

**LIFE INSURANCE CORPORATION OF INDIA
CENTRAL OFFICE**

Dept: Actuarial

“Yogakshema”
Jeevan Bima Marg
Mumbai – 400 021

Ref: CO/PD/217

16th February, 2024

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

Re: INTRODUCTION OF LIC's AMRITBAAL (Plan No. 874)

1. INTRODUCTION:

It has been decided to introduce **LIC's Amritbaal** (Plan No. **874**) with effect from **17th February, 2024**.

The Unique Identification Number (UIN) for LIC's Amritbaal is **512N365V01**. This number has to be quoted in all relevant documents furnished to the Policyholders and other users (public, distribution channels etc).

LIC's Amritbaal is a Non-Linked, Non-Participating, Individual, Savings, Life Insurance plan. This is an Endowment plan with Guaranteed Additions designed to meet higher educational and other needs of children.

Under this plan, the premium can be paid either as Limited Premium with premium payment term of 5, 6 or 7 years or as Lumpsum (Single Premium). Under each of these premium payment options the proposer shall have two options to choose “**Sum Assured on Death**” as detailed in Para 3.B. below.

This Plan can be purchased Offline through Agents, Corporate Agents, Brokers, Insurance Marketing Firms (IMF), Common Public Service Centres – Special Purpose Vehicle (CPSC-SPV), Point of Sales Persons – Life Insurance (POSP-LI) as well as Online directly through website www.licindia.in.

The eligibility conditions and other terms and conditions for purchase of plan through POSP-LI/Common Public Service Centre (CPSC-SPV) have been detailed separately in Para 6 below.

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

 

2. ELIGIBILITY CONDITIONS AND RESTRICTIONS FOR BASE PLAN IF PROCURED THROUGH INTERMEDIARIES OTHER THAN POSP-LI / CPSC-SPV:

i.	Minimum Age at entry	0 years (30 days completed)						
ii.	Maximum Age at entry	13 years (last birthday)						
iii.	Minimum Age at maturity	18 years (last birthday)						
iv.	Maximum Age at maturity	25 years (last birthday)						
v.	Minimum Policy Term	Limited Premium Payment: 10 years Single Premium Payment: 5 years						
vi.	Maximum Policy Term	Limited Premium Payment: 25 years Single Premium Payment: 25 years						
vii.	Premium Payment Term	Limited Premium Payment: 5, 6 & 7 years Single Premium Payment: Single Pay						
viii.	Minimum Basic Sum Assured	Rs. 2,00,000/-						
ix.	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.						
x.	Basic Sum Assured Multiples	The Basic Sum Assured shall be in the multiples of amount specified below: <table border="1" data-bbox="758 907 1428 1075"> <thead> <tr> <th>Basic Sum Assured Range</th> <th>Basic Sum Assured Multiple (Rs.)</th> </tr> </thead> <tbody> <tr> <td>From Rs. 2,00,000/- to Rs. 24,00,000/-</td> <td>25,000/-</td> </tr> <tr> <td>above Rs. 24,00,000/-</td> <td>50,000/-</td> </tr> </tbody> </table>	Basic Sum Assured Range	Basic Sum Assured Multiple (Rs.)	From Rs. 2,00,000/- to Rs. 24,00,000/-	25,000/-	above Rs. 24,00,000/-	50,000/-
Basic Sum Assured Range	Basic Sum Assured Multiple (Rs.)							
From Rs. 2,00,000/- to Rs. 24,00,000/-	25,000/-							
above Rs. 24,00,000/-	50,000/-							

Note:

- a) **Age at entry** of the Life Assured is to be taken as the **age last birthday (Ibd)** except for **age 0 years** for which it has to be 30 days completed. The period between Date of Birth and Date of Issuance of policy should not be less than 30 days.
- b) **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 2 years from the date of commencement of policy or from the policy anniversary coinciding with or immediately following the attainment of 8 years of age, whichever is earlier. For those aged 8 years or more, risk will commence immediately from the date of issuance of policy.
- c) **Date of issuance of policy** is a date when a proposal after underwriting is accepted as a policy and the contract gets effected.
- d) **Date of Vesting under the plan:** If the Life Assured is alive on the vesting date and if a request in writing for surrendering the policy has not been received by Corporation before such vesting date from the person entitled to the policy moneys, the policy shall automatically vest in the Life Assured on such vesting date i.e. on the policy anniversary coinciding with or immediately following the completion of 18 years of age and shall on such vesting be deemed to be a contract between the Corporation and Life Assured. The Life Assured shall become the absolute owner of the policy and proposer or his estate shall cease to have any right or interest therein.



