

**LIFE INSURANCE CORPORATION OF INDIA
CENTRAL OFFICE**

Dept: Actuarial

“Yogakshema”
Jeevan Bima Marg
Mumbai – 400 021

Ref: CO/PD/237

30th September, 2024

To,
All HODs of Central Office
All Zonal Offices
All Divisional Offices
All P&GS Units
All Branch Offices and Satellite Offices
MDC, ZTCs, STCs and Audit & Inspection Depts.

Re: INTRODUCTION OF LIC's JEEVAN UMANG (Plan No- 745)

1. INTRODUCTION:

In view of the IRDAI (Insurance Products) Regulations, 2024, Master Circular on Life Insurance Products, 2024 and other relevant Circulars issued by IRDAI, it has been decided to modify LIC's Jeevan Umang (Plan No. 945), Unique Identification Number **512N312V02**. The new Plan Number for modified LIC's Jeevan Umang shall be **745** and UIN shall be **512N312V03**.

The earlier version of the Plan i.e Plan No. 945 with UIN: 512N312V02 shall be withdrawn with effect from 1st October, 2024 and the modified version i.e Plan No- 745 shall be available for new business from 1st October, 2024.

The new Unique Identification Number (UIN) for LIC's Jeevan Umang is **512N312V03**. This number has to be quoted in all relevant documents furnished to the Policyholders and other users (public, distribution channels etc.).

The major modifications are as under:

- i)** The Minimum Age at end of Premium Paying Term (PPT) has been modified from 30 years (nearer birthday) to 18 years (completed). Accordingly, Minimum Age of Entry for all Premium Paying Term has been reduced.
- ii)** The premium rates under the plan have been revised.
- iii)** Policy shall now acquire Surrender Value after completion of first policy year provided one full year's premium(s) has been paid as against earlier condition of payment of two full years' premium. Accordingly, if atleast one full year's premium(s) has been paid and on completion of first policy year the policy shall become paid-up and policy loan shall also be available.

- iv) The Death Benefit now under a paid-up policy shall not be less than 105% of total premiums paid upto the date of death.
- v) Quantum of policy loan as a percentage of Surrender Value has been modified.
- vi) The following modified riders shall be available under this plan:
 - LIC's Accidental Death & Disability Benefit Rider (UIN:512B209V02)
 - LIC's Accident Benefit Rider (UIN: 512B203V03)
 - LIC's New Term Assurance Rider (UIN:512B210V02)
 - LIC's Premium Waiver Benefit Rider (UIN:512B204V04)

Currently, LIC's New Critical Illness Benefit Rider (UIN 512A212V02) shall not be available under the Plan.

In view of the above, four optional riders shall now be available under this plan as against five optional riders.

- vii) The Rider Sum Assured in respect of LIC's Accident Benefit Rider shall not exceed three times of Basic Sum Assured under the Base product as against earlier limit of Basic Sum Assured.
- viii) LIC's Accident Benefit Rider and LIC's Accidental Death and Disability Benefit Rider shall now be a life insurance rider. The premiums under all the life insurance riders put together shall not exceed 30% of premiums under the base product.

The earlier provision was, 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.

- ix) "Free Look Period" has been extended to 30 days from the date of receipt of the electronic or physical mode of the Policy Bond, whichever is earlier as against 15 days from the date of receipt of Policy Bond.
- x) Customized Benefit illustration has been revised.
- xi) Commission / remuneration payable to the agents and other insurance intermediaries have been modified.
- xii) Customer Information Sheet and Need Analysis document shall form part of the Policy Document.

LIC's Jeevan Umang Plan is a Par, Non-Linked, Individual, Savings, Whole Life Insurance plan. This plan provides for annual survival benefits from the end of the premium paying term till maturity and a lumpsum 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 as given below:

2. ELIGIBILITY CONDITIONS AND RESTRICTIONS FOR BASE PLAN:

- | | |
|--------------------------------------|--|
| 1) Minimum Age at entry | : 3 years (completed) for PPT 15 years
30 days (completed) for PPT 20, 25 & 30 years |
| 2) Maximum Age at entry | : 55 years (nbd) for PPT=15 years
50 years (nbd) for PPT=20 years
45 years (nbd) for PPT=25 years
40 years (nbd) for PPT=30 years |
| 3) Premium Paying Term (PPT) | : 15, 20, 25 and 30 years |
| 4) Minimum age at the end of the PPT | : 18 years (completed) |
| 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 |

Age at entry for the policyholder is to be taken as age nearer birthday except for age 0 years for which it has to be 30 days completed. Minimum period between Date of Birth and Date of Issuance of policy should not be less than 30 days.

