

**LIFE INSURANCE CORPORATION OF INDIA
CENTRAL OFFICE**

Dept: Actuarial

“Yogakshema”
Jeevan Bima Marg
Mumbai – 400 021

Ref: CO /PD/214

Date: 5th February, 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, MDCs, ZTCs, STCs.

Re: INTRODUCTION OF LIC's Index Plus (Plan No. 873)

1. INTRODUCTION:

It has been decided to introduce LIC's Index Plus (Plan No. 873) with effect from 6th February, 2024.

The Unique Identification Number (UIN) for LIC's Index Plus is 512L354V01. This number has to be quoted in all relevant documents furnished to the Policyholders and other users (public, distribution channels etc.).

LIC's Index Plus is a Non-Participating, Unit Linked, Regular Premium, Individual Life Insurance plan which offers life insurance cum savings during the term of the policy. This plan can be purchased **Offline** through agents/other intermediaries as well as **Online** directly through website www.licindia.in.

The Proposer shall have an option to choose the amount of premium he/she desires to pay, Basic Sum Assured and Policy Term subject to minimum and maximum limits as specified in Para 2.

The Policyholder has a choice of investing premiums in one of the two types of funds available. Each Premium paid by the Policyholder shall be subject to Premium Allocation Charge as per details specified in Para 7.1 of this Circular. The balance amount known as allocation rate constitutes that part of premium which is utilized to purchase the units of the fund chosen by the Policyholder in the policy.

Upon completion of specified duration of policy years, Guaranteed Additions as a percentage of Annualized Premium (as mentioned in Para 4) shall be added to the Unit Fund under an In-force policy. The amount of Guaranteed Additions shall be utilized to purchase units as per the opted fund type.

Unit Fund Value is calculated by multiplying the Net Asset Value (NAV) of the chosen fund type with the number of units in the respective Unit Fund. The Unit Fund Value will be subject to deduction of various other charges either by cancellation of number of units or by adjusting the NAV as specified in Para 7 of this Circular. Units will be allotted and cancelled based on the Net Asset Value (NAV) of the respective fund applicable as on the date of allotment / cancellation. There is no Bid-Offer spread (both the Bid price and Offer price of units will be equal to NAV).

The NAV will be computed on daily basis and will be based on the investment performance and Fund Management Charges (FMC) of each fund type.

The benefits and other details of this plan are as follows.

2. ELIGIBILITY CONDITIONS AND FEATURES:

i.	Basic Sum Assured	<u>Age at Entry</u>	<u>Basic Sum Assured</u>	
		From [90] Days (completed) To [50] years (nearer birthday)	<ul style="list-style-type: none"> • 7 times of Annualized Premium. or • 10 times of Annualized Premium 	
		From [51] years (nearer birthday) To [60] years (nearer birthday)	7 times of Annualized premium.	
ii.	Minimum Premium	<u>Mode/Premium Payment frequency</u> <u>Amount (in Rs.)</u>		
		Yearly 30,000/-		
		Half-yearly 15,000/-		
		Quarterly 7,500/-		
		Monthly (NACH) 2,500/-		
Premium shall be in multiples of Rs.1000/- for Yearly mode, Rs 500/- for Half-yearly mode and Rs 250/- for Quarterly and Monthly (NACH).				
iii.	Maximum Premium	No Limit. The maximum premium allowed to each individual will be subject to underwriting decision as per the Board Approved Underwriting Policy.		
iv.	Minimum Age at entry	[90] Days (completed)		
v.	Maximum Age at entry	<u>Basic Sum Assured</u>	<u>Maximum Age at entry</u>	
		10 times of Annualized Premium	[50] years (nearer birthday)	
		7 times of Annualized Premium	[60] years(nearer birthday)	
vi.	Minimum and Maximum Policy Term	<u>Annualized Premium</u>	<u>Minimum Term</u>	<u>Maximum Term</u>
		Less Than Rs 48,000	15	25
		Rs 48,000 and above	10	25
Note: The minimum and maximum policy term shall be subject to minimum and maximum maturity age as specified in point no. ix. and x. below				
vii.	Premium	Same as Policy Term		

	Paying Term							
viii.	Premium Paying Mode	Yearly/Half Yearly/Quarterly/Monthly (NACH)						
ix.	Minimum Maturity Age	[18] years (Completed)						
x.	Maximum Maturity Age	<table border="1"> <thead> <tr> <th>Basic Sum Assured</th> <th>Maximum Maturity Age</th> </tr> </thead> <tbody> <tr> <td>7 times of Annualized Premium</td> <td>85 years(nearer birthday)</td> </tr> <tr> <td>10 times of Annualized Premium</td> <td>75 years (nearer birthday)</td> </tr> </tbody> </table>	Basic Sum Assured	Maximum Maturity Age	7 times of Annualized Premium	85 years(nearer birthday)	10 times of Annualized Premium	75 years (nearer birthday)
Basic Sum Assured	Maximum Maturity Age							
7 times of Annualized Premium	85 years(nearer birthday)							
10 times of Annualized Premium	75 years (nearer birthday)							
Age at entry for the policyholder is to be taken as age nearer birthday except for age 0 years for which it has to be 90 days completed. Period between Date of issuance of policy and Date of Birth should not be less than 90 days								

Date of Commencement of Risk:

In case the age at entry of the Life Assured is less than 8 years, the risk under this plan will commence either on the completion of 2 years from the date of commencement of policy or on the policy anniversary coinciding with or immediately following the completion of 8 years of age, whichever is earlier.

In case the age at entry of the Life Assured is 8 years or more, risk will commence immediately from the date of acceptance of risk i.e. date of commencement of policy.

Date of vesting under the plan (Applicable only if the Life Assured is below 18 years on the date of commencement of the policy):

If the policy is issued on the life of minor, the policy shall automatically vest in the Life Assured 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 contract between the Corporation and the Life Assured.

Relationship between the proposer and the life assured if cover is offered to minor lives/or lives other than the proposer:

The proposer must have insurable interest in the life to be assured.

3. BENEFITS:

a) Benefits payable on death of the Life Assured before the stipulated Date of Maturity (including during Grace Period) provided the policy is in-force:

- i. On death of Life Assured before the Date of Commencement of Risk:
An amount equal to the Unit Fund Value as on date of intimation of death shall be payable.
- ii. On death of Life Assured after the Date of Commencement of Risk:
An amount equal to the highest of the following shall be payable:
 - I. Basic Sum Assured reduced by any Partial Withdrawals made during the two years' period immediately preceding the date of death; or
 - II. Unit Fund Value as on date of intimation of death; or
 - III. 105% of total premiums received upto the date of death reduced by Partial Withdrawal made during the two years period immediately preceding the date of death.

Where, Basic Sum Assured shall be as per Para 2.i above and Partial Withdrawal is as specified in Para 13.C of this Circular.

The liability of admissible claim shall be booked effective from the date of receipt of intimation of death along with death certificate. Mortality Charge, Accident Benefit Charge, Policy Administration charges and Tax Charge thereon recovered subsequent to the date of death

shall be added back to Unit Fund Value as available on the date of intimation of death and shall be paid back to the nominee or beneficiary along with death benefit.

