

**LIFE INSURANCE CORPORATION OF INDIA
CENTRAL OFFICE**

Dept: Actuarial Department

“Yogakshema”
Jeevan Bima Marg
Mumbai – 400 021

Ref: CO/PD/233

30th September, 2024

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

Re: INTRODUCTION OF LIC's NEW ENDOWMENT PLAN (Plan No. 714)

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 New Endowment Plan (Plan No. 914), Unique Identification Number (UIN: 512N277V02). The new Plan Number for this modified LIC's New Endowment Plan shall be **714** and UIN shall be **512N277V03**.

The earlier version of the Plan i.e. Plan No.914 with UIN: 512N277V02 shall be withdrawn with effect from 1st October, 2024 and the modified version shall be available for new business from 1st October, 2024.

The new Unique Identification Number (UIN) for LIC's New Endowment Plan is **512N277V03**.
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.1,00,000.
- ii) The maximum Age at Entry age is modified to “50 years (nearer birthday)” from “55 years (nearer birthday)”
- 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 atleast one full year's premium(s) has been paid and on completion of first policy year the policy shall become paid-up and policy loan shall also be available.
- 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.
- vii) The following modified riders shall be available under this plan:

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- LIC's Accidental Death & Disability Benefit Rider (UIN:512B209V02)
- LIC's Accident Benefit Rider (UIN:512B203V03)
- LIC's New Term Assurance Rider (UIN:512B210V02)
- LIC's Premium Waiver Benefit Rider (UIN:512B204V04)

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

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

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

The earlier provision was, the premium under LIC's Accident Benefit Rider or LIC's Accidental Death and Disability Benefit Rider and LIC's New Critical Illness Benefit Rider shall not exceed 100% of premium under the base product, the premiums under all other life insurance riders put together shall not exceed 30% of premiums under the base product.

- x) "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.
- xi) Customized Benefit illustration has been revised.
- xii) Commission / remuneration payable to the agents and other insurance intermediaries has been modified (as specified in Para 10).
- xiii) Customer Information Sheet and Need Analysis document under suitability assessment shall form part of the Policy Document.

The benefits and other details of the plan with above mentioned modifications are given below.

LIC's New Endowment Plan is a par, non-linked, life, individual, savings plan.

2. ELIGIBILITY CONDITIONS AND RESTRICTIONS FOR BASE PLAN:

- | | |
|--|------------------------------|
| a) Minimum Age at entry for Life Assured | : 8 years (completed) |
| b) Maximum Age at entry for Life Assured | : 50 years (nearer birthday) |
| c) Minimum Policy Term | : 12 years |
| d) Maximum Policy Term | : 35 years |
| e) Premium Paying Term (PPT) | : Same as Policy Term |
| f) Minimum Basic Sum Assured | : Rs. 2,00,000/- |
| g) Maximum Basic Sum Assured | : No Limit |
| h) Maximum Maturity Age for Life Assured | : 75 years (nearer birthday) |

The Basic Sum Assured shall be in multiple 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 Life Assured is to be taken as age nearer birthday except for the minimum age at entry i.e. 8 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 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) **Benefits payable on death:**

On death of the Life Assured during the Policy Term, Death Benefit equal to "**Sum Assured on Death**" alongwith vested Simple Reversionary bonuses and Final Additional bonus, if any, shall be payable; where "**Sum Assured on Death**" is defined as higher of Basic Sum Assured or 7 times of annualised premium.

This Death Benefit (as defined above) shall not be less than 105% of 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.

b) **Benefits payable on maturity:**

On survival of Life Assured to end of the Policy Term, provided all due premiums have been paid, "**Sum Assured on Maturity**" alongwith vested Simple Reversionary bonuses and Final Additional bonus, if any, shall be payable; where "**Sum Assured on Maturity**" is equal to the Basic Sum Assured.

c) **Participation in Profits:**

The policy 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 plan 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 the paid-up policy.

4. OPTIONAL RIDER BENEFITS:

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

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 Policy Term of the Base Plan provided the outstanding Premium Paying Term of the Base Plan as well the Rider is atleast 5 years. The benefit cover under this Rider shall be available upto the policy anniversary on which age nearer birthday of Life Assured is 70 years or till the end of Policy Term, whichever is earlier.

If this rider is opted for, an amount equal to the Accident Benefit Sum Assured is payable on death due to accident within 180 days from the date of 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.

The premium for this Rider will not be required to be paid after the cover ceasing age in respect of this Rider.

