

**LIFE INSURANCE CORPORATION OF INDIA
CENTRAL OFFICE**

Dept: Actuarial

“Yogakshema”
Jeevan Bima Marg
Mumbai – 400 021

Ref: CO /PD /257

Date: 11th October, 2024

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

Re: INTRODUCTION OF LIC's Nivesh Plus (Plan No. 749)

1. INTRODUCTION:

In view of the IRDAI (Insurance Products) Regulations, 2024, Master Circular on Life Insurance Products, 2024 and other relevant Circulars issued by IRDAI, it has been decided to modify LIC's Nivesh Plus (Plan No 849) Unique Identification Number (**512L317V01**) .The new Plan Number for this modified LIC's Nivesh Plus shall be 749 and UIN shall be 512L317V02.

The earlier version of the Plan i.e. Plan No.849 with UIN: 512L317V01 shall be withdrawn with effect from 14th October, 2024 and the modified version shall be available for new business from 14th October, 2024.

The new Unique Identification Number (UIN) for LIC's Nivesh Plus is 512L317V02.

This number has to be quoted in all relevant documents furnished to the policyholders and other users (public, distribution channels etc.).

The major modifications are as under:

- i) The minimum premium under the plan is increased to Rs 1,25,000/- from earlier Rs 1,00,000/-. The premium multiple is revised to Rs 5,000 from earlier Rs 10,000/-
- ii) Mortality Charges have been changed.
- iii) “Free Look Period” has been changed to 30 days from the date of receipt of the electronic or physical mode of the Policy Bond, whichever is earlier as against “15 days (30 days in case of Online sale)”, from date of receipt of the policy bond”.
- iv) Customized Benefit Illustration shall be as per the revised format.
- v) Customer Information Sheet and Need Analysis Document under suitability assessment shall form a part of Policy Document.



LIC's Nivesh Plus is a Non-Par, Linked, Life, Individual Single Premium, Insurance plan which offers 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 can choose the amount of Single Premium he/she desires to pay and has the flexibility to choose the Basic Sum Assured and Policy Term subject to minimum and maximum limit as specified in Para 2 at the inception. The Sum Assured options are:

Option 1: 1.25 times of the Single Premium.

Option 2: 10 times of the Single Premium.

The Option once selected cannot be altered.

The Policyholder has a choice of investing premiums in one of the four types of funds available. The Single premium paid by the Policyholder shall be subject to Premium Allocation Charge as per details specified in Para 7.I 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 Single Premium (as mentioned in Para 4) shall be added to the Unit Fund. The amount of Guaranteed Additions will 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 charges 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 with above mentioned modifications are as follows.

2. ELIGIBILITY CONDITIONS AND FEATURES:

a) Basic Sum Assured:

The proposer will have option to choose one of the following:

Under Option 1: Basic Sum Assured equal to 1.25 times of the Single premium

Under Option 2: Basic Sum Assured equal to 10 times of the Single premium

b) Minimum Premium: Rs 1,25,000

c) Maximum Premium: No limit

Premium shall be payable in multiple of Rs. 5,000/-

d) Minimum Entry Age: 90 Days (completed) for both Option 1 and 2

e) Maximum Entry Age: 70 years (nearer birthday) for Option 1

35 Years (nearer birthday) for Option 2

f) Policy Term :

Option 1: If Basic Sum Assured is 1.25 times of Single Premium	Option 2: If Basic Sum Assured is 10 times of Single Premium		
	For age at entry upto 25 yrs	For age at entry 26 to 30 yrs	For age at entry 31 to 35 yrs
10 to 25 years	10 to 25 years	10 to 20 years	10 years

g) Premium Paying Mode: Single Premium only

h) Minimum Maturity Age: 18 years (completed)

i) Maximum Maturity Age: 85 years (nearer birthday) for Option 1

50 Years (nearer birthday) for Option 2

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 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):

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 on such vesting the contract will be deemed to be between the Corporation and Life Assured.