Any Guaranteed Addition added subsequent to the date of death shall be recovered from the Unit Fund.

The death benefit shall be payable either in lumpsum amount or in instalments, if Settlement Option is opted for, as mentioned in Para 13.B below.

b) Benefits payable on Maturity:

On Life Assured surviving the stipulated Date of Maturity, an amount equal to the Unit Fund Value as on date of maturity is payable.

c) Refund of Mortality Charge:

On Life Assured surviving the stipulated Date of Maturity, provided all due premiums under the policy have been paid, an amount equal to the total amount of Mortality Charges deducted in respect of life insurance cover shall be payable along with the Maturity benefit. The total amount of Mortality Charges shall not include any extra amount chargeable under the policy due to underwriting decision and Tax Charges levied on the Mortality Charges, if any.

Refund of Mortality Charge shall not be payable in case of surrendered, discontinued or paid-up policy.

4. GUARANTEED ADDITIONS:

Guaranteed additions shall be payable only under an in-force policy i.e. if all due premiums have been paid. Guaranteed Additions as a percentage of one Annualized Premium as mentioned in the Table below shall be added to the Unit Fund on completion of specific duration of policy years provided all due premiums have been paid and the policy is in-force.

End of Policy Year	Guaranteed Additions (as percentage of one Annualized Premium)	
	Annualized Premium less than Rs 48,000/-	Annualized Premium Rs 48,000/- and above
6	3%	5%
10	6%	10%
15	12%	20%
20	15%	25%
25	18%	30%

The 'Annual Premium' or 'Annualized Premium' for all modes of premium payment shall be calculated as instalment (periodic) premium amount multiplied by frequency of premium payment in a policy year.

The allocated Guaranteed Additions shall be converted to number of units and shall be credited to the opted fund type on the due date of payment of Guaranteed Additions.

For policies which are not in-force but revived subsequently, Guaranteed Additions from the date of Discontinuance till the date of Revival shall be credited on the date of revival of the policy.

Any Guaranteed Addition added subsequent to the date of death shall be recovered from the Unit Fund.

Note: Guaranteed Additions shall not be payable if the policy is in reduced paid-up status.

Special cases where the Guaranteed Additions shall be reduced on pro-rata basis:

In case of an in-force policy where Partial Withdrawal(s) have been availed by the policyholder as specified in Para 13.C, the Guaranteed Additions to be attached after the date of Partial Withdrawal(s) shall be reduced on pro-rata basis. The modified rate of Guaranteed Additions in each of the future policy years under such policies shall be calculated by using the formula:

$$\left\{ \frac{\text{(Original rate of Guaranteed Additions applicable for the respective year) multiplied by}}{\text{(Fund Value at the end of the year)}} \right\} \left\{ \text{(Fund Value at the end of the year) plus (amount of total Partial Withdrawal(s)).} \right\}$$

5. OPTIONAL BENEFIT:

LIC's Linked Accidental Death Benefit Rider (UIN: 512A211V02):

LIC's Linked Accidental Death Benefit is available as an optional rider. This rider can be opted for at the inception or at any policy anniversary during the policy term provided the outstanding policy term is at least 5 years but on or before the policy anniversary on which the age nearer birthday of the Life Assured is 65 years. The eligibility conditions and restrictions for the rider are as mentioned below. Whenever this Rider is opted for, the Accident Benefit Charges, as specified in Para 7.III will be deducted at the beginning of each policy month during the period of cover.

The benefit cover under this rider shall be available till the Date of Maturity or till the policy anniversary on which the age nearer birthday of the Life Assured is 70 years, whichever is earlier, provided the Policy is in-force as on date of accident.

If this benefit is opted for, and if the Life Assured is involved in an accident leading to death within 180 days from the date of accident then an amount equal to Accident Benefit Sum Assured is payable.

The Policyholder has the option to cancel this rider at any time during the policy term. However, once the rider is cancelled, it cannot be re-opted.

Beyond the specific details as mentioned in this Circular in respect of this Rider, additional details, i.e. exclusions, requirements of claim etc. may be referred from the Rider Circular Ref: CO/PD/73 dated 14/08/2015 and CO/PD/102 dated 16/12/2017.

Eligibility conditions and restrictions:

- a) Minimum Entry Age : 18 years (completed)
- b) Maximum Entry Age : 65 years or (Age at Maturity minus 5) years, whichever is lower.
- c) Rider term : Outstanding premium paying term of the Base Plan or (70- minus age at entry) whichever is lower
- d) Minimum Accident Benefit Sum Assured: Rs.10,000/-
- e) Maximum Accident Benefit Sum Assured: An amount equal to the Basic Sum Assured under the base plan subject to maximum of Rs. 100 Lakhs overall limit taking all existing policies (excluding additional limit of Rs. 100 Lakh 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 lakhs.

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

6. INVESTMENT FUND TYPES:

- A) **Unit Fund:** Each premium paid by the Policyholder shall be subject to Premium Allocation Charge as per details given in Para 7.1. The policyholder will have the option to choose any one of the following two funds to invest his/her premiums initially and at the time of switching. The allocated premiums shall be utilized to purchase units as per the chosen fund type. Units will be allotted based on the Net Asset Value (NAV) of the respective fund as on the date of allotment. There is no Bid-Offer spread (both the Bid price and Offer price of units will be equal to the NAV)

The details of the available funds and broadly their investment pattern are as under:

Fund Type	Investment in Government/ Government Guaranteed Securities/ Corporate Debt	Short-term investments such as money market instruments	Investment in Listed Equity Shares	Objective	Risk profile	SFIN
Flexi Growth Fund	0% to 20%	0% to 40%	40% to 100%	To provide long term capital appreciation through investment primarily in select stocks which are a part of NSE NIFTY100 Index.	Very High Risk	ULIF005 10/11/23 LICULIP FLX512
Flexi Smart Growth Fund	0% to 20%	0% to 40%	40% to 100%	To provide long term capital appreciation through investment primarily in select stocks which are a part of NSE NIFTY50 Index.	Very High Risk	ULIF006 10/11/23 LICULIP FSG512

The initial NAV of above two segregated funds shall be Rs.10/-

The investment as per the above pattern shall conform to the IRDAI (Investment) Regulations, Circulars and Guidelines issued from time to time.

To ensure streamline investment of the above two new segregated funds as per the pattern chosen by the policyholder, asset allocation and exposure norms for these segregated funds shall not apply for either the first six months from the date of its launch or the segregated fund reaches the size of Rs.5 Crores, for the first time, whichever is earlier. On expiry of the sixth month, each of these segregated funds, shall comply with all exposure norms under Regulation 9 of IRDAI (Investment) Regulations, 2016. Where in case any of the segregated fund, has gone below Rs. 5 Crores, the insurer may provide a free switch, after informing the policyholder, to another fund with similar fund objective / risk profile with either same or lower fund management charges.

