

LIFE INSURANCE CORPORATION OF INDIA
CENTRAL OFFICE

Dept.: Actuarial

“Yogakshema”,
Jeevan Bima Marg,
Mumbai – 400 021

Ref: CO/PD/262

14.11.2024

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

Re: INTRODUCTION OF LIC's JEEVAN TARUN (Plan No. 734)

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 Tarun (Plan No. 934), Unique Identification Number (UIN:512N299V02). The new Plan Number for this modified LIC's Jeevan Tarun shall be 734 and UIN shall be 512N299V03.

The earlier version of the Plan i.e. Plan No.934 with UIN: 512N299V02 was withdrawn with effect from 1st October, 2024 and the modified version shall be available for new business from 18th November, 2024.

The new Unique Identification Number (UIN) for LIC's Jeevan Tarun Plan is 512N299V03. 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 Basic Sum Assured has been increased to Rs. 2,00,000 from Rs.75,000.
- ii. The minimum Age at Entry age is modified to “30 days (completed)” from “90 days (completed)”.
- iii. The premium rates under the plan have been revised.
- iv. 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 at least 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.
- v. The Death Benefit now under a paid-up policy shall not be less than 105% of total premiums paid upto the date of death.
- vi. Quantum of policy loan as a percentage of Surrender Value has been modified.



LIC's Jeevan Tarun (Plan No: 734)

- vii. The modified LIC's Premium Waiver Benefit Rider (UIN:512B204V04) shall be available under this plan.
- viii. "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.
- ix. Proposer /Life assured shall be allowed to change the option of availing Survival Benefits before the commencement of Survival Benefits, and shall be changed subject to the conditions as mentioned under Para 3.b).
- x. Customized Benefit illustration has been revised.
- xi. Commission / remuneration payable to the agents and other insurance intermediaries has been modified (as specified in Para 10).
- xii. Customer Information Sheet and Need Analysis document under suitability assessment shall form part of the Policy Document.

LIC's Jeevan Tarun Plan is a Par, Non-linked, Life, Individual, Savings plan specially designed to meet the educational and other needs of growing children.

This plan can be purchased Offline through Agents, Corporate Agents, Brokers and Insurance Marketing Firms (IMFs).

This is a flexible plan wherein depending on the requirement; the proposer can choose any of the four options for Survival Benefit payments from ages 20 to 24 years. Maturity Benefit is payable at the age of 25 years only.

The four options are as below:

| Option | Survival Benefit | Maturity Benefit |
|---|---|---------------------------|
| Option 1 | No survival benefit | 100% of Basic Sum Assured |
| Option 2 | 5% of Basic Sum Assured every year for 5 years | 75% of Basic Sum Assured |
| Option 3 | 10% of Basic Sum Assured every year for 5 years | |
| Option 4 | 15% of Basic Sum Assured every year for 5 years | 50% of Basic Sum Assured |
| The benefits and other details of the plan are given below. | | 25% of Basic Sum Assured |

2. ELIGIBILITY CONDITIONS AND RESTRICTIONS FOR BASE PLAN:

- a) Minimum Age at entry for Life Assured : [30] days (completed)
- b) Maximum Age at entry for Life Assured : [12] years (last birthday) c)
- Policy Term : [25 – Age at entry] years d)
- Premium Paying Term (PPT) : [20 – Age at entry] years e)
- Minimum Basic Sum Assured : Rs 2,00,000
- f) Maximum Basic Sum Assured : No Limit
- g) Minimum/ Maximum Maturity Age : [25] years (last birthday)



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. 5,000/- Above |
| Rs. 4,50,000/- to Rs. 9,00,000/- | Rs. 50,000/- Above Rs. |
| 9,00,000/- | Rs. 1,00,000/- |

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

Date of commencement of risk under the plan: In case the age at entry of the Life Assured is less than 8 years the risk under this plan will commence either 2 years from the date of commencement of policy or from 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 at entry, risk will commence immediately 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: 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:

The benefits payable under an in-force policy are as under:

a) Benefits payable on death:

Death Benefit payable on death of the Life Assured during the Policy Term after the date of commencement of risk but before the date of maturity, 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 Sum Assured or 7 times of Annualized Premium.