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

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 higher of Basic Sum Assured reduced by any Partial Withdrawals made during the two years' period immediately preceding the date of death or Unit Fund Value as on the date of intimation of death shall be payable; where Basic Sum Assured is as per the Option chosen by the Policyholder and Partial Withdrawal as is specified in Para 9.C of this Circular.

The liability of admissible claim shall be booked effective from the date of receipt of intimation of death with death certificate. Mortality Charge, Accident Benefit Charge, 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 lump sum amount or in instalments, if Settlement Option is opted for, as mentioned in Para 9 (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.

4. GUARANTEED ADDITIONS:

Guaranteed Additions as a percentage of Single Premium as mentioned in the Table below shall be added to the Unit fund on completion of specific duration of policy years.

End of Policy Year	Guaranteed Additions (as percentage of Single Premium)
6	3%
10	4%
15	5%
20	6%
25	7%

The allocated Guaranteed Addition shall be converted to number of units based on NAV of the underlying Fund type as on the date of such addition and shall be credited to Unit fund of the opted fund on the due date of payment of Guaranteed Additions.

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

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 subject to the eligibility conditions and restrictions given 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.

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/228 dated 30.09.2024.

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 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: The allocated premiums will be utilized to buy units as per the Fund Type opted for by the Policyholder out of the four Fund Type options available. Various types of fund options and broadly their investment patterns 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
Bond Fund	Not less than 60%	Not more than 40%	Nil	To provide relatively safe and less volatile investment option mainly through accumulation of income through investment in fixed income securities.	Low Risk	ULIF001 24/12/18 LICULIP BND512
Secured Fund	Not less than 45% & Not more than 85%	Not more than 40%	Not less than 15% & Not more than 55%	To provide steady income through investment in both equities and fixed income securities	Lower to Medium risk	ULIF002 24/12/18 LICULIP SEC512
Balanced Fund	Not less than 30% & Not more than 70%	Not more than 40%	Not less than 30% & Not more than 70%	To provide balanced income and growth through similar proportion investment in both equities and fixed income securities	Medium risk	ULIF003 24/12/18 LICULIP BAL512
Growth Fund	Not less than 20% & Not more than 60%	Not more than 40%	Not less than 40% & Not more than 80%	To provide long term capital growth through investment	High risk	ULIF004 24/12/18 LICULIP GRW512

				primarily in equities		
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The Policyholder will have the option to choose any **ONE** of the above 4 funds to invest his /her premiums initially and at the time of switching.

The product LIC's Nivesh Plus has four segregated funds viz. Bond Fund, Secured Fund, Balanced Fund and Growth Fund. The initial NAV of these four segregated funds was Rs. 10 at the launch of the product. The modified LIC's Nivesh Plus available for sale from 14th October, 2024 shall have NAVs corresponding to the respective funds on the date of purchase of the policy under the plan in accordance with the prevailing terms and conditions.

The investment as per the above pattern shall conform to the IRDAI (Actuarial, Finance and Investment functions) Regulations 2024, Circulars and Guidelines issued from time to time.

To ensure streamline investment of the above four 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 8 of IRDAI (Actuarial, Finance and Investment) Regulations, 2024. 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 Annexure INV-I of the IRDAI (Actuarial, Finance and Investment) Regulations, 2024 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: Bond Fund, SFIN No: ULIF00124/12/18LICULIPBND512 (Low Risk)

Free Switch shall be allowed to the following funds:

Fund Name	SFIN	Risk Profile
Secured Fund	ULIF00224/12/18LICULIPSEC512	Lower to Medium Risk
Balanced Fund	ULIF00324/12/18LICULIPBAL512	Medium Risk

2. Fund Name: Secured Fund, SFIN No:ULIF00224/12/18LICULIPSEC512 (Lower to Medium Risk)

Free Switch shall be allowed to the following funds:

Fund Name	SFIN	Risk Profile
Bond Fund	ULIF00124/12/18LICULIPBND512	Low Risk
Balanced Fund	ULIF00324/12/18LICULIPBAL512	Medium Risk

3. Fund Name: Balanced Fund, SFIN No: ULIF00324/12/18LICULIPBAL512 (Medium Risk)

Free Switch shall be allowed to the following funds:

