

LIFE INSURANCE CORPORATION OF INDIA
CENTRAL OFFICE

Dept.: Product Development

"Yogakshema",
Jeevan Bima Marg,
Mumbai – 400 021

Ref: CO/PD/142

31st January, 2020

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 MODIFIED VERSION OF LIC's NEW MONEY BACK PLAN – 20 YEARS (Plan No. 920)

1. INTRODUCTION:

In view of the new Product Regulations, 2019, issued by IRDAI, it has been decided to modify LIC's New Money Back Plan – 20 years (Plan No. 820), Unique Identification Number (UIN) 512N280V01.

The modifications are as under:

- i. Definition of the "Sum Assured on Death" has been modified from "*higher of 125% of Basic Sum Assured or 10 times of annualized premium*" to "*higher of 125% of Basic Sum Assured or 7 times of annualized premium*".
- ii. In addition to the existing riders available under the plan, LIC's Accident Benefit Rider (UIN: 512B203V03) has also been allowed.
- iii. The following Options have also been allowed:
 - a) Settlement Option for Maturity Benefit
 - b) Option to take lumpsum Death Benefit in instalments
- iv. Revival period has been extended from 2 years to 5 years.
- v. Policy shall now acquire Surrender Value if premiums are paid for at least two consecutive years as against earlier three years. Accordingly, the policy shall become paid-up and policy loan shall also be available after payment of two full years' premiums.
- vi. Guaranteed Surrender Value factor applicable to "total premiums paid" have been modified.
- vii. Grace Period has been modified from "One month but not less than 30 days" to "30 days" for yearly, half-yearly and quarterly mode of premium payment.



- viii. The relaxation of claim payment under discontinued policy shall not be applicable for the death due to Suicide and same is mentioned under Suicide Clause.
- ix. Maximum Entry Age under LIC's Accidental Death and Disability Benefit Rider has been modified. The cover under this rider 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.
- x. "CEIS Rebate" has been renamed as "CIS Rebate" which shall also be available for employees of the Corporation and its Subsidiaries/Step Down Subsidiaries/Associate Companies as per the prevailing Policy of the Corporation in this regard.

The new Unique Identification Number (UIN) for LIC's New Money Back Plan – 20 years is **512N280V02**. This number has to be quoted in all relevant documents furnished to the Policyholders and other users (public, distribution channels, etc.).

The modified version of this plan shall be launched from 1st February, 2020. The new Plan Number for modified LIC's New Money Back Plan – 20 years shall be **920**.

LIC's New Money Back Plan- 20 years is a non-linked, participating, individual, life assurance savings plan.

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

2. ELIGIBILITY CONDITIONS AND RESTRICTIONS FOR BASE PLAN:

- | | |
|--|------------------------------|
| a) Minimum Age at entry for Life Assured | : 13 years (completed) |
| b) Maximum Age at entry for Life Assured | : 50 years (nearer birthday) |
| c) Maximum Maturity Age for Life Assured | : 70 years (nearer birthday) |
| d) Policy Term | : 20 years |
| e) Premium Paying Term | : 15 years |
| f) Minimum Basic Sum Assured | : Rs. 1,00,000/- |
| g) Maximum Basic Sum Assured | : No limit |

The Basic Sum Assured shall be in multiples of Rs. 5000/-

Age at entry for the policyholder is to be taken as age nearer birthday except for the minimum age at entry i.e. 13 years (completed).

Date of Commencement of Risk: Under this plan the risk will commence immediately from the Date of issuance of 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 the 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:**

On death of Life assured during the policy term, the **Death Benefit** payable, on death of the Life Assured during the policy term, shall be "**Sum Assured on Death**" along with vested Simple Reversionary Bonuses and Final Additional Bonus, if any. Where, "**Sum Assured on Death**" is defined as higher of 125% of the Basic Sum Assured or 7 times of annualized premium

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

The premiums mentioned above exclude taxes, extra premium and rider premium, if any.

b) **Survival Benefit :**

On the Life Assured surviving to the end of each of the specified durations i.e. 5th, 10th & 15th policy year, 20% of the Basic Sum Assured shall be payable.

c) **Maturity Benefit:**

On the Life Assured surviving to the end of the policy term, the "**Sum Assured on Maturity**" along with vested Simple Reversionary Bonuses and Final Additional Bonus, if any, shall be payable; where the **Sum Assured on Maturity** is equal to 40% of the Basic Sum Assured.

d) **Participation in profits:**

Depending upon the Corporation's experience the policies shall participate in the profits and shall be eligible for simple reversionary bonus at such rate and on such terms as may be declared by the Corporation.