3. BENEFITS UNDER THE BASE PLAN:

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

A. 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, shall be payable; where **“Sum Assured on Maturity”** is equal the Basic Sum Assured.

B. Death Benefit:

The proposer will have an option to choose **“Sum Assured on Death”** as per the two options available under each of Limited Premium and Single Premium payment. The proposer has to choose one of the options at the proposal stage itself and mention the same in addendum to the proposal form subject to the eligibility conditions as mentioned in Para 2 above. The premiums and benefits shall vary as per the Option chosen and cannot be altered subsequently.

Premium Payment	Option	Sum Assured on Death
Limited Premium Payment	Option I	Higher of <ul style="list-style-type: none"> • 7 times of Annualized Premium; or • Basic Sum Assured
	Option II	Higher of <ul style="list-style-type: none"> • 10 times of Annualized Premium; or • Basic Sum Assured
Single Premium Payment	Option III	Higher of <ul style="list-style-type: none"> • 1.25 times of Single Premium; or • Basic Sum Assured
	Option IV	10 times of Single Premium

Note: In the above

- i. Annualized Premium shall be the premium amount payable in a year chosen by the policyholder, excluding the taxes, rider premiums, underwriting extra premiums and loading for modal premiums, if any.
- ii. Single Premium shall be the premium amount chosen by the policyholder, excluding the taxes, rider premiums, underwriting extra premiums, if any.

Death Benefit payable, on death of the Life Assured, during the policy term after the date of commencement of risk but before the stipulated date of maturity, provided the policy is in-force, shall be **“Sum Assured on Death”** along with accrued Guaranteed Additions for in-force policy.

Where, **“Sum Assured on Death”** shall be as per the Option selected as detailed in the Table above.

The death benefit under Limited Premium payment (Option I & Option II) shall not be less than 105% of ‘Total Premiums Paid’ upto the date of death.

Where, **Total Premiums Paid** means the total of all premiums received, excluding any extra premium, any rider premium and taxes, if any. In case LIC’s Premium Waiver Benefit Rider is opted for, in the event of death of Proposer, any subsequent Premiums which are

waived shall be deemed to have been received and be included in the Total Premiums Paid.

However, in case of minor Life Assured, whose age at entry is below 8 years, on death before the commencement of risk (as specified in Para 2 above), the death benefit payable shall be refund of premium(s) paid (excluding taxes, any extra premium, rider premium(s), if any), without interest.

C. Guaranteed Additions for In-force policy:

Under an in-force policy, the Guaranteed Additions shall accrue at the rate of Rs. 80 per thousand Basic Sum Assured at the end of each policy year from the inception till the end of Policy Term.

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 surrender of an in-force policy, the Guaranteed Additions for the policy year in which the policy is surrendered will be added on proportionate basis in proportion to the completed months for the Policy Year in which policy is surrendered. For example, if an in-force 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. 5/12th of Guaranteed Additions for that policy year shall be added to the accrued Guaranteed Additions.

4. OPTIONAL RIDER BENEFIT:

The following optional rider shall be available under Limited Premium payment (Option I & Option II) by payment of additional premium subject to the eligibility as detailed below:

LIC's Premium Waiver Benefit Rider (UIN: 512B204V03):

LIC's Premium Waiver Benefit Rider shall be allowed under a proposal / policy wherein the Life Assured is minor at the time of opting this Rider.

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

On death of Proposer of Base Policy:

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

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

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

 

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

Beyond the specific details as mentioned in this Circular in respect of this Rider, additional details like refund during free look period, policy stamping etc., may be referred from the Rider Circular Ref: CO/PD/127 dated 31st January, 2020.