Fund Name	SFIN	Risk Profile
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Secured Fund	ULIF00224/12/18LICULIPSEC512	Lower to Medium Risk
Growth Fund	ULIF00424/12/18LICULIPGRW512	High Risk

4. Fund Name: Growth Fund, SFIN No:ULIF00424/12/18LICULIPGRW512 (High Risk)

Free Switch shall be allowed to the following funds:

Fund Name	SFIN	Risk Profile
Secured Fund	ULIF00224/12/18LICULIPSEC512	Lower to Medium Risk
Balanced Fund	ULIF00324/12/18LICULIPBAL512	Medium Risk

B) Discontinued Policy Fund (SFIN: ULIF001201114LICDPFNLI512): 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, which is a unit fund, shall be with the following asset categories:

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

C) Computation of NAV: The NAV of all the five segregated funds i.e. Bond Fund, Secured Fund, Balanced Fund, Growth Fund and Discontinued Policy Fund will be computed on daily basis and will be based on investment performance, Fund Management Charge of each fund type 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 following clauses of Force Majeure are to be included 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 payments shall be kept in abeyance.
 - c. The Corporation will continue to invest as per the investment pattern of the 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 1(8) Schedule III of IRDAI (Actuarial, Finance and Investment functions) Regulations, 2024) in circumstances mentioned under points (a and b) above. The exposure of chosen fund shall be reinstated within reasonable timelines once the force majeure situation ends.

- d. Few examples of such circumstances as mentioned in 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.
- e. 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 appropriate approval. 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.

7. CHARGES AND FREQUENCY OF CHARGES:

- 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 for the chosen fund in the policy.

The Premium Allocation Charge is as below:

- For Offline sale: 3.30%
- For Online sale: 1.50%

- 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 Charge.

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.

During the policy term, this charge shall depend upon the Sum at Risk i.e. the difference between the Basic Sum Assured and Unit Fund Value as on the date of deduction of charge, after deduction of all other charges, and shall be deducted only if, the Basic Sum Assured is more than the Unit Fund Value on the date of deduction.

Basic Sum Assured shall be 1.25* Single Premium or 10* Single Premium, as opted for, by the Policyholder at the inception.

In case of partial withdrawals, the Basic Sum assured shall be reduced to the extent of all Partial Withdrawals made during the two years period immediately preceding the date of deduction of Mortality charges.

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

The annual Mortality Charges 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. 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. Other Charges:

(a). POLICY ADMINISTRATION CHARGE - No Policy Administration Charges shall be applicable under this plan.

(b). SWITCHING CHARGE – This is a charge levied on switching 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, shall be subject to a Switching Charge of Rs. 100 per switch.

(c). FUND MANAGEMENT CHARGE – This is the 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 all the four Funds available under this Plan. i.e. Bond Fund, Secured Fund, Balanced Fund and Growth Fund
- 0.50% p.a. of Unit Fund for "Discontinued Policy Fund"

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

(d). BID/OFFER SPREAD – Nil.

(e). DISCONTINUANCE CHARGES – This charge will 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 Single Premium up to Rs 3,00,000	Discontinuance Charges for the Policies having Single Premium above Rs 3,00,000
1	Lower of 2% * (SP or FV) subject to maximum of Rs. 3000/-	Lower of 1% * (SP or FV) subject to maximum of Rs. 6000/-
2	Lower of 1.5% * (SP or FV) subject to maximum of Rs. 2000/-	Lower of 0.7% * (SP or FV) subject to maximum of Rs. 5000/-
3	Lower of 1.00% * (SP or FV) subject to maximum of Rs. 1500/-	Lower of 0.5% * (SP or FV) subject to maximum of Rs. 4000/-

4	Lower of 0.5% * (SP or FV) subject to maximum of Rs. 1000/-	Lower of 0.35% * (SP or FV) subject to maximum of Rs. 2000/-
5 and onwards	NIL	NIL

SP – Single Premium

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

“Date of discontinuance of the policy” shall be the date on which the insurer receives the intimation from the Life Assured or Policyholder about the surrender of the policy.