If any of the following funds, which are attached to this Product and are approved by the Board of the Corporation, do not comply with **Regulation 8 of Schedule I of the IRDAI (Investment) Regulations, 2016 read with the Master Circular – Investment issued there under**, the policyholder will be given a free switch to the other available fund as detailed below.

1. **Fund Name: Flexi Growth Fund, SFIN No: ULIF00510/11/23 LICULIPFLX512 (Very High Risk)**

Free Switch shall be allowed to the following fund:

Fund Name	SFIN	Risk Profile
Flexi Smart Growth Fund	ULIF00610/11/23LICULIPFSG512	Very High Risk

2. **Fund Name: Flexi Smart Growth Fund, SFIN No: ULIF00610/11/23 LICULIPFSG512 (Very High Risk)**

Free Switch shall be allowed to the following fund:

Fund Name	SFIN	Risk Profile
Flexi Growth Fund	ULIF00510/11/23 LICULIPFLX512	Very High Risk

B) Discontinued Policy Fund (SFIN: ULIF00120114LICDPFNLI512):

This fund shall be a segregated Unit Fund and shall comprise of all the Discontinued Policy Funds of all the policies offered under the Unit Linked Life Insurance products.

The investment pattern of the Discontinued Policy Fund shall have the following asset mix:

- i. Money market instruments: 0% to 40%
- ii. Government securities: 60% to 100%

C) Computation of NAV:

The NAV of all segregated funds i.e. Flexi Growth Fund, Flexi Smart Growth Fund and Discontinued Policy Fund will be computed on daily basis and will be based on investment performance and Fund Management Charge of each type of fund and shall be computed as under:

Market value of investment held by the fund + Value of Current Assets – Value of Current Liabilities & Provisions, if any

Number of Units existing on Valuation Date (before creation / redemption of Units)

Where, Valuation Date is the date of calculation of NAV.

D) Force Majeure Conditions:

1. Corporation will declare a 'Single' Net Asset Value (NAV) for each segregated fund on a day-to-day basis.
2. In the event of certain force majeure conditions as specified below , the declaration of NAV on a day-to-day basis may be deferred and could include other actions as a part of investment strategy (e.g. taking exposure of any Segregated Fund (SFIN) upto 100% in Money Market Instruments).
3. The Corporation shall include the following as a part of force majeure clause in the Customized Benefit Illustration which is a part of policy document to be signed by the Policyholder:
 - a. Corporation shall value the Funds (SFIN) on each day for which financial markets are open. However, the Corporation may value the SFIN less frequently in extreme circumstances external to the Corporation i.e. in force majeure events, where the value of the assets is too uncertain. In such circumstances, the Corporation may defer the valuation of the assets for up to 30 days until the Corporation is certain that the valuation of SFIN can be resumed.
 - b. The Corporation will inform IRDAI of such deferment of the valuation of assets. During the continuance of the force majeure events, all requests for servicing the policy including policy related payment shall be kept in abeyance. The Corporation will

continue to invest as per the investment pattern Fund Type opted by the Policyholder. However, the Corporation reserves the right to change the exposure of all or any part of the Fund to Money Market Instruments (as defined under Regulations 2(j) of IRDAI (Investment) Regulations, 2016) in circumstances mentioned under points (a and b) above. The exposure of the fund as per the fund mandates mentioned in Section 8.1A above shall be reinstated within reasonable timelines once the force majeure situation ends.

- c. Few examples of such circumstances as mentioned in Para 3 (a& b) above are:
- When one or more stock exchanges which provide a basis for valuation of the assets of the Fund are closed otherwise than for ordinary holidays.
 - When, as a result of political, economic, monetary or any circumstances which are not in the control of the Corporation, the disposal of the assets of the Fund would be detrimental to the interests of the continuing Policyholders.
 - In the event of natural calamities, strikes, war, civil unrest, riots and bandhs.
 - In the event of any force majeure or disaster that affects the normal functioning of the Corporation.
- d. In such an event, an intimation of such force majeure event shall be uploaded on the Corporation's website for information.

E) Fund Closure:

Although the Funds are open ended, we may close any of the existing funds with prior approval from the IRDAI. The policyholder shall be notified at least 3 months prior to the closure of the Fund. The policyholder can switch to other existing Fund options without switching charges during these 3 months. In case the policyholder does not switch during this period, Corporation shall switch the units to any other Funds with similar asset allocation and risk profile considering NAV on the date of switch.

7. CHARGES AND FREQUENCY OF CHARGES:

The details of Charges are as under. These Charges are subject to Tax Charge as mentioned in Para 7.X below.

- I. **Premium Allocation Charge:** This is the percentage of the premium appropriated towards charges from the premium received. The balance known as allocation rate constitutes that part of the premium which is utilized to purchase units of the chosen fund in the policy.

The Premium Allocation Charges as a percentage of instalment premiums are as below:

Year	For Offline sale	For Online sale	*CIS sale
First Year:	8.00%	3%	NIL
2nd to 5th Year:	5.50%	2%	NIL
Thereafter:	4.00%	1.5%	NIL

*CIS= Corporation's Insurance Scheme

Instalment Premium is a Premium to be paid by Policyholder as per the premium payment frequency opted by the Policyholder.

The cap on Premium Allocation Charge shall be as specified in Para 7.XII.

II. Mortality Charge:

Mortality Charge is the cost of life insurance cover which is age specific and this will be taken at the beginning of each policy month by canceling appropriate number of units out of the Unit Fund Value.

The monthly Mortality Charge will be one twelfth of the annual Mortality Charges.

In case the age at entry of the Life Assured is less than 8 years, the mortality charge will be deducted from the policy anniversary after completion of 2 years from the date of commencement of policy or from the policy anniversary coinciding with or immediately

following the completion of 8 years of age, whichever is earlier.

This charge shall depend upon the Sum at Risk.

Where Sum at risk during the policy term shall be highest of

- Basic Sum Assured in case of in-force policies or Paid-up Sum Assured in case of reduced paid-up policies
 - Unit Fund Value
 - 105% of total Premium received.
- Less
- Unit Fund Value

Note:

- (i) Unit Fund value shall be taken as on the date of deduction of charge, after deduction of Accident Benefit charges, Policy Administration charges, Tax charge on Accident Benefit charges and on Policy Administration charges. The Mortality Charges shall be deducted only if, the Basic Sum Assured/Paid-up Sum Assured, whichever is applicable, is more than the Unit Fund Value on the date of deduction.
- (ii) Basic Sum Assured is as specified in Para 2.i above and Paid up Sum Assured is as specified in Para 9.II below.
- (iii) The total premiums received shall be reckoned as on date of deduction of Mortality charge.
- (iv) In case of Partial Withdrawals, the Basic Sum assured or Paid up Sum Assured, whichever is applicable, and '105% of the total premiums received', shall be reduced to the extent of all Partial Withdrawals made during the two years period immediately preceding the date of deduction of Mortality Charge.