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

Eligibility conditions and restrictions:

- a) Minimum Entry Age : 18 years (completed)
- b) Maximum Entry Age : The cover can be opted for at inception or at any policy anniversary thereafter, provided the outstanding Premium Paying Term under the Base Policy as well as rider is at least 5 years. However, in any case maximum age at entry shall not exceed 65 years (nearer birthday).
- c) Rider Term : Outstanding policy term of the Base Plan or (70 minus age at entry), whichever is lower
- d) Cover ceasing Age : 70 years (nearer birthday)
- e) Minimum Accident Benefit Sum Assured: Rs. 10,000/-
- f) Maximum Accident Benefit Sum Assured: An amount equal to the Basic Sum Assured under the Base Policy 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 Policy provided the outstanding Premium Paying Term of the Base Plan as well the rider is atleast 5 years. The benefit cover under this Rider shall be available upto the policy anniversary on which age nearer birthday of Life Assured is 70 years or till the end of Policy Term, whichever is earlier.

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

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

Beyond the specific details as mentioned in this Circular in respect of this Rider, any additional details like requirements of claim etc., may be referred from the Rider Circular Ref: CO/PD/224 dated 30th September, 2024.

Eligibility conditions and restrictions:

- a) Minimum Entry Age : 18 years (completed)
- b) Maximum Entry Age : The cover can be opted for at inception or at any policy anniversary thereafter, provided the outstanding Premium Paying Term under the Base Plan as well as rider is at least 5 years. However, in any case maximum age at entry shall not exceed 65 years (nearer birthday).

- c) Rider Term : Outstanding premium paying term of the Base Plan or (70 minus age at entry) whichever is lower
- d) Cover ceasing Age : 70 years (nearer birthday)
- e) Minimum Accident Benefit Sum Assured: Rs. 20,000/-
- f) Maximum Accident Benefit Sum Assured: An amount equal to three times of the Basic Sum Assured under the Base Policy subject to the maximum of Rs.100 lakhs overall limit taking all existing policies (excluding additional limit of Rs.100 lakhs under policies taken under LIC's Jeevan Shiromani) of the Life Assured under individual as well as group policies including policies with inbuilt accident benefit taken with Life Insurance Corporation of India and the Accident Benefit Sum Assured under the new proposal into consideration.

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

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

Note: The overall limit of Accident Benefit Sum Assured shall be inclusive of Sum Assured under all the Accident Benefit Riders i.e. the LIC's Accidental Death and Disability Benefit Rider, LIC's Accident Benefit Rider, LIC's Group Accident Benefit Rider and LIC's Linked Accidental Death Benefit Rider.

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

LIC's New Term Assurance Rider is available as an optional Rider at the inception of the policy by payment of additional premium. The additional premium for this Rider will need to be paid along with the premium of the Base Plan and any other Rider(s), if opted for, during the Premium Paying Term of the policy. The benefit cover under this Rider shall be available during the Policy Term.

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

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

Beyond the specific details as mentioned in this Circular in respect of this Rider, any additional details like refund to be made in respect of this Rider on surrender of Base Plan etc. may be referred from the Rider Circular Ref: CO/PD/227 dated 30th September, 2024.

Eligibility conditions and restrictions:

- a) Minimum Entry Age : 18 years (completed)
- b) Maximum Entry Age : Same as the Base Policy
- c) Rider Term/ PPT : Same as the Base Policy
- 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 Policy 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 Premium Waiver Benefit Rider (UIN: 512B204V04)

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

This Rider is allowed on the life of eligible Proposer on payment of additional premium. This Rider can be opted at the inception or at any time during the Premium Paying Term of the Base policy (i.e. on the Policy Anniversary coinciding with or the next Policy Anniversary following the date of acceptance of application) provided the outstanding Premium Paying Term of the Base policy and the Rider is at least 5 years. However, in any case the Rider Term shall be outstanding premium paying term of Base Policy as on date of opting this rider or (25 minus age of the minor Life Assured at the time of the opting the Rider), whichever is lower.

On death of Proposer of Base Policy:

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

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

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

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

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

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

Beyond the specific details as mentioned in this Circular in respect of this Rider, additional details like refund during free look period, policy stamping etc., may be referred from the Rider Circular Ref: CO/PD/225 dated 30th September, 2024.