The Basic Sum Assured shall be in multiples of amounts specified below:

Basic Sum Assured Range	Sum Assured multiple
From Rs. 2,00,000 to Rs. 4,50,000	Rs. 25,000/-
Above Rs. 4,50,000 to Rs. 9,00,000	Rs. 50,000/-
Above Rs. 9,00,000	Rs. 1,00,000/-

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, i.e. from the date of issuance of the policy.

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 in-force 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) excluding taxes,

extra premium and rider premium, if any, shall be payable.

ii. On Death after the commencement of Risk:

On death of the Life Assured during the Policy Term, Death Benefit equal to “**Sum Assured on Death**” along with vested Simple Reversionary bonuses and Final Additional bonus, if any, shall be payable; where “**Sum Assured on Death**” is defined as the higher of

- 7 times of annualized premium; or
- Basic Sum Assured.

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

Where,

- “Annualized Premium” shall be the premium payable in a year, excluding the taxes, rider premiums, underwriting extra premiums and loadings for modal premiums
- “Total Premiums Paid” means total of all the premiums paid under the base product, excluding any extra premium, and taxes, if collected explicitly. In case LIC’s Premium Waiver Benefit Rider is opted for, in the event of death of Proposer, any subsequent Premiums which are waived shall be deemed to have been received and be included in the Total Premiums Paid.

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 **Para 4** below) and Final Additional bonus, if any, shall be payable; where “**Sum Assured on Maturity**” is equal to Basic Sum Assured.

4. PARTICIPATION IN PROFITS:

Depending upon the Corporation’s experience with regard to policies issued under this plan, the policy shall participate in profits in the following manner:

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 in-force.

Final Additional Bonus may also be declared at such rates and on such terms under an in-force 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 at such rates and on such terms as may be declared by the Corporation. 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.

The actual allocation to policyholders, out of the surplus emerging from the actuarial investigation, shall be as approved by Central Government in accordance with provisions in this regard under LIC Act, 1956.

5. OPTIONAL RIDER 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 and/or the remaining two riders subject to the eligibility as detailed below.

a) 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. 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 at least 5 years. The benefit cover under this rider shall be available up to the policy anniversary on which the age nearer birthday of the Life Assured is 70 years. Thereafter the cover shall cease.

If this rider is opted for, an amount equal to the Accident Benefit Sum Assured is payable on death due to accident, provided the rider is in-force 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, 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.

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 Policy, requirements of claim, definition of disability etc., may be referred from the Rider Circular Ref: CO/PD/226 dated 30th September, 2024

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 Plan is at least 5 years. However, in any case maximum age at entry shall not exceed 65 years (nearer birthday).
- c) Rider Term : The rider term shall be (70 minus age at entry)
- d) Maximum 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.

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

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 of the Base Plan is at least 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 rider 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 in-force at the time of accident irrespective of whether or not it is in-force 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/224 dated 30th September, 2024.

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 Plan 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
- d) Minimum Accident Benefit Sum Assured: Rs. 20,000/-
- e) Maximum Accident Benefit Sum Assured: An amount equal to **three times of 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, LIC's Group Accident Benefit Rider and LIC's Linked Accidental Death Benefit Rider.

c) LIC's New Term Assurance Rider (UIN: 512B210V02):

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 amount equal to Term Assurance Rider Sum Assured shall be payable on death of the life assured during Rider Term, provided the rider cover is in-force.

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/227 dated 30th September, 2024.

Eligibility conditions and restrictions:

- a) Minimum Entry Age : 18 years (completed)
- b) Maximum Entry Age : Same as Base Plan
- c) Premium paying term : Same as Base Plan
- d) Maximum Rider Term : 35 years or (75 minus Age at entry), whichever is earlier.

- e) Maximum cover ceasing Age : 75 years (nbd)
- f) Minimum Term Assurance Rider Sum Assured: Rs. 1,00,000/-
- g) 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.

d) **LIC's Premium Waiver Benefit Rider (UIN: 512B204V04)**

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 at the inception or at any time during the Premium Paying Term of the Base policy (i.e. 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/225 dated 30th September, 2024.