In case where the policy is converted into a reduced paid-up policy, the Mortality Charge in respect of the Sum at Risk under a paid up policy shall be deducted from the policy month following the due date of first unpaid premium.

On revival of the policy, the risk cover under the policy shall be restored immediately and the Mortality Charge in respect of Sum at Risk under in-force policy shall be deducted from the policy month following the date of revival along with proportionate Mortality Charge for the period from date of revival to the following policy month.

Mortality Charges, during a policy year, will be based on the age nearer birthday of the Life Assured as on the policy anniversary coinciding with or immediately preceding the due date of cancellation of units and hence may increase every year on each policy anniversary. Further, this charge shall also depend on health, occupation and lifestyle of the Policyholder, at the entry stage of the contract and at the time of revival, if applicable.

The annual Mortality Charge per Rs. 1,000/- Sum at Risk for standard lives are given in **Annexure I**.

The Class I extra charge for Life Cover shall be 25% of the Mortality charge for standard lives. Charge for higher EMR shall be multiples of the Class I extra charge as applicable in other plans. This extra charge will be included in the Mortality charges.

III. **Accident Benefit Charge:**

This is the charge to cover the cost of LIC's Linked Accidental Death Benefit Rider (UIN:512A211V02), if opted for, levied at the beginning of each policy month by cancelling appropriate number of units out of the Unit Fund Value while the policy is in-force (i.e. all due premiums have been paid). A level annual charge shall be at the rate of Rs. 0.40 per thousand Accident Benefit Sum Assured per policy year. If the Life Assured is engaged in police duty in any police organization other than paramilitary forces and opted for this cover while engaged in police duty, then the level annual charge shall be at the rate of Rs 0.80 per thousand Accident Benefit Sum Assured per policy year.

The monthly Accident Benefit Charge will be one twelfth of the annual Accident Benefit Charge.

IV. Fund Management Charge :

This is a charge levied as a percentage of the value of assets and shall be appropriated by adjusting the NAV. Fund Management (FMC) Charge shall be as under:

- 1.35% p.a. of Unit Fund for both Fund types available under an in-force policy i.e. Flexi Growth Fund and Flexi Smart Growth Fund.
- 0.50% p.a. of Unit Fund for "Discontinued Policy Fund".

This charge is levied at the time of computation of NAV, which will be done on daily basis. The NAV thus declared will be net of FMC.

V. Policy Administration Charge:

This Charge shall be levied at the beginning of each policy month from 6th policy year till the end of policy term as mentioned below and shall be subject to maximum of Rs 500 per month (i.e. Rs 6000 p.a.) from the Unit Fund Value by cancelling units for equivalent amount.

Policy Year	Policy Administration Charges
First 5 Years	NIL
Year 6	Minimum of [(One twelfth of 3.25% multiplied by Annualized Premium) or (Rs 125)] per month
Thereafter from 7 th year onwards	Escalating at the rate of 5% p.a.

VI. Switching Charge:

This is a charge levied on switching of monies from one segregated fund to another available within the product and shall be levied at the time of effecting a switch by cancelling appropriate number of units out of Unit Fund Value. During a given policy year, 4 switches shall be allowed free of charge. Subsequent switches, if any, in that year shall be subject to a Switching Charge of Rs. 100 per switch.

VII. Partial Withdrawal Charge:

This is a charge levied on the Unit Fund Value at the time of each partial withdrawal of the Fund and shall be a flat amount of Rs. 100/- which shall be deducted by cancelling appropriate number of units out of Unit Fund Value on the date on which partial withdrawal takes place.

VIII. BID/OFFER Spread – Nil.

IX. Discontinuance Charges:

This charge shall be levied by canceling appropriate number of units out of Unit Fund Value as on the date of discontinuance of the policy. The discontinuance charge applicable is as under:

Where the policy is discontinued during the policy year	Discontinuance Charges for the policies having annualized premium up to Rs 50,000	Discontinuance Charges for the policies having annualized premium above Rs 50,000
1	Lower of 20% multiplied by (AP or FV) subject to maximum of Rs. 3000/-	Lower of 6% multiplied by (AP or FV) subject to maximum of Rs. 6000/-
2	Lower of 15% multiplied by (AP or FV) subject to maximum of Rs. 2000/-	Lower of 4% multiplied by (AP or FV) subject to maximum of Rs. 5000/-

3	Lower of 10% <i>multiplied by</i> (AP or FV) subject to maximum of Rs. 1500/-	Lower of 3% <i>multiplied by</i> (AP or FV) subject to maximum of Rs. 4000/-
4	Lower of 5% <i>multiplied by</i> (AP or FV) subject to maximum of Rs. 1000/-	Lower of 2% <i>multiplied by</i> (AP or FV) subject to maximum of Rs. 2000/-
5 and onwards	NIL	NIL

Where

AP – Annualized Premium.

FV – Unit Fund Value as on the date of discontinuance of policy.

“**Date of discontinuance of the policy**” shall be the date on which the intimation is received from the Life Assured/ Policyholder about the surrender of the policy or on the expiry of the Grace period (in case of non-payment of contractual premium due during the Grace Period), whichever is earlier.

X. **Tax Charge:**

Tax Charge, if any, shall be levied on all or any of the charges applicable to this plan at the rate of tax as per the prevailing Tax Laws/notification etc. as issued by Government of India or any other Constitutional Tax Authority of India from time to time in this regard without any reference to the Policyholder.

The instructions regarding amount of Tax Charge to be charged under this plan will be issued by Finance & Accounts Department, Central Office, separately.

XI. **Miscellaneous Charge:**

This is a charge levied for an alteration during the contract such as change in premium mode and grant of Accident Benefit Rider after the issue of the policy, and shall be a flat amount of Rs. 100/- which shall be deducted by cancelling appropriate number of units out of Unit Fund Value and the deduction shall be made on the date of alteration in the policy.

XII. **Right to revise charges:**

The Corporation reserves the right to revise all or any of the above charges except Mortality Charge and Accident Benefit Charge. The modification in charges will be done with prospective effect with the prior approval of IRDAI and after giving the policyholders a notice of 3 months which shall be notified through our website.

Although the charges are reviewable, they will be subject to the maximum charges as declared by IRDAI from time to time. The current cap on charges is as under:

- a) Premium Allocation charges shall not exceed 12.5% of Annualized Premium in any year.
- b) Policy Administration Charge shall not exceed Rs. 500 per month.
- c) The Fund Management Charge shall not exceed the limit specified by IRDAI which are currently same as Para 7.IV above.
- d) Partial withdrawal charge shall not exceed Rs. 500/- on each withdrawal.
- e) Switching Charge shall not exceed Rs. 500/- per switch.
- f) Discontinuance charges shall not exceed the limits specified by IRDAI, which are currently same as Para 7.IX above
- g) Miscellaneous Charge shall not exceed Rs. 500/- each time when an alteration is requested.

In case the policyholder does not agree with the revision of charges the Policyholder shall have the option to withdraw the Unit Fund Value. If such revision in charges is made during the lock-in-period of 5 years, withdrawal shall be allowed only after the expiry of lock-in-period.