Eligibility conditions and restrictions:

- a) Minimum Entry Age : [18] years (completed)
- b) Maximum Entry Age : [55] years (Nearer Birthday)
- c) Rider Term : Outstanding Premium Paying Term of the Base Policy as on the date of opting this Rider or (25 minus age of minor as on the date of opting this Rider), whichever is lower, subject to the minimum outstanding Rider term of 5 years. The date of opting i.e. Date of Commencement of this Rider shall be
 - **Date of Commencement** of Base Policy, if Rider is opted for at inception; or
 - Policy anniversary coinciding with or next policy anniversary, following the date of acceptance of application, if Rider is opted for at the later stage as an alteration

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

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

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 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 shall 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).

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 Riders are enclosed and tabulated below-

Annexure	Particulars
Annexure 1	Class- I Extra premium rates per Rs. 1000/- Basic Sum Assured for Base Plan
Annexure 2	Tabular Premium rates per Rs. 1000/- Term Assurance Rider Sum Assured for LIC's New Term Assurance Rider
Annexure 3	Class- I Extra premium rates per Rs. 1000/- Term Assurance Rider Sum Assured for LIC's New Term Assurance Rider
Annexure 4	Tabular Premium rates per Rs. 100/- Base Plan Premium for LIC's Premium Waiver Benefit Rider
Annexure 5	Class- I Extra premium rates per Rs. 100/- Base Plan Premium for LIC's Premium Waiver Benefit Rider

The premium rate for **LIC's Accidental Death and Disability Benefit Rider** is as under;

- Rs. 1.00 per thousand Accident Benefit Sum Assured irrespective of age.
- Rs. 1.50 per thousand Accident Benefit Sum Assured, if the Life Assured is engaged in police duty in any police organization other than paramilitary forces and opts for this cover while engaged in police duty.

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

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

The above premium rates are exclusive of taxes.

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:

<u>Mode</u>	<u>Rebate</u>
Yearly	2% of tabular premium
Half-yearly	1% of tabular premium
Quarterly, monthly & SSS	NIL

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

<u>Basic Sum Assured (B.S.A.)</u>	<u>Rebate (Rs.)</u>
Rs. 2,00,000 to less than Rs. 5,00,000	Nil
Rs. 5,00,000 to less than Rs. 10,00,000	2.50% of B.S.A.
Rs. 10,00,000 and above	4.00% of B.S.A.

Rebate under Corporation's Insurance Scheme (CIS):

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

<u>Policy Term</u>	<u>CIS Rebate</u>
12 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 percentage of premium excluding taxes, if any) during the Premium Paying Term are as under:**

<u>Policy Term</u>	<u>1st Year</u>	<u>2nd to 5th Year</u>	<u>Subsequent Years</u>
12 to 14 years	15%	7.5%	5%
15 years & above	20%	7.5%	5%

Bonus Commission: 40% of 1st year commission.

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

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

b) **Development Officer's (DO's) Credit:** Credit (as a% of the first year premium excluding taxes) are as under:

<u>Policy Term</u>	<u>Credit</u>
12 to 14 years	60%
15 years & 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 atleast one full year's premium(s) has been paid and any subsequent premiums be not duly paid, on completion of first policy year the policy shall not be wholly void, but shall subsist as a paid-up policy.

The **Sum Assured on Death** under the 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. $\text{Sum Assured on Death} \times \left(\frac{\text{total period for which premiums have already been paid}}{\text{the maximum period for which premiums were originally payable}} \right)$. 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.

The **Sum Assured on Maturity** under the paid-up policy shall be reduced to such a sum, called "**Maturity Paid-up Sum Assured**" and shall be equal to **Sum Assured on Maturity** multiplied by the ratio of the total period for which premiums have already been paid bears to the maximum period for which premiums were originally payable i.e. $\text{Sum Assured on Maturity} \times \left(\frac{\text{total period for which premiums have already been paid}}{\text{the maximum period for which premiums were originally payable}} \right)$. 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 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, if any, shall remain attached to the paid up policy.

Notwithstanding what is stated above, if atleast 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) unpaid premium(s) for the base policy with interest thereon upto the date of death on the same terms as for revival of the Policy during such period, and (b) the balance premium(s) for the base policy falling due from the date of death and before the next Policy anniversary. This provision shall not apply in case of death due to suicide.

Notwithstanding what is stated above, if at least 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) unpaid premium(s) for the base policy with interest thereon upto the date of death on the same terms as for revival of the Policy during such period, and (b) the balance premium(s) for the base policy falling due from the date of death and before the next Policy anniversary. This provision shall not apply in case of death due to suicide.