Eligibility conditions and restrictions:

- a) Minimum Entry Age : [18] years (completed)

- b) Maximum Entry Age : [55] years (Nearer Birthday)
- c) Rider Term : Outstanding Premium Paying Term of the Base Policy 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 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 Rider Term plus age of Proposer is more than 70 years Rider shall not be allowed)

Note: The premiums under all the life insurance riders put together shall not exceed 30% of premiums under the base product. The Rider Sum Assured in respect of LIC's Accident Benefit Rider shall not exceed three times of Basic Sum Assured under the Base product and any benefit arising under each of all other riders shall not exceed the Sum Assured under Base product.

6. 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 lumpsum 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 Life Assured aged 18 years and above, during his/her life time; for full or part of 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. 5,000/-
Quarterly	Rs. 15,000/-
Half-Yearly	Rs. 25,000/-
Yearly	Rs. 50,000/-

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 lumpsum 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 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 shall be issued by Actuarial Department, Central Office.

7. **MODE OF PREMIUM PAYMENT:**

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

In case of Monthly premiums through NACH, 3 Months premiums shall be collected in advance. In case NACH is not validated within 3 months from the date of Commencement of policy, the mode of premium payment shall be automatically converted in to Quarterly mode of premium payment.

Any further instructions in this regard, as applicable from time to time, shall be issued by the CRM/PS Department, Central Office.

8. **PREMIUM RATES:**

Premium amount under this plan can be calculated through the calculator given in LIC's website, NB Module as well as through various LIC Apps.

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

Annexure	Particulars
Annexure 1	Class- I Extra premium rates per Rs. 1000/- Basic Sum Assured for Base Plan
Annexure 2	Tabular Premium rates per Rs. 1000/- Rider Sum Assured for LIC's Accidental Death and Disability Benefit Rider . There are two categories for Accident benefit premium rates. Category-I rates are applicable to all the life 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.
Annexure 3	Tabular Premium rates per Rs. 1000/- Term Assurance Rider Sum Assured for LIC's New Term Assurance Rider
Annexure 4	Class- I Extra premium rates per Rs. 1000/- Term Assurance Rider Sum Assured for LIC's New Term Assurance Rider
Annexure 5	Tabular Premium rates per Rs. 100/- Base Plan Premium for LIC's Premium Waiver Benefit Rider
Annexure 6	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 opt 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 premium for 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 in-force 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.

In case of death of Life Assured under an in-force 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 date of death and before the next policy anniversary shall be deducted from the claim amount.

10. 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

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 4,50,000	: Nil
5,00,000 to 9,00,000	: 2.50% B.S.A
10,00,000 to 24,00,000	: 3.50% B.S.A
25,00,000 and above	: 4.00% B.S.A

Rebate under Corporation's Insurance Scheme (CIS):

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 of **10% on Tabular Premium** for the base plan as well as rider premium, if opted for, provided policy is not taken through any intermediaries such as Agent/ Corporate Agent/ Broker/ Insurance Marketing Firms etc.

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

11. COMMISSION / REMUNERATION PAYABLE TO THE AGENTS AND OTHER INSURANCE INTERMEDIARIES & CREDIT TO DEVELOPMENT OFFICERS:

- a) Commission payable to Agents, Corporate Agents, Brokers and Insurance Marketing Firms (as percentage of premium excluding taxes, if any) during the premium paying term shall be as under:

<u>1st Year</u>	<u>2nd to 5th Year</u>	<u>Subsequent Years</u>
20%	7.5%	5%

Bonus Commission: 40% of 1st year commission.

In addition to the above, on payment of six full year's premiums under a policy, an additional one time commission of amount equal to 2% of one full year premium (net of taxes) shall also be payable, if the Basic sum Assured under the policy is Rs. 5 Lakhs and above.

Instructions regarding clawback of commission from Agents and other Insurance Intermediaries shall be issued by Marketing Department, Central Office.

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

12. PAID-UP VALUE:

If less than one full year's premium(s) has been paid in respect of the policy and any subsequent premium be not duly paid, all the benefits under the policy shall cease after the expiry of grace period from the date of first unpaid premium and nothing shall be payable.

If after at least one full year's premiums have been paid and any subsequent premiums be not duly paid, on completion of first policy year the 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 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. The Death Benefit payable under the paid-up policy, on death of the Life Assured, shall be Death Paid-Up Sum Assured along with vested simple reversionary bonuses and Final Additional Bonus, if any. This Death benefit, shall not be less than 105% of total premiums paid upto the date of death.

