conditions and restrictions:

- a) Minimum Entry Age : [18] years (completed)
- b) Maximum Entry Age : [55] years (Nearer Birthday)
- c) Policy Term / Rider Term : Outstanding Premium Paying Term of the Base Plan as on the date of opting this Rider or (25 minus age of minor as on the date of opting this Rider), whichever is lower, subject to the minimum outstanding Rider term of 5 years.
The date of opting i.e. Date of Commencement of this Rider shall be
 - Date of Commencement of Base Policy, if Rider is opted for at inception; or
 - Policy anniversary coinciding with or next policy anniversary, following the date of acceptance of application, if Rider is opted for at the later stage as an alteration
- d) Maximum cover ceasing age :[70] years (Nearer Birthday)
(i.e. if the age of the Proposer plus Rider term exceeds 70 years then the Rider shall not be allowed)

Age at entry for the proposer is to be taken as age nearer birthday except for the minimum age at entry i.e. 18 years.

Note:

- The premium under LIC's Accident Benefit Rider or LIC's Accidental Death and Disability Benefit Rider and LIC's New Critical Illness Benefit Rider shall not exceed 100% of premium under the base product, the premiums under all other life

insurance riders put together shall not exceed 30% of premiums under the base product.

- Any benefit arising under each of the riders shall not exceed the Sum Assured under Base product.

6. OPTIONS AVAILABLE UNDER THE BASE PLAN:

i) Settlement Option (for Maturity Benefit):

Settlement Option is an option to receive Maturity Benefit in instalments over the chosen period of 5 or 10 or 15 years instead of lump sum amount under an in-force as well as Paid-up policy. This option can be exercised by the Policyholder during minority of the Life Assured or by the Life Assured aged 18 years and above, for full or part of the Maturity proceeds payable under the policy. The amount opted by the Policyholder/Life Assured (i.e. Net Claim Amount) can be either in absolute value or as a percentage of the total claim proceeds payable.

The instalments shall be paid in advance at yearly or half-yearly or quarterly or monthly intervals, as opted for, subject to minimum instalment amount for different modes of payments being as under:

Mode of Instalment payment	Minimum instalment amount
Monthly	Rs. 5000/-
Quarterly	Rs. 15000/-
Half-Yearly	Rs. 25000/-
Yearly	Rs. 50000/-

If the Net Claim Amount is less than the required amount to provide the minimum instalment amount as per the option exercised by the Life Assured, the claim proceeds shall be paid in lump sum only.

The interest rates applicable for arriving at the instalment payments under Settlement Option shall be as fixed by the Corporation from time to time.

For exercising the Settlement Option against Maturity Benefit, the Life Assured shall be required to exercise option for payment of Net Claim Amount in instalments at least 3 months before the due date of maturity claim.

After the commencement of Instalment payments under Settlement Option against Maturity Benefit:

- If a Life Assured, who has exercised Settlement Option against Maturity Benefit, desires to withdraw this option and commute the outstanding instalments the same shall be allowed on receipt of written request from the Life Assured. In such case, the lumpsum amount, which is higher of the following shall be paid and the policy shall terminate.
 - discounted value of all the future instalments due; or
 - (the original amount for which settlement option was exercised) **less** (sum of total instalments already paid);
- The interest rates applicable for discounting the future instalment payments shall be as fixed by the Corporation from time to time.
- After the Date of Maturity, in case of death of the Life Assured, who has exercised Settlement Option, the outstanding instalments will continue to be paid to the nominee as per the option exercised by the Life Assured and no alteration whatsoever shall be allowed to be made by the nominee.

Any further instructions including applicable interest rates would be issued by Actuarial Department, Central Office.

ii) Option to take Death Benefit in Instalments:

This is an option to receive Death Benefit in instalments over the chosen period of 5 or 10 or 15 years instead of lump sum amount under an in-force as well as paid-up policy. This option can be exercised by the Policyholder during the minority of the Life Assured or by the Life Assured aged 18 years and above, during his/her lifetime; for full or part of the Death benefits payable under the policy. The amount opted by the Policyholder/Life Assured (i.e. Net Claim Amount) can be either in absolute value or as a percentage of the total claim proceeds payable.

The instalments shall be paid in advance at yearly or half-yearly or quarterly or monthly intervals, as opted for, subject to minimum instalment amount for different modes of payments being as under:

Mode of Instalment payment	Minimum instalment amount
Monthly	Rs. 5000/-
Quarterly	Rs. 15000/-
Half-Yearly	Rs. 25000/-
Yearly	Rs. 50000/-

If the Net Claim Amount is less than the required amount to provide the minimum instalment amount as per the option exercised by the Policyholder/Life Assured, the claim proceeds shall be paid in lump sum only.