Final Additional Bonus may also be declared under the policy which will be payable on the expiry of the policy term or on earlier death, provided the policy has run for certain minimum term.

Final Additional Bonus shall not be payable under paid-up policies.

4. OPTIONAL RIDER BENEFITS:

The following four 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. Therefore, a policyholder can opt for a maximum of three riders under this plan.

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 in-force 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 at least 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 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 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 plan is at least 5 years. However, in any case maximum age at entry shall not exceed 60 years (nearer birthday).
- c) Rider Term : Outstanding policy term of the Base Plan
- d) Minimum Accident Benefit Sum Assured: Rs. 10,000/-
- e) 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 in-force 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 as well the rider is at least 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 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/36

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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 plan is at least 5 years. However, in any case maximum age at entry shall not exceed 60 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 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.

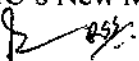
If this benefit is opted for, an amount equal to Term Assurance Rider Sum Assured shall be payable on death of the Life Assured during the policy term, provided the rider cover is in-force.

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/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 512A212V01):

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 circular Ref: CO/PD/90 dated 19th December, 2016.

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 the 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. 5,000/- only.

5. OPTION 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 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, for full or part of Maturity proceeds payable under the policy. The amount opted for 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 mode 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 Life Assured, the claim proceeds shall be paid in lumpsum 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 Policyholder/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.

The first payment will be made on the date of maturity and thereafter, based on the mode of instalment payment opted for by the policyholder, every month or three months or six months or annually from the date of maturity, as the case may be.

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 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 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

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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 would be issued by Actuarial Department, Central Office.

6. 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).

7. 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	The tabular premium rates per Rs. 1000/- Accident Benefit Sum Assured for LIC's Accidental Death and Disability Benefit Rider applicable to Category-I lives i.e. the Life Assureds except those who are falling under category-II.
Annexure 4	The tabular premium rates per Rs. 1000/- Accident Benefit Sum Assured for LIC's Accidental Death and Disability Benefit Rider applicable to Category-II lives i.e. Life Assureds engaged in police duty in any police organization other than paramilitary forces and opt for this cover while engaged in police duty.
Annexure 5	Tabular Premium rates per Rs. 1000/- Term Assurance Rider Sum Assured for LIC's New Term Assurance Rider
Annexure 6	Class- I Extra premium rates per Rs. 1000/- Term Assurance Rider Sum Assured for LIC's New Term Assurance Rider
Annexure 7	Tabular Premium rates per Rs. 1000/- Critical Illness Sum Assured for LIC's New Critical Illness Benefit Rider
Annexure 8	Class- I Extra premium rates per Rs. 1000/- Critical Illness Sum Assured for LIC's New Critical Illness 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 organisation other than paramilitary forces and opt for this cover while engaged in police duty

The above premium rates are exclusive of taxes.

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8. 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.

9. REBATES:

The rebates for Base plan are as under:

Mode Rebate:

- Yearly mode : 2% of tabular premium
- Half-yearly mode : 1% of tabular premium
- Quarterly, Monthly & SSS mode : NIL

High Basic Sum Assured Rebate:

<u>Basic Sum Assured</u>	<u>Rebate (Rs.)</u>
1,00,000 to 1,95,000	Nil
2,00,000 to 4,95,000	2 per thousand Basic Sum Assured
5,00,000 and above	3 per thousand Basic Sum Assured

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.

10. 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 net of taxes) during the premium paying term are as under:

<u>1st Year</u>	<u>2nd & 3rd Year</u>	<u>Subsequent Years</u>
20%	7.5%	5%

Bonus Commission: 40% of 1st year commission

b) **Development Officer's Credit (as a % of the first year premium excluding taxes):**
100% of the First Year Premium excluding taxes.

