

LIFE INSURANCE CORPORATION OF INDIA
CENTRAL OFFICE

Dept: Actuarial

“Yogakshema”
Jeevan Bima Marg
Mumbai – 400 021

Ref: CO/PD/221

Date: 05.08.2024

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

Re:INTRODUCTION OF LIC's DIGI TERM (PlanNo.876)

1. INTRODUCTION:

It has been decided to introduce LIC's Digi Term (Plan No.876) with effect from 06.08.2024.

The Unique Identification Number (UIN) for LIC's Digi Term is 512N356V01. This number has to be quoted in all relevant documents furnished to the Policyholders and other users (public, distribution channels).

LIC's Digi Term is a Non-Par, Non-Linked, Life, Individual, Pure Risk plan which shall be sold online only and hence no intermediaries shall be involved. This plan provides financial support to the insured's family in case of his/her unfortunate death during policy term.


The proposer will have the following two Death Benefit options to choose and the same are further detailed in Para 4(a):

- Option 1: Level Sum Assured
- Option 2: Increasing Sum Assured.

The proposer has to choose one of the above mentioned options at the proposal stage itself subject to eligibility conditions as mentioned in Para 2 below. The premium and benefits shall vary as per the Option chosen and cannot be altered subsequently.

Under this plan, there are two categories of premium rates viz. (1) Non-Smoker rates and (2) Smoker rates. The Life to be assured has an option to choose between Non-Smoker and Smoker category. However, in order to choose Non-Smoker category (for which the premium rates are lower than Smoker category), Life to be assured will have to undergo an additional medical test - Urinary Cotinine test. Based on the findings of the Urinary Cotinine test, Non-Smoker/Smoker premium rates shall be applicable. In case Life to be assured does not undergo Urinary Cotinine test, Smoker rates shall be applicable.

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



2. ELIGIBILITY CONDITIONS AND RESTRICTIONS FOR BASE PLAN:

- a) Minimum Age at entry : 18 years (Last Birthday)
- b) Maximum Age at entry : 45 years (Last Birthday)
- c) Minimum age at Maturity : 33 years (Last Birthday)
- d) Maximum age at Maturity : 75 years (Last Birthday)
- e) Minimum Basic Sum Assured : Rs. 50,00,000/-.
- f) Maximum Basic Sum Assured : Rs 5,00,00,000/-*.
(*The Basic Sum Assured above Rs. 5,00,00,000 (Five Crore) may be considered on case to case basis in accordance with underwriting decision as per the Board Approved Underwriting Policy subject to the decision of Reinsurer on acceptance/ Terms and Conditions for acceptance of such case.)

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

Basic Sum Assured range	Sum Assured Multiple
From Rs 50,00,000/- to Rs 75,00,000/-	Rs. 1,00,000/-
Above Rs 75,00,000/- to Rs 1,50,00,000/-	Rs. 25,00,000/-
Above Rs 1,50,00,000/- to Rs 4,00,00,000/-	Rs. 50,00,000/-
Above Rs 4,00,00,000/-	Rs. 1,00,00,000/-

- g) Policy Term and Premium Payment Term :

Premium Payment Option	Policy Term
Regular Premium payment	15 to 40 years
Limited Premium payment of 10 years	15 to 40 years
Limited Premium payment of 15 years	20 to 40 years
Single Premium payment	15 to 40 years

Note: Limited Premium Payment is available for 10 years and 15 years of premium payment term only.

- h) Minimum Premium :The minimum instalment premium will be Rs. 3,000/- for Regular/ Limited premium payment policies and Rs. 30,000/- for Single premium payment policies.

3. OTHER CONDITIONS FOR BASE PLAN:

- i) Date of commencement of Risk: The risk will commence immediately from the date of issuance of policy.
- ii) Date of issuance of policy is a date when a proposal after underwriting is accepted as a policy and the contract gets effected.

4. BENEFITS UNDER THE BASE PLAN:

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

- a) Death Benefit:

Death benefit, payable on death of the Life Assured during the policy term after the date of commencement of risk but before the stipulated Date of Maturity, provided the policy is in force and claim is admissible shall be "Sum Assured on Death".

Under Regular premium and Limited premium payment policy, “Sum Assured on Death” is defined as the highest of:

- ✓ 7 times of Annualised Premium; or
- ✓ 105% of “Total Premium Paid” upto the date of death; or
- ✓ Absolute amount assured to be paid on death.

Under Single premium payment policy, “Sum Assured on Death” is defined as the higher of:

- ✓ 125% of Single Premium; or
- ✓ Absolute amount assured to be paid on death.