The interest rates applicable for arriving at the instalment payments under this option shall be as fixed by the Corporation from time to time.

For exercising option to take Death Benefit in instalments, the Policyholder during the minority of the Life Assured or the Life Assured, if major, can exercise this option during his/her lifetime while in currency of the policy, specifying the period of Instalment payment and Net Claim Amount for which the option is to be exercised. The death claim amount shall then be paid to the nominee as per the option exercised by the Policyholder/Life Assured and no alteration whatsoever shall be allowed to be made by the nominee.

Any further instructions including applicable interest rates would be issued by Actuarial Department, Central Office.

7. MODE OF PREMIUM PAYMENT:

The premium can be paid regularly during the Premium Paying Term with modes of premium payment Yearly, Half Yearly, Quarterly, and Monthly (NACH only) or through salary deductions (SSS).

8. PREMIUM RATES:

The tabular premium rates and Class-I extra premium rates in respect of Base Plan as well as available Riders are enclosed and tabulated below-

Annexure	Particulars
Annexure 1	Tabular Premium rates per Rs. 1000/- Basic Sum Assured for Base Plan
Annexure 2	Class-I Extra premium rates per Rs. 1000/- Basic Sum Assured for Base Plan
Annexure 3	Tabular Premium rates per Rs. 1000/- AB Sum Assured for LIC's Accidental Death and Disability Benefit Rider Category I & II
Annexure 4	Tabular Premium rates per Rs. 1000/- Term Assurance Rider Sum Assured for LIC's New Term Assurance Rider
Annexure 5	Class-I Extra premium rates per Rs. 1000/- Term Assurance Rider Sum Assured for LIC's New Term Assurance Rider
Annexure 6	Tabular Premium rates per Rs. 1000/- Critical Illness Sum Assured for LIC's New Critical Illness Benefit Rider
Annexure 7	Class-I Extra premium rates per Rs. 1000/- Critical Illness Sum Assured for LIC's New Critical Illness Benefit Rider
Annexure 8	Tabular Premium rates per Rs. 100/- Base Plan Premium for LIC's Premium Waiver Benefit Rider
Annexure 9	Class- I Extra premium rates per Rs. 100/- Base Plan Premium for LIC's Premium Waiver Benefit Rider

The premium rate for **LIC's Accident Benefit Rider** is as under;

- i. Rs. 0.50 per thousand Accident Benefit Sum Assured irrespective of age.
- ii. Rs. 1.00 per thousand Accident Benefit Sum Assured, if the Life Assured is engaged in police duty in any police organization other than paramilitary forces and opts for this cover while engaged in police duty.

The above premium rates are exclusive of taxes.

9. GRACE PERIOD FOR PAYMENT OF PREMIUM:

A grace period of 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 premium is not paid before the expiry of the days of grace, the Policy lapses.

The above grace period will also apply to Rider premiums, if opted, as the Rider premiums are to be paid along with the premium of the Base Plan.

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 balance premium(s) falling due before the next policy anniversary.

If case of death of Life Assured under an inforce policy wherein all the premiums due till the date of death have been paid and where the mode of payment of premium is other than yearly, balance premium(s), if any, falling due from the date of death and before the next policy anniversary shall be deducted from the claim amount.

In case of death due to suicide, provision of Para 21 shall be applicable.

10. REBATES:

The rebates for the Base Plan are as under:

a) Mode Rebate:

<u>Mode</u>	<u>Percentage</u>
Yearly mode	: 2% of tabular premium
Half-yearly mode	: 1% of tabular premium
Quarterly, Monthly (through NACH only) & Salary deduction (SSS)	: NIL

b) High Basic Sum Assured Rebate:

<u>Basic Sum Assured (B.S.A)</u>	<u>Rebate on tabular premium per Rs 1000 B.S.A.(Rs.)</u>
1,00,000 to 2,75,000	Nil
3,00,000 to 4,75,000	4.00
5,00,000 to 9,75,000	5.00
10,00,000 and above	6.00

c) Rebate under Online Sale:

Proposal to be completed under online sales without any assistance of Agent / intermediary shall be eligible for rebate on tabular premium for the Base Plan as well as Rider(s) premium, if opted for, at the following rates:

<u>Premium Paying Term</u>	<u>Online Sale (Rate of rebate)</u>
10 to 14 years	7.5%
15 years	10%

11. CORPORATION'S INSURANCE SCHEME (CIS) REBATE:

Proposals completed under Corporation's Insurance Scheme (CIS) with regard to employees of the Corporation and its Subsidiaries/Step Down Subsidiaries/Associate Companies as per the prevailing policy of the Corporation in this regard, shall be eligible for CIS rebate on the tabular premium for the Base Plan as well as the Rider(s) premium, if opted for, at the following rates provided policy is not taken through any intermediary such as Agent/ Corporate Agent/ Broker, Insurance Marketing Firms and Online Sale:

<u>Premium paying Term</u>	<u>CIS Rebate</u>
10 to 14 years	7.5%
15 years	10%

Instructions in this regard, as applicable from time to time, shall be issued by Actuarial Department, Central Office.

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

a) Commission payable to Agents, Corporate Agents, Brokers and Insurance Marketing Firms (IMF) (as a percentage of premiums net of taxes) during the Premium Paying Term are as under:

<u>PPT</u>	<u>1st Year</u>	<u>2nd & 3rd Year</u>	<u>4th Year to one year before PPT</u>	<u>Last year of PPT</u>
10 to 14 years	25%	7.5%	5%	7.5%
15 years	30%	7.5%	5%	7.5%

No Bonus Commission shall be paid.

b) Online Sale:

Insurance Intermediary shall not be involved and hence no commission is payable.

c) Development Officer's Credit (D.O. Credit):Credit (as a % of the first year premium net of taxes) are as under:

<u>Premium Paying Term</u>	<u>Credit</u>
10 to 14 years	60%
15 years	100%

13. PAID-UP VALUE:

If less than two full year's premiums have been paid in respect of this policy and any subsequent premium be not duly paid, all the benefits under this policy shall cease after the expiry of grace period from the date of First Unpaid Premium and nothing shall be payable.

If, after atleast two full year's premium have been paid and any subsequent premiums be not duly paid, this policy shall not be wholly void, but shall subsist as a paid-up policy till the end of the policy term.

The **Sum Assured on Death** under a paid-up policy shall be reduced to such a sum, called '**Death Paid-up Sum Assured**' and shall be equal to **Sum Assured on Death** multiplied by the ratio of the total period for which premiums have already been paid bears to the maximum period for which premiums were originally payable. In addition to the Death Paid-Up Sum Assured, Guaranteed Additions accrued up to the date of First Unpaid Premium shall also be payable on Life Assured's death.

The **Sum Assured on Maturity** under a paid-up policy shall be reduced to such a sum called '**Maturity Paid-up Sum Assured**' and shall be equal to **Sum Assured on Maturity** multiplied by the ratio of the total period for which premiums have already been paid bears to the maximum period for which premiums were originally payable. In addition to the Maturity Paid-Up Sum Assured, the Guaranteed Additions accrued up to the date of First Unpaid Premium shall also be payable on maturity.

The accrued Guaranteed Additions under a paid-up policy shall include the Guaranteed Addition for the policy year during which the policy becomes paid-up on proportionate basis in proportion to the premium received for that year. For example, if two month's premiums have been received during that policy year, then 1/6th of Guaranteed Addition for that policy year shall be added.

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 accrued Guaranteed Additions will be paid after deduction of (a) unpaid premium(s) for the base policy 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. This provision shall not apply in case of death due to suicide.

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 due date of the First Unpaid Premium, "Sum Assured on Death" along with accrued Guaranteed Additions will be paid after deduction of (a) unpaid premium(s) for the base policy 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. This provision shall not apply in case of death due to suicide.

All the above mentioned Paid-up value provisions do not apply to Rider(s), as Rider(s) do not acquire any paid up value.

The Rider(s) benefit ceases to apply, if policy is in lapsed condition.

14. SURRENDER VALUE:

The policy can be surrendered at any time during the Policy Term provided atleast two full year's premium have been paid. On surrender of the policy, the Corporation shall pay the Surrender Value equal to higher of Guaranteed Surrender Value and Special Surrender Value.

Guaranteed Surrender Value:

The Guaranteed Surrender Value payable during the Policy Term shall be equal to the total premiums paid multiplied by the Guaranteed Surrender Value factor applicable to total premiums paid.

The Guaranteed Surrender Value factors applicable to total premiums paid will depend on the Policy Term and policy year in which the policy is surrendered and are enclosed as **Annexure 10**.