Eligibility conditions and restrictions:

a)	Minimum Entry Age	18 years (completed)										
b)	Maximum Entry Age	55 years (Nearer Birthday)										
c)	Maximum cover ceasing Age	70 years (Nearer Birthday) (i.e. if the Rider Term plus Age of Proposer exceeds 70 years then the Rider shall not be allowed)										
d)	Rider Term	Outstanding Premium Payment Term of the Base Policy as on the date of opting this Rider or (25 minus Age of minor as on the date of opting this Rider), whichever is lower, subject to the minimum outstanding Rider Term of 5 years. The date of opting i.e. Date of Commencement of this Rider shall be – Date of Commencement of Base Policy, if Rider is opted for at inception; or – Policy anniversary coinciding with or next policy anniversary, following the date of acceptance of application, if Rider is opted for at the later stage as an alteration										
e)	Mode Rebate	<table border="0"> <thead> <tr> <th><u>Mode</u></th> <th><u>Rebate</u></th> </tr> </thead> <tbody> <tr> <td>Yearly</td> <td>2% of tabular premium</td> </tr> <tr> <td>Half-Yearly</td> <td>1% of tabular premium</td> </tr> <tr> <td>Quarterly</td> <td>Nil</td> </tr> <tr> <td>Monthly(NACH)& SSS</td> <td>Nil</td> </tr> </tbody> </table>	<u>Mode</u>	<u>Rebate</u>	Yearly	2% of tabular premium	Half-Yearly	1% of tabular premium	Quarterly	Nil	Monthly(NACH)& SSS	Nil
<u>Mode</u>	<u>Rebate</u>											
Yearly	2% of tabular premium											
Half-Yearly	1% of tabular premium											
Quarterly	Nil											
Monthly(NACH)& SSS	Nil											

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

Note:

- The premiums for LIC's Premium Waiver Benefit Rider shall not exceed 30% of premiums under the base plan.
- Any benefit arising under the rider shall not exceed the Sum Assured on Death under Base policy.
- No rider shall be available in case of the policies procured through POSP-LI/CPSC-SPV.

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 Policyholder during minority of the Life Assured or by Life Assured aged 18 years and above during his/her lifetime; for full or part of Death benefits payable under the policy. The amount opted by the Policyholder/Life Assured (i.e. Net Claim Amount) can be either in absolute value or as a percentage of the total claim proceeds payable.

The instalments shall be paid in advance at yearly or half-yearly or quarterly or monthly intervals, as opted for, subject to minimum instalment amount for different modes of payments being as under:

Mode of Instalment payment	Minimum instalment amount
Monthly	Rs. 5,000/-
Quarterly	Rs. 15,000/-
Half-Yearly	Rs. 25,000/-
Yearly	Rs. 50,000/-

If the Net Claim Amount is less than the required amount to provide the minimum instalment amount as per the option exercised by the Policyholder/Life assured, the claim proceeds shall be paid in lumpsum only.

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

For exercising option to take Death Benefit in instalments, the Policyholder during minority of the Life Assured or the Life Assured, if major, can exercise this option during his/her lifetime while in currency of the policy, specifying the period of Instalment payment and net claim amount for which the option is to be exercised. The death claim amount shall then be paid to the nominee as per the option exercised by the Policyholder/Life Assured and no alteration whatsoever shall be allowed to be made by the nominee.

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

ii. Settlement Option (For Maturity Benefit):

Settlement Option is an option to receive Maturity Benefit in instalments over a period of 5 or 10 or 15 years instead of lumpsum amount under an In-force as well as Paid-up policy. This option can be exercised by the Policyholder during minority of the Life Assured or by Life Assured aged 18 years and above, for full or part of Maturity proceeds payable under the policy. The amount opted for by the Policyholder/Life Assured (i.e. Net Claim Amount) can be either in absolute value or as a percentage of the total claim proceeds payable.

The instalments shall be paid in advance at yearly or half-yearly or quarterly or monthly intervals, as opted for, subject to minimum instalment amount for different modes of payments being as under:

Mode of Instalment payment	Minimum Instalment amount
Monthly	Rs. 5,000/-
Quarterly	Rs. 15,000/-
Half-Yearly	Rs. 25,000/-
Yearly	Rs. 50,000/-

If the Net Claim Amount is less than the required amount to provide the minimum instalment amount as per the option exercised by the Policyholder/ Life Assured, the claim proceeds shall be paid in lumpsum only.

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

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

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

After the commencement of Instalment payments under Settlement Option:

- 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.

6. ELIGIBILITY AND OTHER CONDITIONS FOR PLAN PURCHASED THROUGH POSP-LI/CPSC-SPV:

This plan can be purchased through POSP-LI and CPSC-SPV. However in such case the eligibility conditions and other terms and conditions shall be as per the applicable Guidelines, Regulations, Circulars etc. issued by IRDAI applicable to POSP plans and POSP-LI/CPSC-SPV.