This death benefit (as defined above) shall not be less than 105% of the "Total Premiums Paid" upto the date of death.

Where,

- "Annualized Premium" shall be the premium amount 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.

However, in case of minor Life Assured, whose age at entry is below 8 years, on death before the commencement of Risk (as specified in Para 2 above), the Death Benefit payable shall be return of Total Premiums Paid (excluding taxes, extra premium and rider premiums if any), without interest.

b) Survival Benefit:

On the Life Assured surviving on each of the respective policy anniversaries, a fixed percentage of Basic Sum Assured shall be payable every year starting from policy anniversary coinciding with or following the completion of 20 years of age and thereafter on each of next four policy anniversaries. These fixed percentages shall depend on the Option chosen and for various Options the percentages are as given below:

| Policy Anniversary coinciding with/ following completion of ages | Percentage of Basic Sum Assured to be paid as Survival Benefit | | | |
|--|--|--------------|---------------|---------------|
| | Option 1 | Option 2 | Option 3 | Option 4 |
| 20 to 24 years | Nil | 5% each year | 10% each year | 15% each year |

The option needs to be chosen by the proposer at the proposal stage. The Proposer /Life assured shall be allowed to change the option before the commencement of Survival Benefits in accordance with the terms and conditions as follows:

The change shall only be allowed for higher percentage of Survival Benefits, subject to the following conditions:

- I. The policyholder shall have to pay the consideration amount for change in option which shall be higher of
 - (i) Difference in premium with interest from inception of the policy; and
 - (ii) Difference in Surrender Value before and after alteration for change in option.
- II. The tabular premium rate after alteration shall not be lower than the original tabular premium rate.
- III. The Proposer/ Life Assured shall inform in writing to the Corporation, his/her request for change in option at least 3 months before the commencement of Survival Benefits.

c) Benefits payable on maturity:

On the Life Assured surviving to the end of the policy term, provided all due premiums have been paid, the “Sum Assured on Maturity” along with vested Simple Reversionary Bonuses and Final Additional Bonus, if any, shall be payable; where “Sum Assured on Maturity” as a fixed percentage of the Sum Assured for various Options is as below:

Option 1: 100% of Basic Sum Assured

Option 2: 75% of Basic Sum Assured

Option 3: 50% of Basic Sum Assured

Option 4: 25% of Basic Sum Assured

d) Participation in profits:

The policies shall participate in profits of the Corporation and shall be entitled to receive Simple Reversionary Bonuses declared as per the experience of the Corporation, provided the policy is in force.

In case the premiums are not duly paid, the policy shall cease to participate in future profits irrespective of whether or not the policy has acquired paid-up value.

Simple Reversionary Bonuses shall be declared annually at the end of each financial year. Once declared, they form part of the guaranteed benefits of the plan on such terms and conditions as declared by the Corporation.



In the event of policy being surrendered, the surrender value of vested bonuses, if any, as applicable on the date of surrender shall be payable.

Final (Additional) Bonus may also be declared under the policy in the year when the policy results into a claim either by death or maturity at such rates and on such terms as may be declared by the Corporation.

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

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

4. **OPTIONAL RIDER BENEFIT: 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 upto age 15 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.

On death of Proposer of Base Policy:

If this rider is opted for, on death of Rider Life Assured (who is also Proposer under the Base Policy) before the stipulated date of expiry of this rider, premiums payable under the Base Policy falling due on or after the date of death of Rider Life Assured till the expiry of Rider Term, shall be waived.

The additional premium charged in respect of Premium Waiver Benefit 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 for LIC's Premium Waiver Benefit (PWB) Rider:

- | | |
|----------------------|--|
| 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 Plan as on the date of opting this rider or [20 - Age of the child at the time of opting the rider], whichever is lower, subject to minimum outstanding Rider Term of 5 years. The date of opting i.e. Date of Commencement of this Rider shall be |



- Date of Commencement of Base Policy, if Rider is opted for at inception; or
- Policy anniversary coinciding with or next policy anniversary, following the date of acceptance of application, if Rider is opted for at the later stage as an alteration

d) Maximum cover ceasing age : [70] years (Nearer Birthday)
(i.e. if Rider Term plus age of Proposer is more than, 70 years, the Rider shall not be allowed)

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

If PWB Rider is not opted for, the maximum entry age & the maximum cover ceasing age of proposer, as mentioned above, shall not be a requirement for Base Policy.

