

**LIFE INSURANCE CORPORATION OF INDIA  
CENTRAL OFFICE**

Dept: Actuarial

“Yogakshema”  
Jeevan Bima Marg  
Mumbai – 400 021

Ref: CO/PD/294

14.10.2025

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 BIMA LAKSHMI (Plan No. 881)**

**1. INTRODUCTION:**

It has been decided to introduce LIC's Bima Lakshmi (Plan No. 881) with effect from 15<sup>th</sup> October, 2025.

The Unique Identification Number (UIN) for LIC's Bima Lakshmi is **512N389V01**. This number has to be quoted in all relevant documents furnished to the Policyholders and other users (public, distribution channels etc.).

LIC's Bima Lakshmi is a Non-Par, Non-Linked, Life, Individual, Savings Plan **designed exclusively for female lives**. This is a Limited Premium Payment plan with Guaranteed Additions and provides life cover, savings and survival benefits. The Premium Payment Terms (PPTs) available under the product are from 7 years to 15 years.

The proposer shall have the following three Options to choose the receipt of “Survival Benefit”:

Option	Survival Benefit Payments
<b>Option A</b>	50% of Basic Sum Assured shall be payable as Survival Benefit at the end of the Premium Payment Term, provided all due premiums have been paid.
<b>Option B</b>	Total twelve Survival Benefits each at the rate of 7.5% of Basic Sum Assured shall be payable at the end of every 2 policy years, provided all due premiums have been paid.
<b>Option C</b>	Total six Survival Benefits each at the rate of 15% of Basic Sum Assured shall be payable at the end of every 4 policy years, provided all due premiums have been paid.

This Option is to be selected at inception only and once chosen cannot be altered.

This plan can be purchased Offline through Agents, Corporate Agents, Brokers, Insurance Marketing Firms (IMF) as well as Online directly through website [www.licindia.in](http://www.licindia.in). However, it is not available for sale through Point of Sales Persons-Life Insurance (POSP-LI)/Common Public Service Centers (CPSC-SPV).

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

## 2. ELIGIBILITY CONDITIONS AND RESTRICTIONS FOR BASE PLAN:

a	Minimum Age at entry	18 years (Last birthday)
b	Maximum Age at entry	50 years (nearer birthday)
c	Policy Term	25 years
d	Premium Payment Term	7 years to 15 years
e	Minimum Basic Sum Assured	Rs. 200,000
f	Maximum Basic Sum Assured	No Limit. However, the maximum Basic Sum Assured allowed to each individual will be subject to underwriting decision as per the Board Approved Underwriting Policy.
g	Basic Sum Assured Multiples	Rs. 10,000/-.

### **Note:**

- Age at entry:** Age at entry for the Policyholder is to be taken as age nearer birthday except for the minimum age at entry i.e. 18 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.

## 3. BENEFITS UNDER THE BASE PLAN:

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

### **A. Death Benefit:**

Death benefit payable on death of the Life Assured during the Policy Term after the date of commencement of risk provided all due premiums have been paid but before the date of maturity shall be “**Sum Assured on Death**” along with Accrued Guaranteed Additions for in-force policy (as specified in Para 3.D).

The “**Sum Assured on Death**” shall be higher of 10 times of (Tabular Annual Premium *multiplied* by Modal adjustment factor); or Basic Sum Assured.

The Death Benefit shall not be less than 105% of “Total Premiums Paid” up to the date of death.

Further, the Sum Assured on Death at inception as mentioned above shall not be less than 10 times of instalment premium (excluding any extra premium and taxes) for Base plan *multiplied* by premium frequency for the chosen mode of premium payment under the policy. Premium frequency for yearly, half-yearly, quarterly and monthly mode of premium payment shall be 1, 2, 4 and 12 respectively.

### **Note:**

- Modal adjustment factor shall depend on the mode of premium payment opted by the Policyholder and shall be as under:

Mode of Premium Payment	Modal adjustment factor
Yearly	1.0000
Half-Yearly	1.0180
Quarterly	1.0272
Monthly	1.0332

- 2) “**Tabular Annual Premium**” shall be the premium for the chosen Survival Benefit Option and Basic Sum Assured based on the age of Life Assured and the Premium Paying Term chosen before allowing for any rebate or loading or any underwriting extra and does not include any taxes and Rider Premium(s), if any.
- 3) “**Total Premiums Paid**” means the total of all premiums paid under the base product, excluding any extra premium and taxes, if collected explicitly.

## B. Survival Benefits:

Survival Benefit as a specified percentage of Basic Sum Assured shall be payable at periodic intervals as per the Option chosen by the Policyholder at the proposal stage. The Policyholder has to opt for any one of the above Options at the proposal stage only. This Option once chosen cannot be changed later. The Policyholder can choose from the following Options:

### Option A:

On the Life Assured surviving to the end of the Premium Payment Term provided all due premiums have been paid, 50% of Basic Sum Assured shall be payable as Survival Benefit at the end of the Premium Payment Term.

### Option B and Option C:

On the Life Assured surviving to the end of the specified policy years provided all due premiums have been paid, an amount equal to a specified percentage of the Basic Sum Assured shall be payable as Survival Benefit. The following table gives the details of frequency of payment of Survival Benefits and the percentage of Survival Benefit payable for the chosen Option.

End of the Policy Year (in years)	Survival Benefit as a % of Basic Sum Assured	
	Option B	Option C
2	7.5%	---
4	7.5%	15%
6	7.5%	----
8	7.5%	15%
10	7.5%	----
12	7.5%	15%
14	7.5%	----
16	7.5%	15%
18	7.5%	----
20	7.5%	15%
22	7.5%	----
24	7.5%	15%

### C. Maturity Benefit:

On the Life Assured surviving the stipulated Date of Maturity, provided the policy is in-force, “**Sum Assured on Maturity**” along with accrued Guaranteed Additions for in-force policy (as specified in Para 3.D) shall be payable; where “**Sum Assured on Maturity**” is equal to the Basic Sum Assured.

### D. Guaranteed additions for in-force policy:

Under an in-force policy (in which all due premiums have been paid), the Guaranteed Additions during the Policy Term shall accrue at the end of each policy year.

The Rate of Guaranteed Additions for an in-force policy shall be 7% of the Total Tabular Annual Premium in respect of Premiums Paid.