Currently, the parameters/eligibility and other conditions applicable to this plan if purchased through POSP-LI and CPSC-SPV are as follows:

- a) Options allowed:** Option I, Option II and Option III.

b) Minimum Basic Sum Assured: Rs. 2,00,000

The Basic Sum Assured shall be in the multiples of amount specified below:

Basic Sum Assured Range	Basic Sum Assured Multiple (Rs.)
From Rs. 2,00,000/- to Rs. 24,00,000/-	25,000/-
above Rs. 24,00,000/-	50,000/-

c) Maximum Limit on Sum Assured on Death: The maximum allowable Sum Assured on Death to each individual will be decided as per the non-medical limits under this plan in accordance with the Underwriting policy of the Corporation in respect of this plan.

LIC's Amritbaal plan falls under the category of Non Linked, Non Participating, Endowment category of POS-Life products if the same is purchased through POSP-LI or CPSC-SPV. The maximum allowable Sum Assured on Death to each individual in respect of all policies under all plans in this category of Non-Linked, Non-Participating, Endowment products, if purchased through POSP-LI and CPSC-SPV channel (both inclusive) shall be Rs 25 lakhs. The plans introduced in above category, as of now are LIC's Amritbaal (Plan No. 874), LIC's Dhan Vriddhi (Plan No. 869), LIC's Jeevan Azad (Plan No. 868), LIC's Dhan Varsha (Plan No.866), LIC's Dhan Sanchay (Plan No. 865), LIC's Bima Ratna (Plan No.864), LIC's Dhan Rekha (Plan No. 863) and LIC's Bima Jyoti (Plan No. 860) where the total limit in Sum Assured on Death of Rs. 25 Lakhs shall apply. As and when new plans falling in the above category are introduced the total limit of Sum Assured on Death of Rs. 25 Lakhs per life shall include such plans also.

Detailed instructions in this regard will be issued by NB&R Department, Central Office.

d) Minimum Age at entry: 0 years (30 days completed)

e) Maximum Age at entry: 13 years (last birthday)

f) Minimum Maturity Age: 18 years (last birthday)

g) Maximum Maturity Age: 25 years (last birthday)

h) Minimum Policy Term: Limited Premium Payment: 10 years
Single Premium Payment: 5 years

i) Maximum Policy Term: Limited Premium Payment: 20 years
Single Premium Payment: 20 years

j) Premium Payment Term: Limited Premium Payment: 5, 6 & 7 years
Single Premium Payment: Single Pay

Age at entry shall be as defined in Note a) under Para 2 above

k) Waiting Period:

In case the Plan is purchased through POSP-LI or CPSC-SPV, on death of the Life Assured within the first 90 days from the date of commencement of risk, the Corporation shall refund the total premiums paid, provided the policy is in force and death is not on account of an accident. However, in case of death due to accident during waiting period

Death Benefit as specified under Para 3.B. shall be payable. This clause shall not be applicable in case age at entry of the Life Assured is below 8 years.

l) Riders:

No Rider shall be available in case the policy is purchased through POSP-LI/ CPSC-SPV.

m) Key Features Document (KFD)-cum-Proposal Form:

Key Features Document (KFD)-cum-Proposal Forms to be used in case of sale through POSP-LI and CPSC-SPV are as detailed in Para 30 below.

Detailed administrative instructions in respect of POSP-LI and CPSC-SPV shall be issued by Marketing Department and MBAC Department, Central Office respectively.

7. MODE OF PREMIUM PAYMENT:

Premium can be paid either under Limited Premium payment or Single Premium Payment options under this plan. In case of Limited Premium payment, premium can be paid regularly during the premium paying term with modes of premium payment Yearly, Half-Yearly, Quarterly or Monthly (through NACH only) or through salary deductions (SSS).

8. PREMIUM RATES:

Premium amount for this plan can be calculated through the calculator given in LIC's website, NB Module as well as through various LIC Apps.

Class-I extra premium rates in respect of Base Plan and tabular premium rates as well as Class-I extra premium rates in respect of available Rider are enclosed as tabulated below:

Annexure	Particulars
Annexure 1(a)	Class- I Extra premium rates per Rs. 1000/- Basic Sum Assured for Base Plan applicable at NB stage.
Annexure 1(b)	Class- I Extra premium rates per Rs. 1000/- Basic Sum Assured for Base Plan applicable at Revival stage.
Annexure 2	Tabular Premium rates per Rs. 100/- Base Plan Premium for LIC's Premium Waiver Benefit Rider
Annexure 3	Class- I Extra premium rates per Rs. 100/- Base Plan Premium for LIC's Premium Waiver Benefit Rider

The above premium rates are exclusive of taxes.