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 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. The Maturity Benefit payable under the paid-up policy, on expiry of the policy term, shall be Maturity Paid-Up Sum Assured along with vested simple reversionary bonuses and Final Additional Bonus, if any.

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, in a different form and on a differential scale depending on the Corporation's experience under such paid-up policies.

Notwithstanding what is stated above, if at least 3 full years' premiums have been paid in respect of the 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 unpaid premium(s) for the base policy with interest thereon up to 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 the 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 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 unpaid premium(s) for the base policy with interest thereon up to 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 of the above mentioned Paid-up Value provisions do not apply to riders as the riders do not acquire any paid up value. The rider benefits cease to apply, if policy is in lapsed condition.

13. SURRENDER VALUE:

The policy can be surrendered by the policyholder after completion of first policy year provided atleast one full year's premiums has been paid. However, the policy shall acquire Guaranteed Surrender Value on payment of atleast two full years' premiums and Special Surrender Value after completion of first policy year provided one full year premium has been paid. On surrender of an in-force or paid-up 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 shall be equal to the total premiums paid excluding any taxes (if collected explicitly), extra premiums and rider premium, if opted for, multiplied by the Guaranteed Surrender Value factor applicable to total premiums paid. These Guaranteed Surrender Value factors expressed as percentages will depend on the policy term and policy year in which the policy is surrendered and are given in **Annexure - 7** of this circular.

In addition, the surrender value of vested Simple Reversionary bonuses, if any, shall also be payable, which is equal to vested Simple Reversionary 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 8**.

Special Surrender Value (SSV):

(i) **Special Surrender Value payable under an in-force or paid-up policy:**

The Special Surrender value shall be sum of (Death Paid-Up Sum Assured along with vested simple reversionary bonuses, if any, *multiplied by* Factor 1) and (Maturity Paid-Up Sum Assured along with vested simple reversionary bonuses, if any, *multiplied by* Factor 2) and (Survival Benefit payable under paid-up policy *multiplied by* Factor 3).

i.e. Special Surrender Value = (Death Paid-Up Sum Assured along with vested simple reversionary bonuses, if any) x Factor 1 + (Maturity Paid-Up Sum Assured along with vested simple reversionary bonuses, if any) x Factor 2 + (Survival Benefit payable under paid-up policy) x Factor 3.

The Death Paid-Up Sum Assured, Maturity Paid-Up Sum Assured and Survival Benefit payable under paid-up policy shall be as specified in Para 12.

(ii) **Special Surrender Value payable under a fully paid-up policy (i.e. where all the premiums payable during the term of the policy are paid):**

The Special Surrender value shall be sum of (Sum Assured on Death along with vested simple reversionary bonuses, if any, *multiplied by* Factor 1) and (Sum Assured on Maturity along with vested simple reversionary bonuses, if any, *multiplied by* Factor 2) and (Survival Benefit payable under a paid-up policy multiplied by Factor 3).

i.e. Special Surrender Value = (Sum Assured on Death along with vested simple reversionary bonuses, if any) x Factor 1 + (Sum Assured on Maturity along with vested simple reversionary bonuses, if any) x Factor 2 + (Survival Benefit payable under a paid-up policy) x Factor 3.

The Special Surrender Value Factors shall be reviewed annually and instructions in this regard shall be issued by Actuarial Department, Central Office.

Final Additional Bonus shall not be payable under paid-up policy or surrender of a policy during the PPT. However, after elapsation of premium paying term, in the event of policy being surrendered under a fully paid-up policy or a paid-up policy where the Maturity Paid-up Sum Assured is Rs 2,00,000 or more, Final Additional Bonus at such rates and on such terms as may be declared by the Corporation for surrendering policies may be considered in payment of Special Surrender Value.

Further, if the policy is surrendered during the last policy year the same shall be treated as discounting of Maturity Claim; where the Maturity Claim shall be:

- In case of in-force policy: **“Sum Assured on Maturity”** along with vested Simple Reversionary bonuses and Final Additional bonus, if any.
- In case of paid-up policy: **“Maturity Paid-up Sum Assured”** (as mentioned in **Para. 12**) along with vested Simple Reversionary Bonuses.