The premium for the PWB Rider shall not exceed 30 % of the premium for the base plan.

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 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. 5000/- |
| Quarterly | Rs. 15000/- |
| Half-Yearly | Rs. 25000/- |
| Yearly | Rs. 50000/- |

If the net claim amount is less than the required amount to provide the minimum instalment amount as per the option exercised by the Life Assured, the claim proceeds shall be paid in 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 shall 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 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 [NACH or through salary deductions (SSS) only].

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.

7. **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 Rider are enclosed and tabulated below:

| Annexure | Particulars |
|------------|---|
| Annexure 1 | Class- I Extra premium rates per Rs. 1000/- Sum Assured for Base plan |
| Annexure 2 | Tabular Premium rates per Rs. 100/- Base Plan Premium for LIC's Premium Waiver Benefit Rider |
| Annexure 3 | Class- I Extra premium rates per Rs. 100/- Base Plan Premium for LIC's Premium Waiver Benefit Rider |

The above premium rates are exclusive of taxes.

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 premium, if opted, as the rider premium is 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 the 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. **REBATE:**

The rebates for Base plan are as under:

Mode Rebate:

| <u>Mode</u> | <u>Rebate</u> |
|------------------|-------------------------|
| Yearly mode | : 2% of tabular premium |
| Half-yearly mode | : 1% of tabular premium |



Quarterly, Monthly (through NACH only) & SSS : NIL

Mode rebate shall be applicable to both Base Plan as well as on Premium Waiver Benefit rider premium, if opted for.

High Basic Sum Assured Rebate: The rebate for High Basic Sum Assured (B.S.A.) is allowed in the form of reduction in Tabular Premium. The rebate is as under:

| <u>Basic Sum Assured (Rs.)</u> | <u>Rebate (Rs.)</u> |
|---------------------------------|-------------------------------------|
| 200,000 to less than 5,00,000 | Nil |
| 5,00,000 to less than 10,00,000 | 2.50 per thousand Basic Sum Assured |
| 10,00,000 and above | 4 per thousand Basic Sum Assured |

High Sum Assured rebate is applicable only for Basic Sum assured under the Base plan and shall not be applicable on Premium Waiver Benefit Rider Sum Assured, if Rider is opted for.

Rebate under Corporation's Insurance Scheme (CIS):

Proposals completed under Corporation's Insurance Scheme (CIS) with regard to the employees of the Corporation and its Subsidiaries / Step Down Subsidiaries / Associate Companies as per the prevailing policy of the Corporation in this regard at the time of completion, shall be eligible for the CIS rebate on tabular premium for base plan as well as rider premium, if opted for, at the following rates, provided policy is not taken through any intermediaries such as Agent/Corporate Agent/ Broker/ Insurance Marketing Firms etc.

| <u>Premium Paying Term</u> | <u>CIS Rebate</u> |
|----------------------------|------------------------|
| 8 to 14 years | 5% of tabular premium |
| 15 years & above | 10% of tabular premium |

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 a percentage of premium excluding taxes, if any) during the premium paying term are as under:

| <u>Premium Paying Term</u> | <u>1st Year</u> | <u>2nd to 5th Year</u> | <u>Subsequent Years</u> | <u>Last Year</u> |
|----------------------------|----------------------------|--|-------------------------|------------------|
| 8 and 9 years | 8% | 5.50% | 5% | 5.50% |
| 10 to 14 years | 15% | 7.50% | 5% | 5% |
| 15 years and above | 20% | 7.50% | 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: Credit (as a % of the first year premium net of taxes) are as under:

| <u>Premium Paying Term</u> | <u>Credit</u> |
|----------------------------|---------------|
| 8 and 9 years | 30% |
| 10 to 14 years | 60% |
| 15 years and above | 100% |



11. 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 premium(s) has been paid and any subsequent premiums be not duly paid, on completion of first policy year, this policy shall not be wholly void, but shall subsist as a paid-up policy.