9. GRACE PERIOD FOR PAYMENT OF PREMIUM (Applicable for Limited Premium Payment for Option I & Option II only):

A grace period of 30 days will be allowed for payment of yearly or half-yearly or quarterly premiums and 15 days for monthly mode of premium payment. If premium is not paid before the expiry of the days of grace, the Policy lapses.

The above grace period will also apply to Rider premium, if opted, as the Rider premium 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 20 shall be applicable.

10. REBATES:

The rebates for Base plan are as under:

i. High Basic Sum Assured Rebate:

For Limited Premium Payment / Single Premium Payment the rebate for higher Basic Sum Assured (BSA) is allowed in the form of reduction in Tabular Premium. The rebates (in Rs.) are as under:

Under Limited Premium Payment (Under Option I & Option II):

Rebate on tabular premium per Rs. 1000 Basic Sum Assured				
Basic Sum Assured Range (Rs.)	Maturity Age from 18 to 21 years		Maturity Age from 22 to 25 years	
	Entry Age up to 9 Years	Entry Age from 10 to 13 years	Entry Age up to 9 Years	Entry Age from 10 to 13 years
Upto 3,25,000	Nil	Nil	Nil	Nil
3,50,000 to 4,75,000	2.60	2.60	2.85	2.60
5,00,000 to 9,75,000	4.55	4.55	5.55	4.55
10,00,000 to 24,50,000	6.80	6.80	8.35	6.85
25,00,000 and above	8.20	8.20	10.00	8.20

Under Single Premium Payment (Under Option III & Option IV):

Rebate on tabular premium per Rs. 1000 Basic Sum Assured				
Basic Sum Assured Range (Rs.)	Maturity Age from 18 to 21 years		Maturity Age from 22 to 25 years	
	Entry Age up to 9 Years	Entry Age from 10 to 13 years	Entry Age up to 9 Years	Entry Age from 10 to 13 years
Upto 3,25,000	Nil	Nil	Nil	Nil
3,50,000 to 4,75,000	9.85	7.65	11.90	9.85
5,00,000 to 9,75,000	17.20	13.35	20.80	17.25
10,00,000 to 24,50,000	25.80	20.05	31.25	25.90
25,00,000 and above	31.00	24.05	37.50	31.05

ii. Rebate under Corporation's Insurance Scheme (CIS):

Proposals completed under Corporation's Insurance Scheme (CIS) with regard to employees of the Corporation and its Subsidiaries/ Step Down Subsidiaries/ Associates Companies, as per the prevailing policy of the Corporation in this regard, shall be eligible for CIS rebate for Base Policy as well as Rider Premium, if opted for, at the following rates

provided policy is not taken through Agents, Corporate Agents, Brokers, Insurance Marketing Firms, Online Sale, POSP-LI & CPSC-SPV Channel.

Premium Payment	CIS Rebate (as a % of Tabular Annual / Single Premium)
Regular Premium (Option I & Option II)	10%
Single Premium (Option III & Option IV)	2%

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

iii. Rebate under Online Sale:

For Proposal to be completed under Online Sale without any assistance of Agent / Intermediary shall be eligible for rebate for Base Plan as well as Rider premium, if opted for, at the following rates.

Premium Payment	Online Sale Rebate (as a % of Tabular Annual / Single Premium)
Limited Premium (Option I & Option II)	10%
Single Premium (Option III & Option IV)	2%

iv. Premium Conversion factors (Applicable in case of Option I & Option II only):

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.

The order in which the above Rebate shall be applicable is as below:

1. Only one of the Rebates i.e. either Rebate for Online Sale or Rebate under Corporation's Insurance Scheme (CIS) shall be allowed, if any.
2. Rebate for Online Sale/ Rebate under Corporation's Insurance Scheme (CIS) calculated as a percentage of Tabular Premium shall be applied first, if any.
3. Thereafter, the High Sum Assured Rebate based on per Rs. 1,000 Basic Sum Assured shall be applied, if any.
4. Thereafter, the Premium Conversion factors shall be applicable, if any.