11. PAID-UP VALUE:

If after at least two full years' premiums 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.

The **Sum Assured on Death** under the paid-up policy shall be reduced to an amount, 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 the premiums are originally payable*. In addition to the Death Paid-Up Sum Assured vested Simple Reversionary bonuses, if any, is payable on Life Assured's death.

The **Sum Assured on Maturity** under the paid-up policy shall be reduced to such a sum, called "**Maturity Paid-up Sum Assured**", where **Maturity Paid-up Sum Assured** and shall be equal to [(Sum Assured on Maturity *plus* total amount of Survival Benefits payable under the policy) *multiplied by the ratio of the total period for which premiums have already been paid bears to the maximum period for which the premiums are originally payable*] *less* total amount of survival benefits already paid under the policy i.e. [(Sum Assured on Maturity + total amount of Survival Benefits payable under the policy) x (total period for which premiums have already been paid / maximum period for which the premiums are originally payable)] - total amount of survival benefits already paid under the policy]. In addition to the Maturity Paid-Up Sum Assured vested Simple Reversionary bonuses, if any, is payable on the expiry of the policy term.

The policy so reduced shall thereafter be free from all liabilities for payment of the within mentioned premiums, but shall not be entitled to participate in future profits. However, the vested Simple Reversionary bonuses shall remain attached to the paid up policy.

The Survival Benefits having already been incorporated in the calculation of Maturity Paid-up Sum Assured, future Survival Benefits shall not be payable separately.

Notwithstanding what is stated above, if at least 3 full years' premiums have been paid in respect of this policy, and any subsequent premium be not duly paid, in the event of the death of the Life Assured within six months from the due date of first unpaid premium, **Sum Assured on Death** along with vested Simple Reversionary Bonuses and Final Additional Bonus, if any, will be paid after deduction of (a) the 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 five full years' premiums have been paid in respect of this policy, and any subsequent premium be not duly paid, in the event of death of the Life Assured within 12 months from the first unpaid premium, **Sum Assured on Death** along with vested Simple Reversionary Bonuses and Final Additional Bonus, if any, will be paid after deduction of (a) the 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.

12. SURRENDER VALUE:

The policy can be surrendered at any time during the policy term provided at least two full years' premiums have been paid. **On surrender of policy, the Corporation shall pay the surrender value equal to higher of Guaranteed Surrender Value or Special Surrender Value.**

Guaranteed Surrender Value:

The Guaranteed Surrender Value shall be equal to the total premiums paid (excluding any extra premium, any premiums for rider(s), if opted for, and taxes) multiplied by the Guaranteed Surrender Value factor applicable to total premiums paid and then reduced by total amount of survival benefits already paid under the policy. These Guaranteed Surrender Value factors expressed as percentages will depend on the policy year in which the policy is surrendered and are as specified below.

Policy Year	1	2	3	4	5	6	7	8	9	10
GSV factor applicable to total premiums paid (in percentage)	0.00	30.00	35.00	50.00	50.00	50.00	50.00	52.50	55.00	57.50

Policy Year	11	12	13	14	15	16	17	18	19	20
GSV factor applicable to total premiums paid (in percentage)	60.00	62.50	65.00	67.50	70.00	72.50	75.00	77.50	90.00	90.00

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 factors expressed as percentages will depend on the policy year in which the policy is surrendered and are as specified below.

Policy Year	1	2	3	4	5	6	7	8	9	10
GSV factor applicable to vested bonuses (in percentage)	0.00	0.00	16.22	16.58	17.03	17.58	17.58	17.66	17.85	18.16

Policy Year	11	12	13	14	15	16	17	18	19	20
GSV factor applicable to vested bonuses (in percentage)	18.60	19.18	19.93	20.85	21.99	23.38	25.05	27.06	30.00	35.00

Special Surrender Value:

The Special Surrender Value will be the sum of (**Basic Sum Assured** multiplied by the ratio of the "total period for which premiums have already been paid" bears to "the maximum period for which the premiums were originally payable") and the **Vested Reversionary Bonuses**, if any, multiplied by their respective **Special Surrender Value Factor(s)** as applicable and then duly reduced by total amount of **Survival Benefits** already paid under the policy.

i.e. {[Special Surrender Value Factor x Basic Sum Assured x (total period for which premiums have already been paid / maximum period for which the premiums were originally payable)] + [Vested Reversionary Bonuses x Special Surrender Value Factor as applicable to it]} - total amount of Survival Benefits already paid under the policy.