The Sum Assured on Death under paid-up policy shall be reduced to such a sum called "Death Paid-up Sum Assured" and shall be equal to Sum Assured on Death multiplied by the ratio of the total period for which premiums have already been paid bears to the maximum period for which premiums were originally payable i.e. $\text{Sum Assured on Death} \times (\text{total period for which premiums have already been paid} / \text{the maximum period for which premiums were originally payable})$. 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, if any. This Death benefit, shall not be less than 105% of total premiums paid upto the date of death.

However, in case of minor life, wherein the policy becomes Paid-up before the date of commencement of risk, the Death benefit payable under such policy shall be the Return of Total premiums paid (excluding taxes, any extra amount chargeable under the policy due to underwriting decisions and rider premium, if any) without interest.

The Sum Assured on Maturity under paid-up policy shall be reduced to such a sum called "Maturity Paid-up Sum Assured" and shall be equal to $[(\text{Sum Assured on Maturity plus Total Survival Benefits payable under the policy}) \times (\text{ratio of the total period for which premiums have already been paid bears to the maximum period for which premiums were originally payable})]$.

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, if any.

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

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.

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 five 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 Rider(s) 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 by the policyholder after completion of first policy year provided at least one full year's premium(s) has been paid. However, the policy shall acquire Guaranteed Surrender Value on payment of at least two full years' premiums and Special Surrender Value after completion of first policy year provided one full year's premium(s) has been paid. On surrender of an in-force policy or paid-up policy, the Corporation shall pay the surrender value equal to higher of Guaranteed Surrender Value or Special Surrender Value.

The Guaranteed Surrender Value and Special Surrender Value shall be as follows:

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, less any survival benefits already paid under the policy]. 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 - 4 of this circular.

In addition, the surrender value of vested Simple Reversionary Bonuses, if any, shall also be payable, which is equal to total vested Simple Reversionary Bonuses multiplied by the Guaranteed Surrender Value factor applicable to vested bonuses. These Surrender Value factors will depend on the policy term and policy year in which policy is surrendered and are contained in Annexure - 5 of this circular.

Special Surrender Value:

Special Surrender Value will be the sum of (Death Paid up Sum Assured along with the Vested Simple Reversionary Bonuses, if any, multiplied by Factor 1) and (Maturity Paid-up Sum Assured along with the Vested Simple Reversionary Bonuses, if any, multiplied by Factor 2) and then duly reduced by Total amount of Survival Benefits already paid under the policy.

i.e. {[Special Surrender Value = (Death Paid up Sum Assured along with the Vested Simple Reversionary Bonuses, if any, multiplied by Factor 1) and (Maturity Paid-up Sum Assured along with the Vested Simple Reversionary Bonuses, if any, multiplied by Factor 2) - Total amount of Survival Benefits already paid under the policy..

However, in case of minor life wherein the policy becomes Paid-up before the date of commencement of risk, the Special Surrender value shall be sum of (Total Premiums paid (excluding taxes, any extra amount chargeable under the policy due to underwriting decision and rider premium(s), if any) multiplied by Factor 1) and (Maturity Paid-Up Sum Assured along with vested Simple Reversionary Bonuses, if any) multiplied by Factor 2).

The Factor 1 and Factor 2 shall depend on the Policy Term and the duration elapsed since commencement of the policy and are enclosed as Annexure -6 and Annexure 7 respectively. These factors shall be reviewed annually and instructions in this regard shall be issued by Actuarial Department, Central Office.

The Death Paid up Sum Assured and Maturity Paid-up Sum Assured under the policy shall be as specified under Para 11.

Further, if the policy is surrendered during the last policy year the same shall be treated as discounting of maturity claim. In case of in-force policy the maturity claim is Sum Assured on Maturity along with vested Simple Reversionary bonuses and Final Additional bonus, if any. In case of paid-up policy the maturity claim is Maturity Paid-up Sum Assured as mentioned in Para.

11 along with vested Simple Reversionary bonuses.

Instructions regarding discounting of maturity claim along with 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 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 with 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 LIC's Premium Waiver Benefit Rider, if opted for, will be considered only along with revival of the Basic Policy, and not in isolation.

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

14. ALTERATIONS:

Any changes in form of alteration to the contracts may be allowed on terms and conditions as decided by the Corporation and specifically communicated in writing to the Life Assured.