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

a) For Offline sale:

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

Premium Payment	1 st year	2 nd year & 3 rd year	4 th year & onwards
Limited Premium (Option I & Option II)	10%	7.50%	5%
Single Premium (Option III & Option IV)	2% of Single Premium		

Bonus Commission: As a percentage of 1st year Commission is as under:-

Premium Payment	Bonus Commission
Limited Premium (Option I & Option II)	40%
Single Premium (Option III & Option IV)	Nil

b) Commission payable to POSP-LI / CPSC-SPV channel:

For the POSP-LI engaged directly by the Corporation and CPSC-SPV, same commission shall be payable as mentioned in Para 11 a) above shall be payable. However, no Bonus Commission shall be payable.

c) Commission payable to POSP-LI engaged by Intermediaries:

For the POSP-LI engaged by Intermediaries, no commission is payable to POSP-LI by the Corporation.

d) For Online sale:

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

e) Development Officer's Credit (D.O. Credit):

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

Premium Payment	Basic Sum Assured	D.O. Credit
Limited Premium (Option I & Option II)	2 lakhs to 4.75 lakhs	60% of the First Year Premium
	5 lakhs and above	100% of the First Year Premium
Single Premium (Option III & Option IV)	5% of the Single Premium	

12. PAID-UP VALUE:

If less than two full years' premiums have been paid in respect of the policy and any subsequent premium be not duly paid, all the benefits under the policy shall cease after the expiry of grace period from the date of First Unpaid Premium and nothing shall be payable.

If after atleast two full years' premiums have been paid in respect of the policy and any subsequent premiums be not duly paid, this 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 **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.

In addition to the **Death Paid-Up Sum Assured**, accrued Guaranteed Additions for a Paid-up policy (as specified below) shall also be payable on death of the Life Assured.

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 **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.

In addition to the Maturity Paid-Up Sum Assured, the accrued Guaranteed Additions for Paid-up policy (as specified below) shall also be payable on maturity.

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

Guaranteed Additions for Paid-up policy:

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

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

The Reduced Guaranteed Additions (per thousand Basic Sum Assured) under a Paid-up policy shall depend on the Premium Paying Term and the Number of Policy year for which full years' premiums have been paid and are as under:

Number of policy year for which full years' premiums have been paid	Reduced Guaranteed Additions per Rs. 1000 of Basic Sum Assured (in Rs.)		
	PPT (5 years)	PPT (6 years)	PPT (7 years)
2	15.00	9.00	6.00
3	33.00	23.00	16.00
4	54.00	39.00	28.00
5	-	57.00	42.00
6	-	-	58.00

In case of Surrender or on Death under the paid-up policy, the Reduced Guaranteed Additions for the policy year in which the policy is surrendered or resulted in Death claim will be added on proportionate basis in proportion to the completed months for the Policy Year in which policy is surrendered or resulted in death claim (i.e. the period upto the date of death). For example, if a paid-up policy is surrendered or resulted in death claim after five months and 17 days in a particular policy year, then Reduced Guaranteed Additions on proportionate basis for five months i.e. 5/12th of Reduced Guaranteed Additions for that policy year shall be added.

Notwithstanding what is stated above, if at least three full years' premiums have been paid in respect of the policy, and any subsequent premium be not duly paid, in the event of the death of the Life Assured within six months from the due date of First Unpaid Premium, "Sum Assured on Death" along with accrued Guaranteed Additions applicable for in-force policy shall be paid after deduction of (a) the unpaid premium(s) for the Base Policy with interest thereon up to the date of death on the same terms as for revival of the Policy during such period, and (b) the balance premium(s) for the Base Policy falling due from the date of death and before the next Policy anniversary. This provision shall not apply in case of death due to suicide.

Notwithstanding what is stated above, if at least five full years' premiums have been paid in respect of the policy, and any subsequent premium be not duly paid, in the event of death of the Life Assured within 12 months from the due date of First Unpaid Premium, "Sum Assured on Death" along with accrued Guaranteed Additions applicable for in-force policy shall be paid after deduction of (a) unpaid premium(s) for the Base Policy with interest thereon up to the date of death on the same terms as for revival of the Policy during such period, and (b) the balance premium(s) for the Base Policy falling due from the date of death and before the next Policy anniversary. This provision shall not apply in case of death due to suicide.