8. **APPLICABILITY OF NET ASSET VALUE (NAV):**

- i. The allocation and redemption of units for various transaction will be at the NAV as described

below:

Type of Transaction	Applicable NAV (Where transaction is received before cut off Time)
First Premium received: a) In case of Offline sale: by way of a local cheque or a demand draft payable at par at the place where premium is received. b) In case of Online sale: by any digital Payment mode.	NAV of Date of underwriting acceptance of risk i.e. Date of commencement of policy.
Renewal premium received through NACH or by any digital payment mode.	NAV of the date of our receipt of instruction or transaction realization date or the due date of premium whichever is later.
Renewal premium received by way of a local cheque or a demand draft payable at par at the place where the premium is received.	NAV of the date of our receipt of instrument or the due date of premium, whichever is later.
Partial withdrawal, Switching between available Fund types, or Free-look cancellation.	NAV of the date of our receipt of the request online or in writing.
Surrender	NAV of the date of our receipt of surrender request in writing
Death claim	NAV of the date of our receipt of the intimation of death in writing along with death certificate.
Guaranteed Addition	NAV of the date of allocation
Revival	NAV as on date of revival, where date of revival is the date of adjustment of all due premiums after underwriting acceptance has been received.
Settlement Option	NAV of date of instalment payment under settlement option.
Maturity Benefit	NAV of the date of maturity.
Discontinuance	NAV as on the date of discontinuance.
Termination	NAV of date of termination.
Policy Alteration	NAV of date of alteration in the policy.

ii. Currently, the cut-off time is 3.00 p.m. as per the existing IRDAI guidelines and changes in this regard shall be as per the instructions from IRDAI. In case of New Business the cut off timings of 3 p.m. for determination of NAV shall be in reference to date of acceptance of risk i.e. Date of commencement of policy.

iii. If the transaction request is received before the cut-off time in respect of:

- Premium Payments, at any branch office of the Corporation or other authorised office for premium collection or by any digital payment mode or through NACH;
- Other transaction, by servicing branch of the Corporation;
- Successful Registration of Service Requests as and when made available on LIC's Customer Portal

the closing NAV of that day shall be applicable.

iv. If the transaction request is received after the cut-off time in respect of:

- Premium Payments, at any branch office of the Corporation or other authorised office for premium collection or by any digital payment mode or through NACH;
- Other transaction, by servicing branch of the Corporation;
- Successful Registration of Service Requests as and when made available on LIC's Customer Portal

the closing NAV of the next business day shall be applicable.

v. In case of Offline sale, premium paid by CTS 2010 cheque/demand draft drawn on a bank which is participating in local/CTS/speed clearing house shall only be accepted. Cheques /demand draft not coming under above category shall not be accepted.

9. DISCONTINUANCE OF PREMIUMS:

If premiums under the policy have not been paid before the expiry of the Grace Period, then the policy shall be in a state of discontinuance.

During the grace period, the policy shall be treated as in-force and the charges for Mortality and Accident Benefit cover, if any, shall be deducted in addition to other applicable charges as specified in Para 7.

The benefits payable under the policy during the grace period shall be same as that under an in-force policy.

The treatment of discontinued policy shall be as under:

I. If the policy is discontinued during the 5 years' lock-in-period:

Upon expiry of the grace period, the Unit Fund Value after deducting the applicable Discontinuance Charge as specified in Para 7.IX shall be transferred to the Discontinued Policy Fund as specified in Para 10.A and the risk cover and rider cover, if any, shall cease. Only Fund Management Charges of 50 basis points per annum shall be deducted from the Discontinued Policy Fund.

On such discontinuance, a communication shall be sent to the policyholder within three months of the date of first unpaid premium, communicating the status of the policy and the option to revive the policy during the revival period of three years from the date of First Unpaid Premium.

In such case, following provisions shall apply:

- i) If the Policyholder **opts to revive and thereafter exercises the option to revive** the policy at any time during the revival period of 3 years, the policy shall be revived as specified in Para 21.
- ii) In case the Policyholder **opts to revive but does not revive the policy** during the revival period of 3 years, then the proceeds of the Discontinued Policy Fund in respect of the policy, as specified in Para 10.B below, shall be payable to the policyholder at the end of the revival period or lock-in period, whichever is later and the policy shall terminate. In respect of revival period ending after lock-in period, the policy will remain in Discontinued Policy Fund till the end of revival period.
- iii) In case the policyholder **does not exercise the option** to revive the policy, the policy shall continue without any risk cover and rider cover, if any, and the policy fund shall remain invested in the Discontinued Policy Fund. The Proceeds of the Discontinued Policy Fund in respect of the policy as on the date of expiry of lock-in period as specified in Para 10.B below shall be paid to the policyholder at the end of the lock-in period and the policy shall terminate.
- iv) However, the policyholder has an **option to surrender** the policy anytime and Proceeds of the Discontinued Policy Fund in respect of the policy as on the date of expiry of lock-in period or as on the date of surrender as specified in Para 10.B shall be payable to the Policyholder at the end of lock-in period or date of surrender, whichever is later and the policy shall terminate.

Irrespective of what is stated above, in case of death of the Life Assured during the revival period or lock-in-period, as the case may be, the Proceeds of the Discontinued Policy Fund in respect of the policy as on the date of intimation of death, as specified in Para 10.B below shall be payable to the Nominee or Beneficiary immediately.

II. If the policy is discontinued after 5 years' lock-in- period:

Upon expiry of the grace period, in case of discontinuance of policy due to non-payment of premiums after lock-in period, the policy shall be converted into a reduced paid-up policy. The Basic Sum Assured shall be reduced to such a sum called Paid-Up Sum Assured and shall be equal to { Basic Sum Assured multiplied by the ratio of total number of premiums paid to the original number of premiums payable}. The policy shall continue to be in reduced paid up status without rider cover, if any i.e. no Accident Benefit cover shall be available under reduced paid up policy. The reduced risk cover and hence the mortality charges in respect of the paid-up policy shall be applicable from the next policy month following the date of first unpaid premium. Further, all other applicable charges (except Accident Benefit charge) as specified in Para 7 shall also continue to be deducted.

On such discontinuance, a communication shall be sent to the Policyholder within three months of the date of first unpaid premium, communicating the status of the policy and the options (a) to revive the policy (along with the rider, if opted for) within the revival period of three years from the date of first unpaid premium or upto the date of maturity, whichever is earlier; or (b) complete withdrawal of the Policy.