In case, any policy is eligible for incentive(s) in terms of increase in Rate of Guaranteed Additions as specified in Para 9 (viz. Incentive for High Basic Sum Assured, Incentive for existing Policyholder and Nominee/Beneficiary of the deceased Policyholder and/or CIS/Online sale), the above mentioned Rate of Guaranteed Additions shall be enhanced by the respective incentive(s) to arrive at the applicable rate of Guaranteed Additions under the policy. Such incentive(s) are additive in nature hence if a policy is eligible for more than one incentive, all such incentives will be added to the above mentioned Rate of Guaranteed Additions.

The Guaranteed Additions applicable for an in-force policy in a policy year shall be equal to applicable Rate of Guaranteed Additions *multiplied* by Total Tabular Annual Premium in respect of Premiums Paid.

On death of Life Assured during the Policy Term under an in-force policy, the Guaranteed Additions in the year of death shall be payable for full policy year.

In case of fully paid-up policy, Guaranteed Additions shall continue to accrue at the end of each policy year and the same shall be as applicable for an in-force policy.

## 4. OPTIONAL RIDER BENEFITS:

The following four optional Rider(s) shall be available under this plan, by payment of additional premium subject to the eligibility. 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 Premium Payment Term of the Base Policy provided the outstanding Premium Payment Term of the Base Policy as well the Rider is at least 5 years. The benefit cover under this Rider shall be available up to 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 shall also be waived. 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 all premiums under the Base Policy have been paid or after the Cover ceasing age in respect of this Rider, whichever is earlier.

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

Beyond the specific details as mentioned in this Circular in respect of this Rider, any additional details like refund to be made in respect of this rider on surrender of the Base Policy, requirements of claim, definition of disability etc., may be referred from the Rider Circular Ref: CO/PD/226 dated 30<sup>th</sup> 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 Payment Term under the Base Policy as well as Rider is at least 5 years. However, in any case, the maximum age at entry shall not exceed 60 years (near birthday).
- c) Rider Term : Outstanding Policy Term of the Base Policy or (70 *minus* age at entry), whichever is lower.
- d) Premium Payment Term : Outstanding Premium Payment Term of the Base Policy.
- e) Maximum Cover Ceasing Age : 70 years (nearer birthday)
- f) Minimum Accident Benefit Sum Assured: Rs. 10,000/-
- g) 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 Payment Term of the Base Policy provided the outstanding Premium Payment Term of the Base Plan as well the Rider is at least 5 years. The benefit cover under this Rider shall be available till the end of Premium Payment Term only. Thereafter, the cover shall cease.

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

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

Beyond the specific details as mentioned in this Circular in respect of this Rider, any additional details like requirements of claim etc. may be referred from the Rider Circular Ref: CO/PD/224 dated 30<sup>th</sup> 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 Payment Term under the Base Policy as well as Rider is at least 5 years. However, in any case the maximum age at entry shall not exceed 60 years (near birthday)
- c) Rider Term : Outstanding Premium Payment Term of the Base Plan
- d) Maximum Cover ceasing Age : 65 years (nearer birthday)
- e) Minimum Accident Benefit Sum Assured: Rs. 20,000/-
- f) Maximum Accident Benefit Sum Assured: An amount equal to the **three times** of 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 Payment 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 Policy etc. may be referred from the Rider Circular Ref: CO/PD/227 dated 30<sup>th</sup> September, 2024.

**Eligibility conditions and restrictions:**

- a) Minimum Entry Age : 18 years (completed)
- b) Maximum Entry Age : Same as Base Policy
- c) Rider Term : Same as Base Policy
- d) Premium Payment Term : Same as Base Policy
- e) Minimum Term Assurance Rider Sum Assured: Rs. 1,00,000/-
- f) 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.

- g) Modal Loading: To arrive at the Rider premium for different modes of Premium payments, the Tabular Rider premium shall be multiplied by 0.98 to arrive at the Annualized Rider Premium and then further multiplied by the Premium Conversion Factor as applicable under the Base Plan for the chosen mode of premium payment.

**iv) LIC's Female Critical Illness Benefit Rider (UIN: 512B226V01):**

LIC's Female Critical Illness Benefit 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 Policy and any other Rider(s), if opted for, during the Premium Payment Term of the policy.

The Policyholder has an option to choose any or all of three available Modules at the inception subject to eligibility conditions and restrictions:

- **Module 1:** Early Stage Cancer/ Carcinoma-in-situ/Major Cancer
- **Module 2:** Common Surgeries/Illnesses in women
- **Module 3:** Pregnancy complications and Congenital Anomalies

**Eligibility conditions and restrictions:**

Minimum Entry Age	18 years (completed) for all the modules
Maximum Entry Age	Module 1 & 2 : 50 years (nearer birthday) Module 3 : 35 years (nearer birthday)
Rider Term	The Rider term under the Modules would be offered as under:  <b>For Module 1 and 2:</b> Same as Base Plan  <b>For Module 3:</b> (45 – age at entry) years or Policy Term i.e. 25 years, whichever is lower.
Maximum Cover ceasing age	Module 1 & 2 : Same as Base Plan Module 3 : 45 years (nearer birthday)
Minimum/Maximum Rider Sum Assured	<p>“Total LIC’s Female Critical Illness Benefit Rider Sum Assured” shall be the sum of Module Sum Assured for all the Module(s) opted by the Life Assured,</p> <p>Where:</p> <ul style="list-style-type: none"> <li>• <b>Minimum Module Sum Assured:</b> Rs. 1 lakh for each of the modules</li> <li>• <b>Maximum Module Sum Assured:</b> Module 1 Sum Assured : Rs 4 lakh Module 2 Sum Assured : Rs 4 lakh Module 3 Sum Assured : Rs 2 lakh</li> </ul> <p>“Total LIC’s Female Critical Illness Benefit” shall be the sum of Critical Illness Benefit for all the Module(s) opted by the Life Assured,</p> <p>Where:</p> <p>Critical Illness Benefit as a percentage of Module Sum Assured shall be as under:</p> <p>Module 1: 100% of Module 1 Sum Assured Module 2: 100% of Module 2 Sum Assured Module 3: 200% of Module 3 Sum Assured</p> <p>Accordingly,</p> <ul style="list-style-type: none"> <li>• Minimum Critical Illness Benefit for each Module shall be as under: Module 1 Critical Illness Benefit: Rs 1 lakh Module 2 Critical Illness Benefit: Rs 1 lakh Module 3 Critical Illness Benefit: Rs 2 lakh</li> <li>• Maximum Critical Illness Benefit for each Module shall</li> </ul>