All of the above mentioned Paid-up value provisions do not apply to Riders as Rider(s) do not acquire any paid up value. The Rider(s) 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 atleast one full year's premiums has been paid. However, the policy shall acquire Guaranteed

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

Guaranteed Surrender Value:

The Guaranteed Surrender Value shall be equal to the total premiums paid (excluding any extra premium, any premiums for Rider(s), if opted for and taxes) multiplied by the Guaranteed Surrender Value factors applicable to total premiums paid. These Guaranteed Surrender Value factors expressed as percentages will depend on the Policy Term and policy year in which the policy is surrendered and is enclosed as **Annexure 6**.

In addition, the surrender value of vested Simple Reversionary bonuses, if any, shall also be payable, which is equal to vested bonuses multiplied by the Guaranteed Surrender Value Factors Applicable to Vested Bonuses. These factors expressed as percentages will depend on the Policy Term and policy year in which the policy is surrendered and are enclosed as **Annexure 7**.

Special Surrender Value:

The Special Surrender Value will be the sum of (Death Paid-Up Sum Assured along with vested simple reversionary bonuses, if any, *multiplied by* Factor 1) and (Maturity Paid-up Sum Assured along with vested simple reversionary bonuses, if any, *multiplied by* Factor 2).

i.e. Special Surrender Value = (Death Paid-Up Sum Assured along with vested simple reversionary bonuses, if any) * Factor 1 + (Maturity Paid-up Sum Assured along with vested simple reversionary bonuses, if any) * Factor 2

The Factor 1 and Factor 2 shall depend on the Policy Term and the duration elapsed since commencement of the policy and is enclosed as **Annexure 8** and **Annexure 9** 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 policy shall be as specified in **Para 11**.

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

- In case of in-force policy: **"Sum Assured on Maturity"** along with vested Simple Reversionary bonuses and Final Additional bonus, if any.
- In case of paid-up policy: **"Maturity Paid-up Sum Assured"** (as mentioned in **Para 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 complete years from the date of first unpaid premium and before the date of maturity, as the case may be. The revival shall be effected on payment of all the arrears of premium(s) together with interest (compounding half yearly) at such rate as may be fixed by the Corporation from time to time and on satisfaction of Continued Insurability of the Life Assured and/or Proposer (if LIC's Premium Waiver Benefit Rider is opted for) on the basis of information, documents and reports that are already available and any additional information in this regard if and as may be required in

accordance with the Underwriting Policy of the Corporation at the time of revival, being furnished by the Policyholder/Life Assured/Proposer.

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

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

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

14. ALTERATIONS:

The following alterations shall be allowed:

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

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

15. LOAN:

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

- (i) The maximum Loan as a percentage of 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 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 shall 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 shall 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 be surrendered or become a claim by death, 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 the instructions issued by CRM/ PS department from time to time.

Instructions regarding the applicable interest rate shall 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 (iv)**; or
- f) On expiry of Revival Period if the policy, which has not acquired paid up status, has not been revived within the revival period; or
- g) On payment of free look cancellation amount; or
- h) In the event of forfeiture as specified in **Para 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, 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 Nominee or Beneficiary of the Life Assured shall not be entitled to any other claim under the 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.

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

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

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

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 lean months, viz. April, May, July & August, interest is to be charged for period in excess of three months. The period upto 14 days is to be ignored and 15 days or more is to be rounded to a month for this calculation.

Any further instructions shall 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 Basic Sum Assured.

For Rider, policy stamping charges will be at the rate of 20 paise per thousand Rider Sum Assured, if opted for. In case of Premium Waiver Benefit rider, PWB Sum Assured shall be total premium to be waived under the Base Policy during the PWB rider term.

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

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

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 / Surrender Claim: In case of maturity/surrender of the policy, the Life Assured/Proposer shall submit the discharge form along with the original policy document, NEFT mandate from the claimant for direct credit of the claim amount to the bank account besides proof of age, if the age is not admitted earlier.
- c) Claim under Rider(s): In case of claim under Rider(s), the respective rider circular may be referred to.

In addition to above, any requirement mandated under any statutory provision or as may be required as per law or any instructions issued by CRM/ 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. 300 (Rev 2024), 340 (Rev 2024) & 360 (Rev 2024) as issued by NB&R Department shall be used under this plan.

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 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/ Claims Department, Central office.

Executive Director (Actuarial)

Encl – Annexure 1 to 9

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