In such case, the following situations may arise:

- i) If the Policyholder **opts to revive and thereafter exercises Option to revive** the policy anytime during the Revival Period or upto the date of maturity, whichever is earlier, then the policy shall be revived as specified in Para 21.
- ii) In case the Policyholder **opts to revive but does not revive** the policy during the Revival period or upto the date of Maturity, whichever is earlier, **or does not exercise any option**, then the policy shall subsist as a reduced paid up policy till the end of the revival period or upto the date of maturity, whichever is earlier.
In such case, the Unit Fund Value as on the date of expiry of Revival Period or as on the date of Maturity, whichever is earlier, shall be payable at the end of the revival period or date of maturity, whichever is earlier, and the Policy shall be terminated.
- iii) In case the Policyholder opts for complete withdrawal or surrenders the policy at any time, in such case the amount in the Unit Fund shall be refunded to the Policyholder and the policy shall be terminated.
- iv) In case of death of the Life Assured before the end of Revival Period or date of Maturity, whichever is earlier, highest of the following shall be payable
 - Paid up Sum Assured reduced by Partial Withdrawal, if any, made during the two year period immediately preceding the death of the Life Assured, (Partial Withdrawal is as defined in Para 13.C below)
 - Unit Fund Value as on the date of intimation of death
 - 105% of total premiums received excluding Partial Withdrawals made during the two year period immediately preceding the death of the Life Assured.

10. METHOD OF CALCULATION OF MONETARY AMOUNT AND PROCEEDS OF THE DISCONTINUED POLICY FUND :

During the 5 years' lock-in-period if a policyholder applies for surrender or in case of non-payment of premium before the expiry of the Grace Period, the policy shall be in a state of discontinuance.

A) Conversion of Unit Fund into monetary amount and allocation of units in Discontinued Policy Fund:

On discontinuance of the policy, the Unit Fund Value as on the date of discontinuance of policy after deducting the applicable Discontinuance Charges as specified in Para 7.IX shall be transferred to the Discontinued Policy Fund and the risk cover (including rider cover, if any) shall cease. Where, Unit Fund Value shall be calculated by multiplying the NAV with the number of units in the Unit Fund as on the date of discontinuance.

The number of units of Discontinued Policy Fund shall be allocated to the policy considering

the NAV of the Discontinued Policy Fund as on the date of discontinuance.

B) The Proceeds of the Discontinued Policy Fund:

The Discontinued Policy Fund (SFIN: ULIF001201114LICDPFNLIF512) is a segregated unit fund and shall comprise of the Discontinued Policy Fund of all the policies offered under the Unit Linked Life Insurance plans. Only Fund Management Charges (FMC) as specified in Para 7.IV shall be applicable on this fund.

The Unit Fund Value which is transferred to the Discontinued Policy Fund as mentioned above shall continue to be invested therein from the date of discontinuance till the Policy exits from the Discontinued Policy Fund either by death, surrender, revival, policy termination at the end of 5 years' lock-in-period or on completion of 3 years' revival period (if revival period extends beyond the 5 years' lock-in- period), whichever is applicable.

The Proceeds of the Discontinued Policy Fund in respect of the Policy shall be higher of:

- Unit Fund Value of the Discontinued Policy Fund; or
- Guaranteed amount calculated using minimum guaranteed interest rate.

Where, Unit Fund Value shall be calculated by multiplying the NAV with the number of units of Discontinued Policy Fund on the date of exit of the Policy from the Discontinued Policy Fund.

The Guaranteed amount is the accumulation of amount transferred into the Discontinued Policy Fund at the guaranteed interest rate from the date of discontinuance till the Policy exits from the Discontinued Policy Fund.

The minimum guaranteed interest rate applicable to the 'Discontinued Policy Fund' shall be as per the prevailing Regulations. Currently this guaranteed interest rate is 4% p.a. and shall be subject to change from time to time as declared by IRDAI.

11. SURRENDER:

A policy can be surrendered anytime during the policy term. The surrender value, if any, shall be payable as under:

I. If the policy is Surrendered during the 5 years' lock-in-period:

If a policyholder applies for surrender of the policy during the 5 years' lock-in-period, then the Unit Fund Value after deducting the applicable Discontinuance Charges shall be transferred to the Discontinued Policy Fund as specified in Para 10.A above.

The policy shall continue to be invested in the Discontinued Policy Fund till the end of the lock-in period. Only Fund Management Charge (FMC) as specified in Para 7.IV shall be deducted from this fund and no risk cover including rider cover, if any, shall be available on such policy during this period.

The Proceeds of the Discontinued Policy Fund in respect of Policy as on the date of expiry of lock-in period, as specified in Para 10.B shall be payable to the policyholder at the end of 5 years' lock-in-period and the policy shall terminate.

However, in case of death of the Life Assured after the date of surrender but before the expiry of the 5 years' lock-in-period, the Proceeds of the Discontinued Policy Fund in respect of the Policy shall be payable to the nominee/ Beneficiary and the policy shall terminate.

II. If the policy is Surrendered after 5 years' lock-in-period:

If a Policyholder applies for surrender of the policy after the 5 years' lock-in-period, then the Unit Fund Value as on the date of intimation of surrender shall be payable to the Policyholder and the policy shall terminate. There will be no Discontinuance Charge under the policy.

Further, Reinstatement of a surrendered policy shall not be allowed even if a request for

reinstatement is received from the policyholder during the 5 years' lock-in-period.

12. COMPULSORY TERMINATION:

If the policy has run for at least 5 years provided 5 full years' premiums have been paid and the balance in the Unit Fund is not sufficient to recover the relevant charges, the policy shall be compulsorily terminated and the balance amount in the Unit Fund, if any, shall be refunded to the Policyholder. This shall be applicable irrespective of whether the policy is in force or paid-up or during the revival period.

13. OPTIONS AVAILABLE UNDER THE BASE PLAN:

A) Switching:

During the Policy term, the Policyholder can switch between two available fund types as specified under Para 6.A above. On switching, the entire amount is switched to the new Fund opted for. During a given policy year, four switches will be allowed free of charge. Subsequent switches shall be subject to a Switching Charge of Rs.100 per switch as specified under Para 7.VI.

On receipt of the Policyholder's application for a switch from one fund type to another, the Unit Fund Value after deducting Switching Charge, if applicable, shall be transferred to the New Fund type opted for by the Policyholder and shall be utilized to allocate Fund Units at the NAV under the new Fund type on the said date of switch. If a request is received up to a particular time (presently 3 p.m.) the closing NAV of the same day shall be applicable and in respect of the applications received after such time, the closing NAV of the next business day shall be applicable.

The timing given is as per the existing guidelines and changes in this regard shall be as per the instruction from IRDAI from time to time.

B) Settlement Option:

This option shall be available to the policyholder to receive the death proceeds in instalments.

The Policyholder can exercise the option to take Death Benefit in instalments. 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 lifetime while in currency of the policy, specifying the mode of paying the death benefit to the nominee (i.e. yearly, half yearly, quarterly or monthly instalments) spread over the period of not more than 5 years from the date of intimation of death of Life Assured in writing, along with death certificate. The death claim amount shall then be paid to the nominee as per the option exercised by the policyholder and no alteration whatsoever shall be allowed to be made by the nominee.

The Unit Fund under such policy will continue to be invested as per the fund type existing as on the date of intimation of death.