The Special Surrender Value factors Factor 1 and Factor 2 shall depend on the duration elapsed since commencement of the policy and are enclosed as **Annexure- 9(a)** and **Annexure- 9(b)** respectively. The Special Surrender Value factors Factor 3 shall depend on the premium paying term and the duration elapsed since commencement of the policy and are enclosed as **Annexure- 9(c)**.

LIC's Accidental Death and Disability Benefit Rider and LIC's New Term Assurance Rider and 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.

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

14. 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 complete years from the date of first unpaid premium. 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.

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(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.

15. ALTERATIONS:

The following alterations shall be allowed:

- Any change not involving change in Base premium rates and corresponding benefit structure.
- Inclusion of LIC's Accidental Death & Disability Benefit Rider / LIC's Accident Benefit Rider and/or LIC's Premium Waiver Benefit Rider.

Conditions regarding alterations shall be as per the instructions issued by CRM department, Central Office, from time to time.

16. LOAN:

Loan facility is available under this plan, after completion of first policy year provided one full year's premium has been paid, subject to following conditions:

- i) The maximum Loan that can be granted shall be as under :

If loan is availed during the premium paying term:

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

Policy Status	Before payment of two full year's premiums	After payment of two full year's premiums
Under In-force policies	50%	75%
Under Paid-up policies	40%	65%

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.

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.

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

17. 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 or

- d) In the event of default in payment of loan interest as specified in **Para 16**; or
- e) On expiry of Revival Period if the policy, which has not acquired paid up status, has not been revived within the revival period; or
- f) On payment of free look cancellation amount; or
- g) In the event of forfeiture as specified in **Para 20** below.

18. UNDERWRITING, AGE PROOF AND MEDICAL REQUIREMENTS :

NB & R department will issue instructions in this regard.

19. 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:

- 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 Nominee or Beneficiary of the Life Assured shall be entitled to 80% of the total premiums paid, provided the policy is in-force. 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 total premiums paid till the date of death or the surrender value available as on the date of death, shall be payable. The Nominee or Beneficiary of the Life Assured shall not be entitled to 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.

The relaxation (claim concession) mentioned above under Paid-up Value provisions (**Para.12**) shall not be applicable in case of death due to suicide.

The total premiums paid mentioned above shall exclude any taxes, extra premium and Rider premiums other than Term Assurance Rider premium, if any. 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.

20. FORFEITURE IN CERTAIN EVENTS:

In case it is found that any untrue or incorrect statement is contained in the proposal (including proposal for Premium Waiver Benefit Rider, if opted for), 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.

21. TAXES:

Statutory Taxes, if any, imposed on such insurance plans by the Government of India or any other constitutional tax Authority of India shall be as per the Tax laws and the rate of tax 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 by Finance & Accounts Department, Central office, separately, as applicable from time to time.

22. 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 30 days from the date of receipt of the electronic or physical mode of the Policy Document, whichever is earlier.

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

1. Stamp duty on policy;
2. Actual cost of medical examination (including special reports, if any);
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.

23. BACK-DATING INTEREST:

The policies can be dated back within the same financial year but not before the Date of Introduction of modified version of this plan. Back-dating interest as applicable at the time of completion of t^{he} 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 up to 14 days is to be ignored and 15 days or more is to be rounded to a month for this calculation.

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

24. POLICY STAMPING:

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

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 premium to be waived under the Base Policy during the PWB rider term.

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

25. REINSURANCE:

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

26. 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 any Branch/Satellite office of the Corporation. In registering nomination the Corporation does not accept any responsibility or express any opinion as to its validity or legal effect.

27. NORMAL REQUIREMENTS FOR CLAIM:

- a) Death 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, 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.

In case of unnatural death or death on account of or arising from an accident, the Corporation may call for the copies of First Information Report (FIR), Panchnama and Post Mortem report. The Corporation may also call for additional documents as may be required by them.

Policyholder or the claimant, as applicable, is required to intimate the Corporation, about the happening of the insured event resulting into a claim under the policy, at the earliest possible time.

- b) Survival Benefit / Maturity / Surrender Claim: In case of survival benefit / 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.
- c) Claim under Rider(s): In case of claim under Rider(s), the respective rider's 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.

28. 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.

29. PROPOSAL FORM :

Proposal Form No. 300, 340 & 360 as issued by NB&R Department shall be used under this plan.

30. POLICY DOCUMENT, CUSTOMER INFORMATION SHEET AND SALES BROCHURE:

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

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

31. 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.

32. 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 (Actuarial)

Encl – Annexure 1 to 9

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