In addition, surrender value of accrued Guaranteed Additions, shall also be payable, which is equal to the accrued Guaranteed Additions multiplied by Guaranteed Surrender Value factor applicable to accrued Guaranteed Additions. The Guaranteed Surrender Value factors applicable to accrued Guaranteed Additions will depend on the Policy Term and policy year in which the policy is surrendered and are enclosed as **Annexure 11**.

Premiums referred above shall not include any taxes, extra and Rider premiums, if any.

Special Surrender Value:

The Special Surrender Value (SSV) will be the Special Surrender Value factor multiplied by $[(\text{Basic Sum Assured}) \times (\text{Number of premiums paid} / \text{Total Number of premiums payable}) + \text{accrued Guaranteed Additions}]$

These Special Surrender Value factors shall depend on the Policy Term and the duration elapsed as on date of surrender since commencement of the policy. The Special Surrender Value factors are enclosed as **Annexure 12**.

Further, if a policy is surrendered during the last policy year, the surrender value payable shall be the discounted value of maturity claim.

Where the maturity claim shall be as under:

- In case of inforce policy: **Sum Assured on Maturity** along with accrued Guaranteed Additions corresponding to the full term of the policy.
- In case of paid-up policy: **Maturity Paid-up Sum Assured** as mentioned in Para 13 above and accrued Guaranteed Additions. The accrued Guaranteed Additions shall include Guaranteed Addition for the policy year in which the last premium is received on proportionate basis in proportion to the premium received for that year.

Instructions regarding discounting of maturity claim alongwith applicable interest rate shall be issued by Actuarial Department, Central Office.

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.

15. REVIVALS:

If the premium is not paid within the days of grace, the policy lapses. The lapsed policy may be revived during the lifetime of the Life Assured, but within a period of 5 consecutive years from the date of First Unpaid Premium and before the date of maturity, as the case may be. The revival shall be effected on payment of all the arrears of premium(s) together with interest (compounding half yearly) at such rate as may be fixed by the Corporation from time to time and on satisfaction of Continued Insurability of the Life Assured and/or Proposer (if LIC's Premium Waiver Benefit Rider is opted for) on the basis of information, documents and reports that are already available

and any additional information in this regard if and as may be required in accordance with the Underwriting Policy of the Corporation at the time of revival, being furnished by the Policyholder/Life Assured/Proposer.

The Corporation, however, reserves the right to accept at original terms, accept at modified terms or decline the revival of a discontinued policy. The revival of discontinued policy shall take effect only after the same is approved, accepted and revival receipt is issued by the Corporation.

Revival of Rider(s), if opted for, will be considered only along with revival of the Base Policy, and not in isolation.

Instructions regarding the applicable interest rate shall be issued by Actuarial Department, Central Office.

16. ALTERATIONS:

The following alterations shall be allowed:

- Any change not involving change in Base premium rates and corresponding benefit structure.
- Reduction in Term of the policy subject to restrictions as per **Para 2(c)** above
- Inclusion of LIC's Accidental Death & Disability Benefit Rider / LIC's Accident Benefit Rider and/or LIC's Premium Waiver Benefit Rider.

Condition regarding alteration shall be as per instructions issued by CRM department from time to time.

17. LOAN:

Loan facility is available under this plan, after payment of premiums for atleast two full year's subject to the following conditions:

- a) The maximum loan that can be granted as a percentage of surrender value are as under:
 - For inforce policies – upto 90%
 - For paid-up policies – upto 80%
- b) The rate of interest to be charged for the loan amount would be determined by the Corporation from time to time.
- c) The loan during the minority of Life Assured can be availed by the proposer provided the loan is raised for the benefit of the minor Life Assured.
- d) 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 Corporation would be entitled to foreclose such policies. Such policies when being foreclosed shall be entitled to payment of the difference of surrender value and the outstanding loan amount along with interest, if any.
- e) In case the policy shall mature or surrendered or becomes a claim by death, the amount of outstanding Loan together with all interest shall be recovered from the claim benefit payment.

Further conditions regarding loan shall be as per instructions issued by CRM Department from time to time.

Instructions regarding the applicable interest rate shall be issued by Actuarial Department, Central Office.