	<p>be as under:</p> <p>Module 1 Critical Illness Benefit: Rs 4 lakh Module 2 Critical Illness Benefit: Rs 4 lakh Module 3 Critical Illness Benefit: Rs 4 lakh</p> <p>The "Total LIC's Female Critical Illness Benefit" shall be an amount equal to 50% of the Sum Assured on Death under the Base policy or Rs 5 lakhs, whichever is lower subject to the Maximum Critical Illness Benefit limits for each Module as specified above. In any case, the "Total LIC's Female Critical Illness Benefit" shall not exceed the maximum aggregate limit of Rs 5 lakhs. This maximum aggregate limit for "Total LIC's Female Critical Illness Benefit" shall be based on the Underwriting Policy of the Corporation taking all existing policies of the Life Assured under LIC's Female Critical Illness Benefit Rider including the "Total LIC's Female Critical Illness Benefit" under the new proposal into consideration.</p>
Premium Payment Term	<p><u>For Module 1 and Module 2:</u> The Premium Payment Term of the Rider shall be equal to the Premium Payment Term of the Base policy.</p> <p><u>For Module 3:</u> The Premium Payment Term shall be same as Premium Payment Term of the Base policy. However, if the Base plan Premium Payment Term is higher than the Rider Term, the Rider Premium Paying Term for Module 3 shall be equal to Module 3 Rider Term.</p>
Premium Payment Mode	Same as the Base plan to which the Rider is attached.
Rider Sum Assured Multiple	Same as the Base plan to which the Rider is attached.

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

Beyond the specific details as mentioned in this Circular in respect of this Rider, additional details like Conditions and Restrictions, Waiting Period, Survival Period, exclusions, Option under the Rider, 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/292 dated 25<sup>th</sup> August, 2025.

**Note: The premium under LIC's Female Critical Illness Benefit Rider shall not exceed 100% of the premium under the Base Product. The premiums under all the life insurance riders put together shall not exceed 30% of premiums under the base product. The total LIC's Female Critical Illness Benefit under LIC's Female Critical Illness Benefit Rider shall not exceed an amount equal to 50% of the Sum Assured on Death under the base plan or Rs 5 lakhs, whichever is lower. 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 (LIC's Accidental Death and Disability Benefit Rider, LIC's New Term Assurance Rider) shall not exceed the Basic Sum Assured under Base Policy.**

## 5. OPTIONS AVAILABLE UNDER THE BASE PLAN:

### I. Option to take Death Benefit in instalments:

This is an option to receive Death Benefit in instalments over the chosen period of 5 or 10 or 15 years instead of lump sum amount under an in-force as well as paid-up policy. This option can be exercised by the Life Assured during her life time; for full or part of Death benefits payable under the policy. The amount opted for by the 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 Life Assured, the claim proceeds shall be paid in lump sum only.

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

For exercising option to take Death Benefit in instalments, the Life Assured can exercise this option during 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 Life Assured and no alteration, whatsoever, shall be allowed to be made by the nominee.

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

### II. Settlement Option (for Maturity Benefit):

Settlement Option is an option to receive Maturity Benefit in instalments over the chosen period of 5 or 10 or 15 years instead of lump sum amount under an in-force as well as paid-up policy. This option can be exercised by the Life Assured for full or part of Maturity proceeds payable under the policy. The amount opted for by the 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 Life Assured, the claim proceeds shall be paid in lump sum only.

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

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

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:**

- i. 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 lump sum 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).
- ii. The interest rates applicable for discounting the future instalment payments shall be as fixed by the Corporation from time to time.
- iii. After the Date of Maturity, in case of death of the Life Assured, who has exercised Settlement Option, the outstanding instalments will continue to be paid to the nominee as per the option exercised by the Life Assured and no alteration, whatsoever, shall be allowed to be made by the nominee.

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

**III. Survival Benefit Deferment Option:**

The Policyholder shall have an Option to defer any Survival Benefit(s) falling due for a period of 5 years under an in-force as well as a Paid-up policy. This Option is available under all the three Options viz.: Option A, Option B and Option C and is subject to the following:

- i) This Option can be exercised once under Option A and maximum for two Survival Benefits under Option B and Option C provided the outstanding Policy Term from the date of the receipt Survival Benefit is at least 5 years. The Option has to be exercised by the Life Assured before 90 days of due date of the Survival Benefit. The Option has to be exercised by the Life Assured separately for each Survival Benefit under Option B and Option C.
- ii) Once Survival Benefit Deferment Option is exercised, the deferred Survival Benefit shall be accumulated at the applicable accumulation rate for 5 years from its due date.
- iii) The Accumulated value of such deferred survival benefit shall be payable to the policyholder at the end of the 5<sup>th</sup> year from its respective due date.
- iv) This Option can be exercised only if no loan is outstanding under the policy.

- v) In case of the death of Life Assured or maturity of the policy, whichever is earlier, the accumulated value (if any) of deferred survival benefit payments up to the date of death or maturity as applicable shall be payable in lump sum.
- vi) On surrender of the policy, the surrender value, if any, shall also include the accumulated value of deferred survival benefits recalculated at revised accumulation rate from the respective due date of Survival Benefit payment till the date of surrender of policy for completed months.
- vii) The Life Assured can cancel the Survival Benefit Deferment Option at any time after it is exercised. Upon cancellation, the accumulated value of deferred survival benefit payments shall be recalculated at revised accumulation rate from the respective due date of survival benefits till the date of cancellation of Survival Benefit Deferment Option for completed months and shall be paid in lump sum. All the subsequent survival benefits falling due after the date of cancellation shall be paid on their respective due dates.
- viii) In such cases of surrender of policy or cancellation of option, the accumulated value shall be recalculated at rates as determined by the Corporation from time to time.

Instructions regarding accumulation rates for Survival Benefit Deferment Option shall be issued by Actuarial Department.

Instructions regarding Survival Benefit Deferment Option shall be issued separately by CRM/Claims Department, Central Office.

## 6. MODE OF PREMIUM PAYMENT:

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

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

This provision shall continue to be followed till further instructions with regard to e-NACH/NACH are issued separately.