- (f). **PARTIAL WITHDRAWAL CHARGE** – This is a charge levied on the Unit Fund at the time of each partial withdrawal of the Fund and shall be a flat amount of Rs. 100/- which will be deducted by cancelling appropriate number of units out of Unit Fund Value and the deduction shall be made on the date on which partial withdrawal takes place.
- (g). **TAX CHARGE** – Tax Charges, if any, will be as per the prevailing tax laws and rate of tax as applicable from time to time.

Tax Charge shall be levied on all or any of the charges applicable to this plan 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.

- (h). **MISCELLANEOUS CHARGE** – This is a charge levied for an alteration within the contract such as grant of Accident Benefit Rider after the issuance of the policy, and shall be a flat amount of Rs. 100/- which will 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.

V. 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 appropriate approval 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 of charges is as under:

- The Fund Management charge shall not exceed the limit specified by IRDAI which are currently same as condition 7(iv)(c)
- Partial withdrawal charge shall not exceed Rs. 500/- on each withdrawal.
- Switching Charge shall not exceed Rs. 500/- per switch.
- Discontinuance charges shall not exceed the limits specified by IRDAI, which are currently same as Para 7.IV.e above.
- 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 5 years' 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)
Single Premium received: a) In case of Offline sale: by way of a	NAV of Date of acceptance of risk i.e. Date of commencement of policy.

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.	
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
Settlement Option	NAV of date of instalment payment under settlement option.
Maturity Benefit	NAV of the date of maturity.
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:
 - a) Single Premium payment, at any branch office of the Corporation (applicable for offline sale) or by any digital payment mode (applicable for online sale); or
 - b) Other transaction, by servicing branch of the Corporation; or
 - c) 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:
 - a) Single Premium payment, at any branch office of the Corporation (applicable for offline sale) or by any digital payment mode (applicable for online sale); or
 - b) Other transaction, by servicing branch of the Corporation; or
 - c) 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. OPTIONS AVAILABLE UNDER THE BASE PLAN:

A) Switching: The Policyholder can switch between any fund types during the policy term. On switching the entire amount is switched to the new Fund opted for. During a given policy year, 4 switches will be allowed free of charge. Subsequent switches shall be subject to a Switching Charge of Rs.100 per switch.

On receipt of the Policyholder's valid 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 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 Death Benefit to the nominee (i.e. yearly, half yearly, quarterly or monthly instalments) spread over a period of not more than five 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 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 shall be allowed by the nominee during the subsistence of the period of settlement period.

- C) Partial Withdrawals** A policyholder can partially withdraw the units at any time after the fifth policy anniversary, subject to the following:
- In case of minors, partial withdrawals shall be allowed only after Life Assured is aged 18 years or above.
 - Partial withdrawals may be in the form of fixed amount or in the form of fixed number of units.
 - 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	15%
11 th to 15 th	20%
16 th to 20 th	25%
21 st to 25 th	30%

The above Partial withdrawal shall be allowed subject to minimum balance equal to the single premium paid in the unit fund.

- iv. Partial withdrawal charge as specified in Para 7.IV.(f) shall be deducted from the Unit Fund Value.
- v. The partial withdrawals which would result in termination of a contract shall not be allowed

If partial withdrawal has been made then for two years' period immediately from the date of withdrawal, the Basic Sum Assured 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 shall be restored.

- D) **Increase / Decrease in Benefits**: No increase/decrease in Basic Sum Assured will be allowed under the plan. 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

10. 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 IMFs:

2% of Single Premium

No bonus commission shall be payable.

Development Officer's credit: 5% of Single premium

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

11. 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 provided policy is not taken through online sale or any intermediary. No rebate on premium is allowed to proposals completed under this scheme.

However, for direct business in respect of Corporation Insurance Scheme there will not be Premium Allocation Charge.