These Special Surrender Value factors which currently are same for multiplication in both, Paid up Value and Vested Reversionary Bonuses, depend on the duration elapsed since commencement of the policy and are as specified below:

Policy Year	1	1.5	2	2.5	3	3.5	4	4.5	5	5.5
Special Surrender Value Factor (in percentage)	0.00	0.00	25.93	26.92	27.91	28.98	30.06	31.21	32.37	33.61

Policy Year	6	6.5	7	7.5	8	8.5	9	9.5	10	10.5
Special Surrender Value Factor (in percentage)	34.86	36.20	37.54	38.99	40.44	42.00	43.57	45.25	46.94	48.37
Policy Year	11	11.5	12	12.5	13	13.5	14	14.5	15	15.5
Special Surrender Value Factor (in percentage)	49.80	51.40	53.00	54.80	56.60	58.63	60.67	62.97	65.28	68.16
Policy Year	16	16.5	17	17.5	18	18.5	19			
Special Surrender Value Factor (in percentage)	71.04	74.18	77.33	80.77	84.21	87.97	91.74			

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 as:

- 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. 11) along with vested Simple Reversionary bonuses.

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

Rider(s) will not acquire any surrender value.

13. 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 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 would be issued by Actuarial Department, Central Office.

14. 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 or LIC's Accident Benefit Rider.

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

15. LOAN:

Loan facility is available under this plan, after payment of premiums for at least 2 full years, subject to following conditions:

- (i) The maximum Loan that can be granted shall be as under :
 - For in-force policies : upto 90% of Surrender Value
 - For paid-up policies : upto 80% of Surrender Value
- (ii) 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.
- (iii) The rate of interest to be charged for the loan amount would be determined from time to time by the Corporation.
- (iv) In the event of default in payment of loan interest on the due dates, and when the outstanding loan 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 loan outstanding amount along with interest, if any.
- (v) In case the policy shall mature or surrendered or become a claim by death or whenever any survival benefit falls due, the amount of the Loan or any portion thereof which is outstanding, together with all interest will be deducted 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 would be issued by Actuarial Department, Central Office.

16. 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 15**; 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 forfeiture as specified in **Para 19**.

17. UNDERWRITING, AGE PROOF AND MEDICAL REQUIREMENTS:

NB & R department will issue instructions in this regard.

18. 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, provided the policy is in-force.

II. If the Life Assured (whether sane or insane) commits suicide within 12 months from date of revival, an amount which is higher of 80% of the total premiums paid till the date of death or the surrender value available as on the date of death, shall be payable. The Corporation will not entertain any other claim under this policy.

This clause shall not be applicable for a policy lapsed without acquiring paid up value and nothing shall be payable under such policy.

The relaxation (claim concession) mentioned above under Paid-up Value provisions (Para.11) 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.

19. 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.

20. 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.

21. 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 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 Circular Ref: CO/ PD/ 90 dated 19th December, 2016.

22. BACK-DATING INTEREST:

The policies can be dated back within the same financial year. Back-dating interest as applicable at the time of completion of the policy (at the rate as fixed by the Corporation from time to time) will be charged for the period in excess of one month. However, if the policy is back dated to the lean months, viz. April, May, July and 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 would be issued by Actuarial department, Central Office, as applicable from time to time.

23. POLICY STAMPING:

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

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

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

24. REINSURANCE:

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

25. ASSIGNMENTS/NOMINATIONS:

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

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

b) **Nominations:** Nomination by the holder of a policy of life assurance 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.

26. 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.

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, where delay is proved to be for reasons beyond his/her control.

b) **Survival Benefit / Maturity / Surrender Claim:** When a policy results into maturity claim or results into survival benefit claim or in case of 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.

27. 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.

28. PROPOSAL FORM :

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

29. 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 be read in conjunction with the Policy Document and Sales Brochure.

30. DISCLOSURES:

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

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.

31. 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, 2, 3, 4, 5, 6, 7 & 8

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