18. TERMINATION OF POLICY:

The policy shall immediately and automatically terminate on the earliest occurrence of any of the following events:

- a) The date on which lumpsum death benefit/final instalment of death benefit is paid; or
- b) The date on which surrender benefits are settled under the policy; or
- c) The date of maturity if settlement option is not exercised; or
- d) On payment of final instalments under Settlement Option; or
- e) In the event of default in payment of loan interest as specified in **Para 17(d)**; or
- f) On expiry of Revival Period if the policy, which has not acquired paid up status, has not been revived within the revival period; or
- g) On payment of free look cancellation amount; or
- h) In the event of forfeiture as specified in **Para 22** below.

19. ONLINE SALE OF POLICIES:

Instructions relating to online sale of policies, if any, will be issued by Direct Marketing Department, Central Office.

20. UNDERWRITING, AGE PROOF AND MEDICAL REQUIREMENTS:

NB & R department will issue instructions in this regard.

21. SUICIDE CLAUSE:

Notwithstanding the provision of benefits payable on death mentioned anywhere in this Circular, the provisions related to claim payment in case of death due to Suicide shall be subject to the conditions as specified herein under:

- I.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 under this policy except for 80% of the total premiums paid excluding any taxes, extra premium and Rider premiums other than term assurance rider, if any, provided the policy is in-force. This clause shall not be applicable in case age at entry of the Life Assured is below 8 years.
- 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 total premiums paid (excluding any taxes, extra premium and Rider premiums other than term assurance rider, if any) till the date of death or surrender value available as on date of death shall be payable. The Corporation will not entertain any other claim under this policy.

This clause shall not be applicable:

- In case the age of the life assured is below 8 years at the time of revival, or
- For a policy lapsed without acquiring paid up value and nothing shall be payable under such policies.

The relaxation (claim concession) mentioned above under Paid-up Value provisions (**Para.13**) shall not be applicable in case of death due to suicide.

Premium Waiver Benefit Rider is applicable on the life of the proposer and hence the applicable proportion of the PWB rider premium shall be paid back on suicide by the Proposer.

22. 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.

23. 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 applicable taxes, as per the prevailing rates shall be payable by the policyholder on premiums (for base policy and Rider(s), if any) including extra premiums, which shall be collected separately over and above in addition to the premiums payable by the policyholder. 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 separately by Finance & Accounts Department, Central Office, separately, as applicable from time to time.

24. FREE LOOK 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 (30 days in case of online purchase) 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 of cover as per C.O. Circular Ref: CO/ PD/ 39 dated 31st December, 2013 and Ref: CO/PD/90 dated 19th December, 2016.

25. 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.

26. 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. In case of Premium Waiver Benefit Rider, PWB Sum Assured shall be total premiums payable under the base plan less premiums already paid.

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

27. REINSURANCE:

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

28. 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 on his/her own life 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.

29. NORMAL REQUIREMENTS FOR CLAIM:

Death Claim: The normal documents which the claimant shall submit while lodging the claim in case of death of the Life Assured or proposer (applicable if LIC's Premium Waiver Benefit Rider is opted for) 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, medical treatment prior to the death (if any), 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.

Within 90 days from the date of death, intimation of death along with death certificate must be notified in writing to the office of the Corporation where the policy is serviced for any claim to be admissible. However delay in intimation of the genuine claim by the claimant, if any, may be condoned by the Corporation on merit and where delay is proved to be for reasons beyond his/her control.

Maturity / Surrender Claim: In case of maturity/surrender of the policy, the Life Assured/Proposer 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.

Claim under Rider(s): In case of claim under Rider(s), the respective rider circular may be referred to.

In addition to above, any requirement mandated under any statutory provision or as may be required as per law or any instructions issued by CRM department in this regard shall also be required to be submitted.

30. 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.

31. PROPOSAL FORM:

Revised Proposal Form No. 300, 340 and 360 as given in **Annexure 13** of this circular shall be used under this plan.

32. POLICY DOCUMENT AND SALES BROCHURE:

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

This circular has to read in conjunction with the Policy Document and Sales Brochure.

33. DISCLOSURES:

At the time of sale, a customized Benefit Illustration shall be provided to the prospective Policyholder. Such Benefit Illustration shall be signed by both the prospective policyholder and intermediary and shall form part of the Policy Document.

Suitability information to be collected, including recommendations to be made, shall be a part of the policy records.

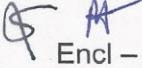
Separate instructions on the above shall be issued by Marketing Department, Central Office.

34. ADDRESS OF OMBUDSMAN:

At the stage of issuance of policy the address and contact details of the nearest Insurance Ombudsman is to be mentioned in the Policy Document. In case of any change in address by policyholder, the address and contact details of the nearest Insurance 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/SBA)

 Encl – Annexure 1 to 13

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