## 7. PREMIUM RATES:

The Tabular Annual Premium rates and Class-I extra premium rates in respect of the Base Plan as well as available Riders are enclosed and tabulated below:

Annexure	Particulars
<b>Annexure 1</b>	Tabular Annual Premium rates per Rs. 1000/- Basic Sum Assured for <b>Base Plan</b>
<b>Annexure 2</b>	Class-I Extra Premium rates per Rs. 1000/- Basic Sum Assured for <b>Base Plan</b>
<b>Annexure 3</b>	Tabular Annual Premium rates per Rs. 1000/- Term Assurance Rider Sum Assured for <b>LIC's New Term Assurance Rider</b>
<b>Annexure 4</b>	Class-I Extra Premium rates per Rs. 1000/- Term Assurance Rider Sum Assured for <b>LIC's New Term Assurance Rider</b>
<b>Annexure 5</b>	Tabular Annual Premium rates per Rs. 1000/- Accident Benefit Sum Assured for <b>LIC's Accidental Death and Disability Benefit Rider</b>

	for Category I & II lives. There are two categories for Accident Benefit premium rates. Category-I rates are applicable to all the Life Assured except those falling under Category-II. Category-II rates are applicable to Life Assureds engaged in police duty in any police organization other than paramilitary forces and opt for this cover while engaged in police duty.
<b>Annexure 6</b>	Tabular Annual Premium rates per 1000/- Module Sum Assured for Module 1, Module 2 and Module 3 for <b>LIC's Female Critical Illness Benefit Rider</b> .
<b>Annexure 7</b>	Class-I Extra Premium rates per Rs. 1000/- Module Sum Assured for Module 1, Module 2 and Module 3 for <b>LIC's Female Critical Illness Benefit Rider</b> .

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

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

The above premium rates are exclusive of taxes.

## 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 from the date of First Unpaid Premium. 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.

In case of death due to suicide, provision of Para 19 shall be applicable.

## 9. INCENTIVES / REBATES:

The incentives / rebates applicable under the plan are as under:

### a. Incentive for High Basic Sum Assured:

The incentive for Higher Basic Sum Assured (BSA) shall be allowed for Base plan in the form of increase in Rate of Guaranteed Additions. The incentive in terms of Guaranteed Additions as a percentage of Total Tabular Annual Premium in respect of Premiums paid shall be as under:

Incentive for High Sum Assured (Rate of Guaranteed Addition as a % of Total Tabular Annual Premium in respect of Premiums paid)					
PPT(in years)	Basic Sum Assured (Rs.)				
	2,00,000 to less than 5,00,000	5,00,000 to less than 10,00,000	10,00,000 to less than 15,00,000	15,00,000 to less than 25,00,000	25,00,000 and above
7 to 9	Nil	0.25%	0.35%	0.40%	0.45%
10 to 15	Nil	0.30%	0.40%	0.45%	0.50%

**b. Incentive for existing Policyholder and Nominee/ Beneficiary of the deceased Policyholder:**

The Incentive shall be in the form of increase in Rate of Guaranteed Additions. The incentive in terms of Guaranteed Additions as a percentage of Total Tabular Annual Premium for different category of existing policyholders including the nominee or beneficiary of deceased policyholder for Base Plan shall be as under:

Category of Policyholder	Incentive	
<p>In case an existing Policyholder having a policy with the Corporation which has matured within one year before the registration of proposal under this product and purchases this plan on her life and/or on the life of any of the family members*;</p> <p style="text-align: center;"><b>Or</b></p> <p>If this plan is purchased by Nominee/ Beneficiary of the deceased Policyholder of the Corporation where date of death is within one year before the registration of proposal under this product;</p> <p style="text-align: center;"><b>Or</b></p> <p>If this plan is purchased by an existing Policyholder having an in-force policy with the Corporation.</p> <p>(*Family members means Grandparent, Parent, Spouse ,Children or Grandchildren)</p>	<b>PPT (years)</b>	<b>Rate of Guaranteed Addition (as a % of Total Tabular Annual Premium in respect of premiums paid)</b>
	7 to 11	0.05%
	12 to 15	0.10%

**Note:**

In case the plan is purchased by an existing Policyholder having an in-force policy with the Corporation, the existing policy must be in-force on the date of registration of proposal under this plan. In a situation of Cheque Dishonour or Free Look cancellation of the previous policy based on which the incentive has been given in the subsequent policy, such incentive given on subsequent policy (on account of existence of the previous policy) will be cancelled. In other words, the incentive for existing policyholder allowed under the subsequent policy on the strength of previous policy will be cancelled in case of Cheque Dishonour or Free Look cancellation of the previous policy based on which the incentive was allowed.

**c. Incentive/Rebate under Corporation's Insurance Scheme (CIS):**

Incentive for Base Plan:

Proposal to be completed under Corporation's Insurance Scheme (CIS) with regard to employees of the Corporation and its Subsidiaries/Step Down Subsidiaries/Associate Companies, as per the prevailing policy of the Corporation in this regard shall be eligible for incentive under CIS for Base plan, provided policy is not taken through Agents, Corporate Agents, Brokers and Insurance Marketing Firms.

The incentive shall be in the form of increase in Rate of Guaranteed Additions. The incentive in terms of Guaranteed Additions as a percentage of Total Tabular Annual Premium in respect of premiums paid shall be as under:

<b>Premium Payment Term (PPT) (years)</b>	<b>Rate of Guaranteed Addition (as a % of Total Tabular Annual Premium in respect of premiums paid)</b>
7 to 9	0.75%
10 to 14	1.25%
15	1.50%

Rebate for Rider(s):

Proposal to be completed under Corporation's Insurance Scheme (CIS) with regard to employees of the Corporation and its Subsidiaries/Step Down Subsidiaries/Associate Companies, as per the prevailing policy of the Corporation in this regard shall be eligible for rebate under CIS at the following rate on tabular premium for Rider(s), if opted for, provided policy is not taken through Agents, Corporate Agents, Brokers and Insurance Marketing Firms.

<b>Premium Payment Term (PPT) (years)</b>	<b>Rebate as % of Tabular Rider Premium</b>
7 to 9	5%
10 to 14	7.5%
15	10%

Incentive / Rebate under CIS shall be allowed to policies purchased either offline or online. However, in such cases of online purchase only incentive / rebate under CIS shall be allowed.

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

**d. Incentive/Rebate under Online Sale:**

Incentive for Base Plan:

Proposal to be completed under Online Sale without any assistance of Agent / Intermediary shall be eligible for incentive under Base Plan. The incentive shall be in the form of increase in Rate of Guaranteed Additions. The incentive in terms of Guaranteed Additions as a percentage of Total Tabular Annual Premium in respect of Premium paid shall be as under:

<b>Premium Payment Term (PPT) (years)</b>	<b>Rate of Guaranteed Addition (as a % of Total Tabular Annual Premium in respect of premiums paid)</b>
7 to 9	0.75%
10 to 14	1.25%
15	1.50%

Rebate for Rider(s):

Proposal to be completed under Online Sale without any assistance of Agent / Intermediary shall be eligible for rebate on tabular premium for Rider(s), if opted for, at the following rate.