Each instalment (in number of units) shall be the total number of units as on the date of intimation of death divided by total number of instalments (i.e. 5, 10, 20 and 60 for yearly, half-yearly, quarterly and monthly instalments in 5 year period respectively). The number of units arrived at in respect of each instalment will be multiplied by the NAV of the applicable fund type as on the date of instalment payment to arrive at the amount paid out in each instalment. The instalment payment shall be made by redeeming the units from the Unit Fund. The first payment will be made corresponding to the date of intimation of death and thereafter based on the mode opted by the policyholder i.e. every month or three months or six months or annual from the date of intimation of death, as the case may be.

During the Settlement Option period no charges other than the Fund Management Charge shall be deducted. The value of instalment payable on the date specified shall be subject to investment risk i.e. the NAV may go up or down depending upon the performance of the fund.

The investment risk during the settlement period shall be borne by the Nominee/Beneficiary. There will not be any risk cover or guaranteed benefits during the settlement period.

On death of the nominee after the commencement of the Settlement Option period, the value of the outstanding units held in the Unit Fund shall become payable to the legal heir in lump sum.

No partial withdrawal or switching of fund by the nominee shall be allowed during the subsistence of the period of settlement period.

C) Partial Withdrawals:

A policyholder can partially withdraw the units at any time after the 5 years' lock-in period (i.e. a period of 5 years from the date of commencement of policy) subject to the following:

- i. In case of minors, partial withdrawals shall be allowed only after Life Assured is aged 18 years or above.
- ii. Partial withdrawals may be in the form of fixed amount or in the form of fixed number of units.
- iii. The Maximum amount of Partial Withdrawal as a percentage of fund during each policy year shall be as under:

Policy Year	Percent of Unit Fund
6 th to 10 th	20%
11 th to 15 th	25%
16 th to 20 th	30%
21 st to 25 th	35%

The above Partial withdrawal shall be allowed subject to minimum balance remaining after allowing for partial withdrawal is not less than **4 Annualized Premiums** for Annual Premium less than Rs. 48,000/- and in all other cases not less than **3 Annualized Premiums**. The partial withdrawals which would result in termination of a contract shall not be allowed.

- iv. Partial withdrawal charge as specified in Para 7.VII shall be deducted from the Unit Fund Value.
- v. The Guaranteed Additions to be attached after the date of Partial Withdrawal shall be reduced on pro-rata basis as specified in Para 4.

If partial withdrawal has been made then for two years' period immediately preceding from the date of withdrawal, the Basic Sum Assured or Paid Up Sum Assured, whichever is applicable, shall be reduced to the extent of the amount of partial withdrawal made. On completion of two years' period from the date of withdrawal the original Basic Sum Assured/Paid up Sum Assured shall be restored.

D) Increase / Decrease in Benefits:

No increase/decrease in Basic Sum Assured will be allowed under the plan. Under an in-force policy, the policyholder can, however, cancel the LIC's Linked Accidental Benefit Rider at anytime during the policy term.

However, once the rider is cancelled, the same cannot be subsequently restored.

E) Top-up:

No Top-up premiums shall be allowed under the plan.

F) Plan Changes:

No alterations in the plan (i.e. from this plan to any other plan) will be allowed.

14. MODES OF PREMIUM PAYMENT:

Policy holder may pay premiums regularly at yearly, half-yearly, quarterly or monthly (through NACH only) intervals over the premium paying term of the policy.

There will be no mode specific charges.

The mode of premium payment has to be chosen at commencement although the same can be changed at any subsequent policy anniversary during the premium paying term of the policy subject to the eligibility conditions of Minimum premium and Premium multiples specified under Para 2 above.

15. COMMISSION PAYABLE TO AGENTS/ CORPORATE AGENTS/ BROKERS /INSURANCE MARKETING FIRMS (IMFs) AND DEVELOPMENT OFFICER'S CREDIT:

A) Offline sale:

• Commission to Agents, Corporate Agents, Brokers and IMF:

Commission rate (as a % of the premium) during the premium paying term are as under:

Commission as % of Instalment premium				
Policy year	Annualized Premium range (Rs)			
	From Rs 30,000 to less than Rs 72,000	From Rs 72,000 to less than Rs 96,000	From Rs 96,000 to less than Rs 1,20,000	From Rs 1,20,000 and above
First Year	2.50%	4.00%	5.25%	5.75%
2 nd and 3 rd Year	3.50%	4.50%	4.50%	4.50%
Thereafter	4.50%	4.50%	4.50%	4.50%

• Bonus Commission: 40% on the first year commission.

• Development Officer's Credit:

Annualized Premium range (Rs)	Percentage of First Year Premium
From Rs 30,000 to less than Rs 72,000	20%
From Rs 72,000 to less than Rs 96,000	30%
From Rs 96,000 to less than Rs 1,20,000	40%
From Rs 1,20,000 and above	50%

B) Online sale: No commissions/ Development Officer's credit is payable in case of Online Sale.

16. CIS REBATE:

Proposals completed under Corporation's Insurance Scheme (CIS) with regard to the employees of the Corporation and its Subsidiaries/Step Down Subsidiaries /Associate Companies, as per the prevailing policy of the Corporation in this regard shall be eligible for the CIS rebate in the form of **Nil Premium Allocation Charge** as specified in Para 7.I provided policy is not taken through online sale or through any intermediary such as Agent, Corporate Agent, Broker and Insurance Marketing Firms. No rebate on premium is allowed to proposals completed under this scheme.

All other charges shall be as specified in Para 7.II to 7.XI

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

17. POLICY LOAN:

No loan facility shall be available under this plan.

18. ONLINE SALE OF POLICIES:

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

19. UNDERWRITING, AGE PROOF & MEDICAL REQUIREMENTS:

Instructions will be issued separately by New Business and Reinsurance Department, Central Office.

20. DAYS OF GRACE 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 (through NACH) premiums from the date of First Unpaid Premium. If the death of Life Assured occurs during the grace period but before the payment of premium then due, the policy will still be valid and the death benefits shall be paid after deduction of all the relevant charges, if not recovered.

If the premium is not paid within the days of grace period, the benefits shall be paid as per details given in Para 9 under Discontinuance of premiums.

21. REVIVALS:**A. Revival of a Discontinued Policy during lock-in Period:**

In case the Policyholder opts to revive the policy during the Revival Period of 3 years from the date of First Unpaid Premium, the policy shall be revived subject to the following:

- a. On payment of all due and unpaid premium without interest. All outstanding applicable Premium Allocation Charges and Tax charges thereon due since the date of discontinuance shall be deducted from the Unit Fund.
- b. Discontinuance Charge deducted from the Unit Fund, if any, at the time of discontinuance of the policy along with the Proceeds of the Policy's Discontinued Policy Fund, if any, shall be added back to the Unit Fund.

B. Revival of a Discontinued Policy after lock-in Period:

In case the Policyholder opts to revive the policy during the Revival Period of 3 years from the date of First Unpaid Premium up to the date of Maturity, whichever is earlier, then the policy shall be revived subject to the following:

- a. On payment of all due and unpaid premium without interest.
- b. All outstanding applicable Premium Allocation Charges, Policy Administration charges and Tax charge thereon due since the date of discontinuance shall be deducted from the Unit Fund.