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

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

12. SURRENDER:

A) **Surrender Value Payable**:

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 Discontinuance Charge as specified in Para 7.IV.(e) shall be converted into monetary amount which shall be equal to the NAV of the underlying Fund Type as on the date of receipt of application for surrender multiplied by the number of units in the Unit Fund after deduction of Discontinuance Charge. This monetary amount shall be transferred to the Discontinued Policy Fund by converting the

monetary amount into the units. The number of units transferred to the Discontinued Policy Fund shall be the monetary amount divided by the NAV of the Discontinued Policy Fund as on the date of transfer. The Proceeds of the Discontinued Policy Fund in respect of the policy, as specified in Para 12.B below, shall be payable on completion of 5 years' lock-in-period.

In case of death of the life assured after the date of surrender but before the end 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 immediately.

ii) If the policy is Surrendered after the 5 years' lock-in-period:

If a Policyholder applies for surrender of the policy after the expiry of 5 years' lock-in-period, then the Unit Fund Value as on the date of surrender shall be payable. 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.

B) The Proceeds of the Discontinued Policy Fund shall be calculated as under:

The Proceeds of the Discontinued Policy Fund in respect of the policy shall be higher of Discontinued Policy Fund Value or the Guaranteed Monetary Amount. The Guaranteed Monetary Amount is the accumulation of monetary amount transferred into the Discontinued Policy Fund at the guaranteed interest rate. The guaranteed interest rate shall accrue from the date when the monetary amount is transferred to the Discontinued Policy Fund to the date when the policy exits from the Discontinued Policy Fund either by death or at the end of 5 years' lock-in-period in case of surrender.

Currently this guaranteed interest rate is 4% p.a. and shall be subject to change from time to time as declared by IRDAI.

13. COMPULSORY TERMINATION:

If the policy has run for at least 5 years 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.

14. LOANS:

No loan facility shall be available under this plan.

15. ONLINE SALE OF POLICIES:

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

16. UNDERWRITING, AGE PROOF & MEDICAL REQUIREMENTS:

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

17. TERMINATION OF THE 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 payment of free look cancellation amount; or
- f) On compulsory termination as specified in Para 13; or
- g) In the event of forfeiture as specified in Para 20.



18. POLICY ALTERATION:

The following alteration shall be allowed shall be subject to Miscellaneous charge as specified in Para 7.IV.(h) :

- Inclusion of Linked Accidental Death Benefit Rider after the issuance of the policy.

The Corporation reserves the right to accept or decline the alteration in the policy. The alteration shall take effect from the policy anniversary coincident with or following the alteration 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 CRM/PS Department from time to time.

19. SUICIDE CLAUSE:

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

If Life Assured commits suicide within 12 months from the date of commencement of policy, the nominee or beneficiary of the policyholder shall be entitled to the Unit Fund Value, as 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 of the Life Assured is below 8 years and death benefit as mentioned in Para 3 shall be payable.

20. FORFEITURE IN CERTAIN EVENTS:

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

21. 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

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.

22. BACK DATING:

Back dating of policy will not be allowed.

23. 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.

24. 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.

25. NORMAL REQUIREMENTS FOR CLAIM:

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

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

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

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 CRM/ Claims Department in this regard shall also be required to be submitted.

26. REINSURANCE:

For reinsurance purposes, the retention limits for the base 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.

27. ACCOUNTING OF INCOME AND OUTGO

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

28. DISCLOSURES:

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

Suitability information to be collected, including recommendations to be made and such Need Analysis Document, shall be a part of the policy document..

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

29. 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).

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

30. PROPOSAL FORM:

The Proposal Form as issued by NB&R department shall be used under this Plan.

31. POLICY DOCUMENT, CUSTOMER INFORMATION SHEET AND SALES BROCHURE:

The specimen Policy document, Customer Information Sheet & 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.

32. ADDRESS OF OMBUDSMAN:

At the stage of issuance of policy the address and contact details of the nearest Insurance Ombudsman is to be mentioned in the Policy Document. In case of any change in address by



policyholder, the address and contact details of the nearest Insurance Ombudsman from the transferring in branch has to be informed to the policyholder along with confirmation of change in address.

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

AJAY KUMAR
SRIVASTAVA

Product Actuary

Digitally signed by AJAY KUMAR SRIVASTAVA
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Enclosure – Annexure I

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