Premium Payment Term (PPT) (years)	Rebate as % of Tabular Rider Premium
7 to 9	5%
10 to 14	7.5%
15	10%

**e. Premium Conversion Factors:**

The Premium Conversion Factors for different modes of Premium Payment are as under:

Mode of Premium Payment	Premium Conversion Factor
Yearly	1.0000
Half-Yearly	0.5090
Quarterly	0.2568
Monthly	0.0861

For other than yearly mode of premium payment, the applicable instalment premium shall be arrived at by multiplying the applicable Premium Conversion Factor with yearly premium derived.

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

**a) For Offline sale:**

Commission payable (as percentage of Premium paid net of taxes) to licensed Agents, Corporate Agents, Brokers and Insurance Marketing Firms (IMFs) during the Premium Payment Term shall be as under:

Premium Payment Term (in years)	1 <sup>st</sup> Year	2 <sup>nd</sup> to 6 <sup>th</sup> Year	Subsequent Years
7 to 9	10%	5.0%	5.0%
10 to 14	15%	7.5%	5.0%
15	20%	7.5%	5.0%

**Bonus Commission:** 40% of 1<sup>st</sup> year Commission.

**b) For Online sale:**

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

**c) Development Officer's Credit (D.O. Credit):**

Credit to Development Officers (as a % of first year premium net of taxes) is as under:

Premium Payment Term (in years)	D.O. Credit
7 to 9	30%
10 to 14	60%
15	100%

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

## 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 and the premiums paid hitherto are also not refundable.

If 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, the policy shall not be wholly void, but shall subsist as a paid-up policy till the end of policy term.

The **Sum Assured on Death** under a paid-up policy shall be reduced to such a sum called "**Death Paid-up Sum Assured**" and shall be equal to the **Sum Assured on Death** *multiplied* by the ratio of the total period for which premiums have already been paid bears to the maximum period for which premiums were originally payable. The Death Benefit payable under a Paid-up policy, on death of the Life Assured shall be Death Paid-Up Sum Assured along with accrued Guaranteed Addition for a Paid-up policy (as specified below). This Death Benefit shall not be less than 105% of Total Premiums paid upto date of death.

The Sum Assured on Maturity under a paid-up policy shall be reduced to such a sum called "**Maturity Paid-up Sum Assured**" and shall be equal to the **Sum Assured on Maturity** *multiplied* by the ratio of the total period for which premiums have already been paid bears to the maximum period for which premiums were originally payable.

The policy so reduced shall thereafter be free from all liabilities for payment of the within mentioned premiums.

The benefits payable under a paid-up policy are as given below:

**I. If at least one full year's premiums but less than 3 full year's premiums have been paid:**

**a) On death of the Life Assured after completion of Grace Period:**

Death Paid-Up Sum Assured shall be payable. In addition, accrued Guaranteed Additions at the applicable rates shall also be payable. The Death Benefit payable under a Paid-up policy, on death of the Life Assured shall be Death Paid-Up Sum Assured along with accrued Guaranteed Addition for a Paid-up policy (as specified below). This Death Benefit shall not be less than 105% of Total Premiums paid upto date of death.

**b) On Life Assured surviving to the Maturity Date:**

**Maturity Paid-Up Sum Assured** shall be payable. In addition, accrued Guaranteed Additions at the applicable rates shall also be payable.

**II. If at least three full year's premiums have been paid and any subsequent premiums be not duly paid, under such policies Auto Cover Period as mentioned below shall be applicable.**

**Auto Cover Period:**

"Auto Cover Period" under a paid-up policy shall be the period from due date of First Unpaid Premium (FUP). The duration of Auto Cover Period shall be as under:

- 1. If at least three full years' but less than five full years' premiums have been paid under a policy and any subsequent premium is not duly paid:** Auto Cover Period of six months shall be available.

2. **If at least five full years' premiums have been paid under a policy and any subsequent premium is not duly paid:** Auto Cover Period of two years shall be available.

**A. The benefits payable under a paid-up policy during Auto Cover Period shall be as follows:**

1. **On death after completion of grace period but during the Auto Cover Period:** Death benefit, as payable under an in-force policy shall be paid after deduction of (a) the unpaid premium(s) in respect of the Base policy with interest thereon up to the date of death, and (b) the balance premium(s) for the Base policy falling due from the date of death and before the next policy anniversary, if any.

This provision of Death Benefit during the Auto Cover shall not be applicable in case of death due to suicide during the Auto Cover period. In such case payment as per Para 11(B) (1) below or Para 19 whichever, is applicable, shall be payable.

2. **On maturity:** "Maturity Paid-up Sum Assured" shall be payable. In addition, accrued Guaranteed Additions at applicable rates shall also be payable.

**B. The benefits payable under a paid-up policy after the expiry of Auto Cover Period shall be as follows:**

1. **On death:** "Death Paid-up Sum Assured" shall be payable. In addition, accrued Guaranteed Additions at the applicable rates shall also be payable. The Death Benefit payable under a Paid-up policy, on death of the Life Assured shall be Death Paid-Up Sum Assured along with accrued Guaranteed Addition for a Paid-up policy (as specified below). This Death Benefit shall not be less than 105% of Total Premiums paid upto date of death.
2. **On maturity:** "Maturity Paid-up Sum Assured" shall be payable. In addition, accrued Guaranteed Additions at applicable rates shall also be payable.

**Survival Benefits under a Paid-up policy:**

The Survival Benefits payable under a paid-up policy shall be equal to Survival Benefit payable under an in-force policy *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. These Survival Benefits shall be payable on Life Assured surviving to each of the specified durations during the policy term as per the chosen Option specified under Para 3. B above.

Survival Benefit during Auto Cover Period shall be payable considering the policy is Paid-up policy.

However, if Survival Benefit Deferment Option has been exercised and payment of such Survival Benefit(s) has not yet been made, these accumulated Survival Benefits as specified in Para 5 (III) above shall be payable along with the benefit payable on termination of the policy in the form of death, surrender or maturity, whichever is earlier.