All of the above mentioned Non-forfeiture Regulations do not apply to Riders as the riders do not acquire any paid-up value. The riders benefit ceases to apply, if policy is in lapsed condition.

13. SURRENDER VALUE:

Under Limited Premium Payment (Option I & Option II), the policy can be surrendered by the policyholder at any time during the policy term provided two full years' premiums have been paid. Under Single Premium Payment (Option III & IV), the policy can be surrendered at any time during the policy term.

On surrender of the policy, the surrender value payable shall be higher of **Guaranteed Surrender Value (GSV)** and **Special Surrender Value (SSV)**.

Guaranteed Surrender value (GSV):

The Guaranteed Surrender Value under the plan shall be as under:

a) Under Limited Premium Payment (Option I & Option II):

The Guaranteed Surrender Value shall be sum of (the total premiums paid *multiplied* by the GSV factor applicable to total premiums paid) **and** (accrued Guaranteed Additions *multiplied* by GSV factor applicable to accrued Guaranteed Additions).

i.e. $GSV = (GSV \text{ factor applicable to total premiums paid} * \text{total premiums paid}) + (GSV \text{ factor applicable to accrued Guaranteed Additions} * \text{accrued Guaranteed Additions})$.

Premiums referred above shall not include any taxes, any extra premium and rider premium, if any.

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-4**.

b) Under Single Premium Payment (Option III & Option IV):

The Guaranteed Surrender Value shall be:

- During first three policy year : 75% of the Single Premium Paid
- After the Third Policy Year : 90% of the Single Premium Paid

Single Premium referred above shall not include any taxes, any extra premium and rider premium, if any.

In addition, the surrender value of accrued Guaranteed Additions, if any, i.e. accrued Guaranteed Additions multiplied by GSV factor applicable to the accrued Guaranteed Additions shall also be payable.

The GSV factors applicable to accrued Guaranteed Additions 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-5**.

Special Surrender Value (SSV):

The Special Surrender Value under the plan shall be as under:

a) Under Limited Premium Payment (Option I & Option II):

The Special Surrender Value will be the *sum* of [Basic Sum Assured *multiplied* by the ratio of the total period for which premiums have been paid bears to the maximum period for which the premiums were originally payable] and [the accrued Guaranteed Additions, if any], *multiplied* by applicable Special Surrender Value Factor.

b) Under Single Premium Payment (Option III & Option IV):

The Special Surrender Value shall be the sum of (Basic Sum Assured and accrued Guaranteed Additions) *multiplied* by the applicable Special Surrender Value factor.

The SSV factors shall depend on the Policy Term and the duration elapsed as on date of surrender since commencement of the policy. The SSV factors are enclosed as **Annexure-6**.

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, 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, 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.

Rider will not acquire any surrender value.

14. REVIVALS:

If the premium is not paid within the days of grace, the policy lapses. The lapsed policy may be revived during the lifetime of the Life Assured, but within a period of 5 consecutive years from the date of first unpaid premium and before the Date of Maturity, as the case may be. The revival shall be effected on payment of all the arrears of premium(s) together with interest (compounding half yearly) at such rate as may be fixed by the Corporation from time to time and on satisfaction of Continued Insurability of the Life Assured and/or Proposer (if LIC's Premium Waiver Benefit Rider is opted for) on the basis of information, documents and reports that are already available and any additional information in this regard if and as may be required in accordance with the Underwriting Policy of the Corporation at the time of revival, being furnished by the Policyholder/Life Assured/Proposer.

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

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.

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

15. ALTERATIONS:

The following alterations shall be allowed:

- a) Any change not involving change in Base premium rates and corresponding benefit structure.
- b) Reduction in Term of the policy subject to restrictions as per Para 2 above.
- c) Inclusion of LIC's Premium Waiver Benefit Rider. Inclusion of rider is not applicable in case of plan sold though POSP-LI/CPSC-SPV.

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

16. LOAN:

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

- i. Under Limited Premium payment (Option I & Option II), loan can be availed during the policy term, provided atleast two full years' premiums have been paid. Under Single Premium payment (Option III & Option IV), loan can be availed during the policy term at any time after three months from the completion of the policy (i.e. 3 months from the Date of issuance of policy) or after expiry of the Free-Look Period, whichever is later.

ii. The maximum loan that can be granted shall be as under:

Under Limited Premium payment (Option I& Option II):

- a. For in-force policies: upto 90% of Surrender Value
- b. For paid-up policies: upto 80% of Surrender Value

Under Single Premium payment (Option III& Option IV): upto 75% of Surrender Value.