The following alterations shall be allowed:

- Any change not involving change in Base premium rates and corresponding benefit structure.
- Inclusion of LIC's Premium Waiver Benefit Rider.
- Change in Option for Survival Benefits:

The option needs to be chosen by the proposer at the proposal stage. The Proposer /Life assured shall be allowed to change the option before the commencement of Survival Benefits in accordance with the terms and conditions as follows:

The change shall only be allowed for higher percentage of Survival Benefits, subject to the following conditions:

- I. The policyholder shall have to pay the consideration amount for change in option which shall be higher of



(i) Difference in premium with interest from inception of the policy; and



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- (ii) Difference in Surrender Value before and after alteration for change in option.
- II. The tabular premium rate after alteration shall not be lower than the original tabular premium rate.
- III. The Proposer/ Life Assured shall inform in writing to the Corporation, his/her request for change in option at least 3 months before the commencement of Survival Benefits.

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

15. LOAN:

Loan can be availed under this plan after completion of first policy year provided at least one full year's premium(s) has been paid and after obtaining the declaration from the proposer to the effect that loan is raised for the benefit of the minor Life Assured. The loan shall be subject to the following conditions:

- (i) The maximum Loan as a percentage of the Surrender value that can be granted 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% |
| | | |

- (ii) The rate of interest to be charged for the loan amount would be determined from time to time by the Corporation.
- (iii) 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.
- (iv) In case the policy shall mature or become due for survival benefits or surrendered or become a claim by death, the Corporation shall become entitled to deduct the amount of the Loan or any portion thereof which is outstanding, together with all interest from the claim benefit payment.

Further conditions regarding loan shall be as per the instructions issued by CRM/PS 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:

- The date on which lumpsum death benefit/final instalment of death benefit is paid; or
- The date on which surrender benefits are settled under the policy; or c)
The date of maturity if settlement option is not exercised; or
- On payment of final instalments under Settlement Option; or
- In the event of default in payment of loan interest as specified in Para 15 (iii); or
- On expiry of Revival Period if the policy, which has not acquired paid up status, has not been revived within the revival period; or

- g) On payment of free look cancellation amount; or
- h) In the event of forfeiture as specified in Para 19 below.

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 Nominee or Beneficiary of the Life Assured shall be entitled to 80% of the total premiums paid till the date of death, provided the policy is in-force. This clause shall not be applicable in case age at entry of the Life Assured is below 8 years.
- ii. If the Life Assured (whether sane or insane) commits suicide within 12 months from date of revival, an amount which is higher of 80% of the total premiums paid 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:
 - a) in case the age of the Life Assured is below 8 years at the time of revival; or
 - b) for a policy lapsed without acquiring paid-up value and nothing shall be payable under such policies.

The relaxation (claim concession) mentioned 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, 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.

19. 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.

20. TAXES:

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

The amount of applicable taxes as per the prevailing rates shall be payable by the policyholder on premiums (for base policy and Rider, 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 30 days from the date of receipt the electronic or physical mode of the Policy Document, whichever is earlier.

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

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

22. 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 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 of 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. 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

24. REINSURANCE:

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

25. ASSIGNMENTS/NOMINATIONS:

- (a) Assignments: Assignment is allowed 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 or Proposer (applicable if LIC's Premium Waiver Benefit is opted for) shall be claim forms, as prescribed by the Corporation, accompanied with original policy document, NEFT mandate from the claimant for direct credit of the claim amount to the bank account, proof of title, proof of death, medical treatment prior to the death (if any), school/college/employer's certificate, whichever is applicable, to the satisfaction of the Corporation. If the age is not admitted under the policy, the proof of age of the Life assured shall also be submitted.

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) Maturity/Survival Benefits/Surrender Claim: Where the policy results into maturity claim or result into a survival benefits 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/Claims 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. 360 (Rev. 2024) along with Addendum to be signed by the proposer as issued by NB&R Department shall be used under this plan. Proposal Form No. 300 (Rev. 2024) as issued by NB&R Department shall also be used if LIC's Premium Waiver Benefit Rider is opted for.

29. 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.

30. 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 and such need analysis document shall be a part of the policy document.

Separate instructions in this regard 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/Claims Department, Central office.

Executive Director (Actuarial)



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