### **Guaranteed Additions for Paid-up policy:**

The Guaranteed Addition under a paid-up policy shall be sum of the following:

- a) For the period for which full years' premiums have been paid: The Guaranteed Additions accrued under the policy with the rate as applicable for an in-force policy, shall remain attached under the policy.
- b) For the policy year for which the full years' premiums have not been paid (the year in which the policy becomes paid-up) and for subsequent policy years: The Guaranteed Additions shall be as under:
  - (i) For the policy year for which the full years' premiums have not been paid, Guaranteed Additions shall accrue at the end of that policy year and shall be sum of proportionate Guaranteed Additions for in-force period, with the rate as applicable for an in-force policy and proportionate Guaranteed Additions for the period policy is paid-up, with the Rate of Guaranteed Additions applicable for paid-up policy (as mentioned below).
  - (ii) For subsequent policy years during the policy term, the Guaranteed Additions shall accrue at the end of each completed policy year with the Rate of Guaranteed Additions applicable for paid-up policy (as mentioned below).

The Rate of Guaranteed Additions applicable for paid-up policy shall be equal to applicable Rate of Guaranteed Additions for an in-force policy (as specified in Para 3.D) *multiplied* by ratio of total period for which premiums have already been paid to the maximum period for which premiums were originally payable. This rate of Guaranteed Additions applicable for paid-up policy shall remain same under a paid-up policy.

The Guaranteed Additions applicable for a paid-up policy that shall accrue at the end of each policy year shall be equal to Rate of Guaranteed Additions applicable for a paid-up policy (as specified above) *multiplied* by Total Tabular Annual Premium in respect of Premiums Paid. This Guaranteed Additions shall remain same during the period the policy continues as a paid-up policy.

In case of Death under the paid-up policy, the applicable Guaranteed Additions for the policy year in which the policy resulted in Death claim will be added on proportionate basis in proportion to the completed months for the policy year in which policy resulted in death claim (i.e. the period up to the date of death). For example, if a paid-up policy resulted in death claim after five months and 17 days in a particular policy year, then applicable Guaranteed Additions on proportionate basis for five months i.e.  $5/12^{\text{th}}$  of applicable Guaranteed Additions for that policy year shall be added.

All of the above mentioned Paid-up value provisions do not apply to Riders as riders do not acquire any paid up value. The riders benefits cease to apply, if policy is in lapsed condition. Cover for Rider Benefits will not continue during the Auto Cover Period beyond grace period.

### **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 has been paid.

On surrender of an in-force or paid-up policy, the Corporation shall pay the Surrender Value higher of:

- **Guaranteed Surrender Value (GSV) and surrender value of any accrued Guaranteed Additions; or**
- **Special Surrender Value (SSV)**

The Guaranteed Surrender Value, surrender value of any accrued Guaranteed Additions and Special Surrender Value shall be as under:

**a) Guaranteed Surrender Value (GSV) and surrender value of any accrued Guaranteed Additions:**

The Guaranteed Surrender Value payable during the Policy Term shall be the total premiums paid *multiplied* by the GSV factor applicable to total premiums paid and then reduced by any survival benefits already paid under the policy. If Survival Benefit Deferment Option has been exercised and payment of such Survival Benefit(s) which were due but have not been paid, the Guaranteed Surrender Value shall be reduced by such Survival Benefits not paid.

Premiums referred above shall not include any extra premium, any premium for rider(s), if opted for and taxes.

The GSV factors applicable to total premiums paid are expressed as percentages and depend on the policy term and policy year in which the policy will be surrendered and are enclosed as **Annexure - 8**.

For the calculation of GSV, the accrued Guaranteed Additions shall include the Guaranteed Additions for each of the completed policy year and the Guaranteed Additions on proportionate basis in proportion to the completed months for the Policy Year in which policy is surrendered. For example, if a policy is surrendered after five months and 17 days in a particular policy year, then Guaranteed Additions on proportionate basis for five months i.e. 5/12<sup>th</sup> of Guaranteed Additions for that policy year shall be considered for accrued Guaranteed Additions. The applicable Guaranteed Additions shall be as specified in Para 3.D and Para 11.

The surrender value of any accrued Guaranteed Additions shall be the accrued Guaranteed Additions *multiplied* by GSV factor applicable to accrued Guaranteed Additions.

i.e. Surrender Value of any accrued Guaranteed Additions = (GSV factor applicable to accrued Guaranteed Additions \* accrued Guaranteed Additions).

The Guaranteed Surrender Value factors applicable to Guaranteed Additions are expressed as percentage and shall depend on the policy term and policy year in which the policy will be surrendered and are enclosed as **Annexure – 9**.

**b) Special Surrender Value (SSV):**

Special Surrender Value will be payable, if it is more favourable to the Policyholder.

The Special Surrender Value payable shall be as under.

The Special Surrender Value will be the sum of [(Death Paid-up Sum Assured *plus* accrued Guaranteed Additions) *multiplied* by Factor 1] and (Future Annual applicable Guaranteed Additions *multiplied* by Factor 4) and [(Maturity Paid-up Sum Assured *plus* accrued Guaranteed Additions *plus* sum of Guaranteed Additions for future period) *multiplied* by Factor 2)] and [(Amount of one Survival Benefit payable) *multiplied* by Factor 3].

i.e. Special Surrender Value = [(Death Paid-up Sum Assured + accrued Guaranteed Additions) \* Factor 1] + (Future Annual applicable Guaranteed Additions \* Factor 4) + [(Maturity Paid-Up Sum Assured + accrued Guaranteed Additions + sum of Guaranteed Additions for future period) \* Factor 2] + [(Amount of one Survival Benefit payable)\* Factor 3].

For the calculation of SSV, the accrued Guaranteed Additions shall include the Guaranteed Additions for each of the completed policy year prior to the surrender and the Guaranteed Additions on proportionate basis in proportion to the duration elapsed during the policy year in which the policy is surrendered. The applicable Guaranteed Additions shall be at the Guaranteed Additions rate as specified in Para 3.D and Para 11.

Future Annual applicable Guaranteed Additions shall be the Guaranteed Additions for a policy year and shall be determined considering the policy is paid-up (irrespective of the status whether the policy is in-force or paid-up) and shall be equal to Rate of Guaranteed Additions applicable for a paid-up policy (as specified in Para 11 and is as mentioned below) *multiplied* by Total Tabular Annual Premium in respect of Premiums Paid.

Where,

The Rate of Guaranteed Additions applicable for paid-up policy shall be equal to applicable Rate of Guaranteed Additions for an in-force policy (as specified in Para 3.D) *multiplied* by the ratio of total period for which premiums have already been paid to the maximum period for which premiums were originally payable.