- iii. The rate of interest to be charged for the loan amount would be determined by the Corporation from time to time. If the Life Assured is a female child and the loan is availed for the purpose of her education then the applicable interest rate for loan under this plan shall be reduced by 100 basis points.
- iv. The loan during the minority of Life Assured can be availed by the proposer provided the loan is raised for the benefit of the minor Life Assured.
- v. 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.
- vi. In case the policy shall mature or is surrendered or becomes a claim by death, 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.

17. TERMINATION OF POLICY:

The policy shall immediately and automatically terminate on the earliest occurrence of any of the following events:

- a) The date on which lumpsum death benefit/final instalment of death benefit is paid; or
- b) The date on which surrender benefits are settled under the policy; or
- c) The date of maturity if settlement option is not exercised; or
- d) On payment of final instalments under Settlement Option; or
- e) In the event of default in payment of loan interest as specified in Para 16; or
- f) On expiry of Revival Period if the policy which has not acquired paid up-status, has not been revived within the revival period; or
- g) On payment of free look cancellation amount; or
- h) In the event of forfeiture as specified in Para 21 below.

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 AND MEDICAL REQUIREMENTS :

NB & R department will issue instructions in this regard.

20. SUICIDE CLAUSE:

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

Under Limited Premium Payment (Option I & Option II)

- 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, if any) till the date of death, provided the policy is in-force. This clause shall not be applicable in case age at entry of the Life Assured is below 8 years.
- ii. If the Life Assured (whether sane or insane) commits suicide within 12 months from date of revival, an amount which is higher of 80% of the total premiums paid (excluding any taxes, extra premium and rider premiums, if any) till the date of death or the surrender value available as on 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:

- a) In case the age of the life assured is below 8 years at the time of revival; or
- b) For a policy lapsed without acquiring paid-up value and nothing shall be payable under such policies.

The relaxation (claim concession) mentioned above under Paid-up Value provisions (Para.12) shall not be applicable in case of death due to suicide.

Premium Waiver Benefit Rider is applicable on the life of the proposer and hence the applicable proportion of the PWB rider premium shall be paid back on suicide by the Proposer.

Under Single Premium Payment (Option III & Option IV)

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 Single Premium paid excluding any taxes, extra premium and rider premium, if any. This clause shall not be applicable in case age at entry of the Life Assured is below 8 years.

21. FORFEITURE IN CERTAIN EVENTS:

In case it is found that any untrue or incorrect statement is contained in the proposal (including proposal for Premium Waiver Benefit Rider, if opted for), personal statement, declaration and connected documents or any material information is withheld, then and in every such case the policy shall be void and all claims to any benefit by virtue thereof shall be subject to the provisions of Section 45 of the Insurance Act, 1938 as amended from time to time.

22. 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, if any) including extra premiums, which shall be collected separately over and above in addition to the premiums payable by the policyholder. The amount of tax paid shall not be considered for the calculation of benefits payable under the plan.

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

23. FREE LOOK PERIOD:

If a Policyholder is not satisfied with the "Terms and Conditions" of the policy, he/she may return the policy to the Corporation stating the reasons of objections, within 30 days from the date of receipt of the electronic or physical mode of the Policy Document, whichever is earlier.

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

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

24. 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.

25. POLICY STAMPING:

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

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

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

26. REINSURANCE:

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

27. ASSIGNMENTS/NOMINATIONS:

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

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

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

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

28. 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.

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

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

29. 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.

30. PROPOSAL FORM :

Revised Proposal Form No. 360 along with Addendum to be signed by the proposer shall be used under this plan and are enclosed as **Annexure – 7(a) and 7(b)** respectively. Revised Proposal Form No. 300 enclosed as **Annexure – 7(c)** shall also be used if LIC's Premium Waiver Benefit Rider is opted for.

For sale initiated by Point of Sales Persons (POSP-LI)/CPSC-SPV, Key Features Document (KFD)-cum-Proposal Forms as given in **Annexure - 8** of this Circular shall be used.

31. POLICY DOCUMENT AND SALES BROCHURE:

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

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

32. 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.

33. ADDRESS OF OMBUDSMAN:

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

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



Executive Director (Actuarial)

Encl – Annexure 1 to 8

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