The Corporation reserves the right to accept at original terms, accept with modified terms or decline the revival of a discontinued policy as per the "Board Approved Underwriting Policy" of the Corporation. The Revival shall be subject to 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 "Board Approved Underwriting Policy" at the time of revival, being furnished by the Policyholder/Proposer / Life Assured. The revival of a discontinued policy shall take effect only after the same is approved, accepted and revival receipt is issued by the Corporation.

Units of the segregated fund originally chosen by the Policyholder or as chosen in the last switch, or the fund chosen at the time of revival, as the case may be, shall be allotted based on the NAV as on the date of revival.

The Guaranteed Additions from the date of Discontinuance till the date of Revival shall be credited on the date of revival of the policy.

Irrespective of what is stated above, if the Unit Fund Value is not sufficient to recover the charges during the revival period, the policy shall terminate and thereafter revival will not be allowed.

LIC's Linked Accidental Death Benefit Rider, if opted for, can be revived along with the Base Policy and not in isolation.

22. 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 death benefit is paid if Settlement Option for death is not exercised; or
- b) The date on which surrender benefits are settled under the policy; or
- c) The date of maturity ;or
- d) On payment of final instalments under Settlement Options if opted in case of death; or
- e) On death of the Nominee/Beneficiary after the commencement of the Settlement Option Period; or
- f) On payment of free look cancellation amount; or
- g) On compulsory termination as specified in Para 12; or
- h) In case of discontinuance of policy as specified in Para 9;or
- i) In the event of forfeiture as specified in Para 25

23. POLICY ALTERATION:

During the contract, alteration in premium payment mode subject to provisions of Minimum Premium and Premium multiples allowed as specified in Para 2.ii and grant of Accident Benefit rider after the issue of policy may be allowed subject to a miscellaneous charge of Rs. 100/- which will be deducted by canceling appropriate number of units out of the Unit Fund Value and the deduction shall be made on the date of alteration in the policy. The alteration will be effective from the policy anniversary coincident or following the alteration.

The Corporation reserves the right to accept or decline the alteration in the policy as per the Underwriting Policy of the Corporation. The alteration shall take effect only after the same is approved by the Corporation and is specifically communicated in writing to the Proposer/Life Assured.

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

24. SUICIDE CLAUSE:

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

In case of death due to suicide within 12 months from the date of commencement of policy, or from the date of revival of the policy, the nominee or beneficiary of the Policyholder shall be entitled to the Unit Fund Value available on the date of intimation of death along with death certificate. The Corporation will not entertain any other claim under this policy and the policy shall terminate.

Any charges and tax levied thereon, other than Fund Management charges (FMC) and tax levied on FMC, recovered subsequent to the date of death shall be added back to the Unit Fund Value as available on the date of intimation of death. Any Guaranteed Addition added subsequently to the date of death shall be recovered from the Unit Fund.

This clause shall not be applicable in case age at entry/age at revival of the Life Assured is below 8 years and death benefit as mentioned in Para 3 shall be payable.

25. 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 in virtue of this policy shall be subject to the provisions of Section 45 of the Insurance Act, 1938, as amended from time to time.

26. FREE LOOK PERIOD:

If the Policyholder is not satisfied with the "Terms and Conditions" of the policy, the policy may be returned to the Corporation within 30 days from the date of receipt of the electronic or physical mode of policy document, whichever is earlier, stating the reasons of objections. On receipt of the same the Corporation shall cancel the policy and the amount to be refunded shall be as under:

Value of units in the Unit Fund **as on the date of receipt of request:**

Plus Unallocated Premium (equal to Allocation Charge multiplied by Premium received)

Plus Proportionate Mortality and Accident Benefit charge, if any, for the balance period from the date of opting for Free-Look to the end of the policy month for which the respective charges have been deducted

Plus Tax Charges deducted thereon

Less Actual cost of medical examination and special reports, if any,

Less Stamp duty@ Rs.0.20 per thousand Basic Sum Assured and Accident Benefit Sum Assured, if any.

In case the policy is returned during the Free Look period, Commission shall be recovered from the concerned Agent and the Development Officer's credit allowed shall be withdrawn.

27. BACK DATING:

Back dating of policy will not be allowed.

28. POLICY STAMPING:

Policy Stamping will be at the rate of Rs.0.20 per thousand Basic Sum Assured and Accident Benefit Sum Assured, if LIC's Linked Accidental Death Benefit Rider, is opted for.

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

29. ASSIGNMENTS / NOMINATION:

a) **Assignments:** Assignment is allowed under this plan as per Section 38 of the 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 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 Office/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.

30. 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, Post mortem report or any additional documents as may be required.

Within 90 days from the date of death, intimation of death along with the death certificate must be notified in writing to the office of the Corporation where the policy is serviced for any claim to be admissible. However, delay in intimation of the genuine claim by the claimant, if any, may be condoned by the Corporation, on merit, where delay is proved to be for reasons beyond his/her control.

- b) On termination of policy other than Death Claim:** In case of termination of a policy for any reason other than Death Claim, 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:** In case of claim under Rider, the respective Rider circular shall 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 Central Office CRM/Claims Department in this regard shall also be required to be submitted.

31. REINSURANCE:

For reinsurance purposes, the retention limits under this plan will be those applicable to 'Other than Term Assurance Plans' for the Sum at Risk. The Sum at risk shall be as specified in Para 7.II.above.

32. 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.

33. DISCLOSURES:

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

Suitability information to be collected, including recommendations to be made, shall be a part of the policy records.

Separate instructions on the above shall be issued by Marketing Department, Central Office.

34. UNIT STATEMENT:

- a) The periodical statements of accounts have to be issued to policyholders each year disclosing the actual charges levied and the fund value at the beginning and end of the year as follows:
- i) Unit statement account shall form a part of the policy document
 - ii) Unit statement account shall make a reference to the terms and conditions applicable under the respective policy document.
 - iii) Unit statement account shall be issued on every policy anniversary and also as and when a transaction takes place.
- b) Daily disclosure / reconciliation of Product and Fund information shall be required as follows:
- i) The premium received (net of charges and benefits paid) under each product (Unique Identification Number – UIN) has to be reconciled through the system, with value of all the segregated fund(s) (Segregated Fund Identification Number – SFIN) net of fund management charges, held under a single UIN, on a day to day basis, as per Form D01 (Daily reconciliation of ULIP portfolio).

- ii) Through a portal, Policyholder should be enabled to know, through a secured login, the value of policy wise units held by him, as per FORM D02 (Statement of Product Value).

Instructions in this regard to be issued by CRM/PS Department, Central Office.

35. PROPOSAL FORM:

The Proposal Form applicable under this plan is enclosed in **Annexure II**.

36. POLICY DOCUMENT AND SALES BROCHURE:

The specimen Policy document and Sales Brochure will be sent by the Corporate Communications Department, Central Office.

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

37. 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)

Enclosures – Annexures I and II

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