The sum of Guaranteed Additions for future period shall include all the future Guaranteed Additions (from surrender) which would have been applicable had the policy continued till maturity, considering the policy continued as a paid-up policy (irrespective of the status whether the policy is in force or paid-up). The Guaranteed Additions for each of future policy year shall be equal to Rate of Guaranteed Additions applicable for a paid-up policy (as specified in Para 11) *multiplied* by Total Tabular Annual Premium in respect of Premiums Paid.

The amount of one Survival Benefit payable shall be determined considering the policy is paid-up (irrespective of the status whether the policy is in-force or paid-up).

The Death Paid-Up Sum Assured/Survival Benefit/Maturity Paid-Up Sum Assured payable under paid-up policy shall be as specified in Para 11.

In case of fully paid-up policies, in determination of SSV as mentioned above,

- Death Paid-up Sum Assured and Maturity Paid-Up Sum Assured shall be equal to Sum Assured on Death and Sum Assured on Maturity respectively.
- Amount of one Survival Benefit payable shall be as specified in Para 3.B.
- Future Annual applicable Guaranteed Additions shall be the Guaranteed Additions as applicable for in-force policy as specified in Para 3.D. Accordingly, the sum of Guaranteed Additions for each of future policy years shall be taken.

The Factor 1, Factor 2 and Factor 4 shall depend on the duration elapsed since commencement of the policy and are enclosed as **Annexure – 10, Annexure – 11 and Annexure – 13 respectively**. These factors have been provided for half-year duration and the duration elapsed shall be taken to the nearest half-year. Factor 3 for all Options shall depend on the duration elapsed. In addition, for Option A, Factor 3 shall also depend on the Premium Paying Term. Under all the Options, the duration to be considered for applying Factor 3 shall be the factor corresponding to the next completed half year. Factor 3 is enclosed as **Annexure - 12**. These factors shall be reviewed annually and instructions in this regard shall be issued by Actuarial Department, Central Office.

Further, if the policy is surrendered during the last policy year before date of maturity, the surrender value payable shall be the discounted value of maturity claim; where, in case of in-force policy, the maturity claim is **Sum Assured on Maturity** along with accrued Guaranteed Additions (as specified in Para 3.D), corresponding to the full term of the policy. In case of paid-up policy, the maturity claim is **Maturity Paid-up Sum Assured** along with accrued Guaranteed Additions (as specified in Para.11), corresponding to the full term of the policy.

Upon payment of Surrender value during the Policy Term, the Policy terminates and no further benefits shall be payable.

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

In addition to the payable surrender value, if the Survival Benefit Deferment Option has been exercised and payment of such Survival Benefit(s) which were due but have not yet been made, these accumulated Survival Benefits(s) as mentioned in Para 5 III above, shall also be paid.

LIC's Accidental Death and Disability Benefit Rider, LIC's Female Critical Illness Benefit Rider and LIC's New Term Assurance Rider will not acquire any surrender value. However, refund of additional Rider premiums charged in respect of cover after Premium Payment Term shall be refunded in respect of these riders and shall be as prescribed in the introductory circular of the rider.

#### **Example of Special Surrender Value Calculation:**

<b>Base Policy and premium paid details:</b>		
<b>Survival Benefit Option: Option B</b>		
<b>Age: 35 years</b>		
<b>Basic Sum Assured: Rs 5 Lakhs,</b>		
<b>Policy Term: 25 years</b>		
<b>Premium Paying Term : 10 years</b>		
<b>Tabular Annual Premium for Rs. 1000/- Basic Sum Assured: Rs 224.70</b>		
<b>Distribution Channel: Offline for a new customer</b>		
<b>Mode of Premium Payment: Half Yearly</b>		
<b>Number of Instalment premiums paid: 5</b>		
<b>Surrender details: Policy is surrendered after 2 years and 8 months</b>		
Instalment Premium =		Rs. 57,186
Tabular annual premium =		Rs. 1,12,350
Applicable GA rate =	Base rate (7.00%) + Incentive for high sum assured (0.30%) =	7.30%
Modal adjustment factor =	For Half yearly mode	1.0180
Total tabular annual premium paid =	1,12,350 * 2.5 =	Rs. 2,80,875
Sum Assured on Death	Maximum of	
	• 10 * Tabular Annual Premium * Modal adjustment factor	Rs. 11,43,723

	$= 10 * 1,12,350 * 1.0180 = 11,43,723$	
	<ul style="list-style-type: none"> <li>• <math>10 * \text{Installment Premium} * \text{Model frequency}</math>  <math>= 10 * 57,186 * 2 = 11,43,720</math></li> <li>• Basic Sum Assured = 5,00,000</li> </ul>	
Death Paid Up Sum Assured =	$(5/20) * \text{Sum Assured on Death} =$	Rs. 2,85,931
Maturity Paid Up Sum Assured =	$(5/20) * 5,00,000 =$	Rs. 1,25,000
Accrued GA =	GA for 2 completed years and 6 months + Paid up GA for 2 months $[1,12,350 * 7.30\%] + [2,24,700 * 7.30\%] + [(6/12) * (2,80,875 * 7.30\%)] + [(2/12) * (2,80,875 * (5/20) * 7.30\%)] =$	Rs. 35,710.92
Future annual applicable GA =	$2,80,875 * (5/20) * 7.30\% =$	Rs. 5125.97
Sum of GA for future periods =	$(25 \text{ years} - 2 \text{ years } 8 \text{ months}) * 5125.97 =$	Rs.1,14,480
Amount of one SB payable	$(5/20) * 7.5\% * 5,00,000$	Rs 9,375
SSV Factor 1 =	For applicable duration 2.5	3.98%
SSV Factor 2 =	For applicable duration 2.5	18.58%
SSV Factor 3 =	For applicable duration 3 * (*For applying Factor 3, duration is considered as 3 i.e. the next completed half year)	5.4793
SSV Factor 4 =	For applicable duration 2.5	50.81%
SSV =	$[(2,85,931 + 35,710.92) * (\text{Factor 1})] + [5,125.97 * (\text{Factor 4})] + [(1,25,000 + 35,710.92 + 1,14,480) * (\text{Factor 2})] + [9,375 * (\text{Factor 3})]$	Rs.1,17,905

### 13. REVIVALS:

If the premium is not paid before the expiry of the days of grace, the policy lapses. The lapsed policy may be revived during the lifetime of the Life Assured, but within a revival 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 decided by the Corporation from time to time and on satisfaction of Continued Insurability of the Life Assured on the basis of information, documents and reports that are already available and any additional information in this regard if and as may be required in accordance with the Underwriting Policy of the Corporation at the time of revival, being furnished by the Life Assured.

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

On revival of a lapsed or paid-up policy, all the benefits under the policy, which prevailed before the date of lapse or paid-up shall be restored.

If the revival period falls beyond the Premium Paying Term and the policy is revived after the due date of survival benefit, then the difference between full Survival Benefit payable under in-force policy and Survival Benefit already paid considering the paid-up policy shall be paid to the policyholder. The difference between the Guaranteed Addition payable under an in-force policy and the Reduced Guaranteed Additions under a paid-up policy shall also accrue under the policy. After the revival of the policy, Guaranteed Additions payable under an in-force policy shall continue to accrue under the policy.

Revival of Rider(s), if opted for, will only be considered 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:

- a) Any change not involving change in Base premium rates and corresponding benefit structure.
- b) Inclusion of LIC's Accidental Death & Disability Benefit Rider / LIC's Accident Benefit Rider.
- c) Exclusion of any Module under LIC's Female Critical Illness Benefit Rider.

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

#### 15. LOAN:

Loan shall be available under the plan, within the surrender value of the policy, subject to the following terms and conditions:

- i. Loan can be availed after completion of first policy year provided atleast one full year's premium has been paid.
- ii. The maximum Loan as a percentage of surrender value that can be granted shall be as under:

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

- iii. The rate of interest to be charged for the loan amount shall be determined by the Corporation from time to time.
- iv. In the event of default in payment of loan interest on the due dates and when the outstanding loan amount along with interest is to exceed the surrender value, the Corporation would be entitled to foreclose such policies. Such policies when being foreclosed shall be entitled to payment of the difference of surrender value and the outstanding loan amount along with interest, if any.
- v. In case the policy shall mature or is surrendered or becomes a claim by death or whenever any Survival Benefit falls due, the amount of outstanding Loan together with all interest shall be recovered from the claim benefit payment.

Further conditions regarding loan shall be as per instructions issued by CRM/PS Department, Central Office 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 lump sum 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, and 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 20** below.

#### **17. ONLINE SALE OF POLICIES:**

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

#### **18. UNDERWRITING, AGE PROOF AND MEDICAL REQUIREMENTS:**

NB&R department, Central Office, will issue instructions in this regard.

#### **19. SUICIDE CLAUSE:**

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

- 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 (excluding any taxes, extra premium and Rider premiums other than term assurance rider, if any), 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 (excluding any taxes, extra premium and Rider premiums other than term assurance rider, if any) till the date of death or surrender value available as on 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 under Auto Cover Provisions mentioned above under Paid-up Value provisions (**Para 11**) shall not be applicable in case of death due to suicide.

#### **20. FORFEITURE IN CERTAIN EVENTS:**

In case it is found that any untrue or incorrect statement is contained in the proposal, personal statement, declaration and connected documents or any material information is withheld, then and in every such case the policy shall be void and all claims to any benefit by virtue thereof

shall be subject to the provisions of Section 45 of the Insurance Act, 1938 as amended from time to time.

## **21. TAXES:**

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

The amount of applicable taxes as per the prevailing rates, shall be payable by the policyholder on premiums (for base policy and Rider(s), if any) including extra premiums, which shall be collected separately over and above in addition to the premiums payable by the policyholder. The amount of tax paid shall not be considered for the calculation of benefits payable under the plan.

The instructions regarding issues related to taxes shall be issued by Finance & Accounts Department, Central Office, separately, as applicable from time to time.

## **22. FREE LOOK PERIOD:**

If a Policyholder is not satisfied with the "Terms and Conditions" of the policy, 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 31<sup>st</sup> December, 2013 and C.O. Circular Ref: CO/PD/292 dated 25<sup>th</sup> August, 2025.

## **23. BACK-DATING INTEREST:**

The policies can be dated back within the same financial year but not before the Date of Introduction 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 up to 14 days is to be ignored and 15 days or more is to be rounded to a month for this calculation.

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

## **24. POLICY STAMPING:**

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

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

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

## **25. REINSURANCE:**

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

## 26. ASSIGNMENTS/NOMINATIONS:

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

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

- b) **Nominations:** Nomination by the holder of a policy of life assurance on her own life is required as per Section 39 of the Insurance Act, 1938, as amended from time to time.

The notice of nomination or change of nomination should be submitted for registration to any Branch/Satellite office of the Corporation. In registering nomination, the Corporation does not accept any responsibility or express any opinion as to its validity or legal effect.

## 27. NORMAL REQUIREMENTS FOR CLAIM:

- a) Death Claim: The normal documents which the claimant shall submit while lodging the claim in case of death of the Life Assured shall be claim forms, as prescribed by the Corporation, accompanied with original policy document, NEFT mandate from the claimant for direct credit of the claim amount to the bank account, proof of title, proof of death, medical treatment prior to the death (if any), school/college/employer's certificate, whichever is applicable, to the satisfaction of the Corporation. If the age is not admitted under the policy, the proof of age of the Life assured shall also be submitted.

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

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

- b) Survival Benefit/Maturity/Surrender Claim: In case of survival benefit/maturity/surrender of the policy, the Life Assured 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, Central Office in this regard shall also be required to be submitted.

## 28. ACCOUNTING OF INCOME AND OUTGO:

Instructions regarding the accounting procedure to be followed under the plan shall be issued separately by Finance & Accounts Department, Central Office.

## 29. PROPOSAL FORM:

Proposal Form No. 300 (Rev 2025) and Proposal Form No. 340 (Rev 2025) along with Addendum to the Proposal Form as issued by NB&R Department, Central Office shall be used under this plan.

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

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

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

### 31. DISCLOSURES:

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

Suitability information to be collected, including recommendations to be made 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.

### 32. ADDRESS OF OMBUDSMAN:

At the stage of issuance of policy the address and contact details of the nearest Insurance Ombudsman is to be mentioned in the Policy Document. In case of any change in address by policyholder, the address and contact details of the nearest Insurance Ombudsman from the transferring in branch has to be informed to the policyholder along with confirmation of change in address.

Further instructions in this regard to be issued by CRM/ Claims Department, Central Office.

Ajay Kumar  
Srivastava

Digitally signed by Ajay Kumar Srivastava  
DN: cn=Ajay Kumar Srivastava, o=LIC of India, ou,  
email=appointed.actuary@licindia.com, c=IN  
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**Executive Director (Actuarial)**

Encl – Annexure 1 to 13

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