Where,

- i. “Annualized Premium” shall be the premium amount payable in a year, excluding the taxes, rider premiums, underwriting extra premiums and loadings for modal premiums.
- ii. “Single Premium” shall be the premium amount payable, excluding the taxes, rider premiums, underwriting extra premiums.
- iii. “Total Premiums Paid” means total of all the premiums paid under the base product, excluding any extra premium, and taxes, if collected explicitly.

Absolute amount assured to be paid on death shall depend on Death Benefit Option chosen at the time of taking this policy and is as under:

- ✓ Option I: Level Sum Assured: “Absolute amount assured to be paid on death” shall be an amount equal to Basic Sum Assured, which shall remain the same throughout the policy term.
- ✓ Option II: Increasing Sum Assured: “Absolute amount assured to be paid on death” shall remain equal to Basic Sum Assured till completion of fifth policy year. Thereafter, it increases by 10% of Basic Sum Assured each year from the sixth policy year till fifteenth policy year till it becomes twice the Basic Sum Assured. This increase will continue under an inforce policy till the end of policy term; or till the Date of Death; or till the fifteenth policy year, whichever is earlier. From sixteenth policy year and onwards, the “Absolute amount assured to be paid on death” remains constant i.e. twice the Basic Sum Assured, till the policy term ends.

The proposer has to choose one of the Death Benefit Options at proposal stage itself. The option once chosen cannot be altered subsequently.

Examples for “Absolute Amount Assured to be paid on death” under Option II (Increasing Sum Assured) for Basic Sum Assured of Rs. 1,00,00,000 opted at inception for different Policy Terms.		
(In Rs.)		
Policy year	Policy Term = 15 years	Policy Term = 20 years
1	1,00,00,000	1,00,00,000
2	1,00,00,000	1,00,00,000
3	1,00,00,000	1,00,00,000
4	1,00,00,000	1,00,00,000
5	1,00,00,000	1,00,00,000
6	1,10,00,000	1,10,00,000
7	1,20,00,000	1,20,00,000
8	1,30,00,000	1,30,00,000
9	1,40,00,000	1,40,00,000
10	1,50,00,000	1,50,00,000
11	1,60,00,000	1,60,00,000

12	1,70,00,000	1,70,00,000
13	1,80,00,000	1,80,00,000
14	1,90,00,000	1,90,00,000
15	2,00,00,000	2,00,00,000
16	-	2,00,00,000
17	-	2,00,00,000
18	-	2,00,00,000
19	-	2,00,00,000
20	-	2,00,00,000

*Note: Policy year is the period between two consecutive policy anniversaries. This period includes the first day and excludes the next policy anniversary day.

b) MaturityBenefit:

On the life assured surviving to the date of maturity, no maturity benefit is payable.

5. OPTION AVAILABLE UNDER THE BASE PLAN:

Option to take Death Benefit in Instalments:

This is an option to receive Death Benefit in instalments over the period of 5 or 10 or 15 years instead of lump sum amount under an in-force policy. This option can be exercised by the Life Assured during his/her life time; for full or part of Death benefits payable under the policy. The amount opted for by the Life Assured (i.e. Net Claim Amount) can be either in absolute value or as a percentage of the total claim proceeds payable.

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

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

If the net claim amount is less than the required amount to provide the minimum instalment amount as per the option exercised by the Life Assured, the claim proceed shall be paid in lump sum only.

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

For exercising option to take Death Benefit in instalments, the Life Assured, can exercise this option at proposal stage or during his/her lifetime while in currency of the policy, specifying the Net Claim Amount for which the option is to be exercised. The death claim amount shall then be paid to the nominee as per the option exercised by the Life Assured and no alteration whatsoever shall be allowed to be made by the nominee.

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

6. MODE OF PREMIUM PAYMENT:

Premiums can be paid either under Regular Premium, Limited Premium (10 or 15 yrs) or Single Premium payment options under this plan. In case of Regular and Limited Premium payment, the premium can be paid regularly during the Premium Paying Term with modes of premium payment yearly or half-yearly.

7. PREMIUM RATES:

Premium amount under both options for this plan can be calculated through the calculator given in LIC's website.

i. Class – I extra premium rates in respect of Base plan, which are applicable for both New Business as well as Revival stage, for various combinations are enclosed as below:

1) **Option I:** Class-I extra premium rates for each of the 6 combinations specified as Item 1 to 6 are enclosed in Annexure I (Page 1 to 34).

2) **Option II:** Single Premium policy

Class-I extra premium rates for Single Premium policy for each of the 2 combinations are enclosed in Annexure I (Page 35 to 36).

3) **Option II:** Regular and Limited Premium Payment Policy

The Class-I extra premium rates for Regular and Limited Premium Payment under Option II will be arrived at by using the Class-I extra per Rs. 1000/- Basic Sum Assured under Option I for corresponding equivalent policy and a multiplicative factor. For calculating class I extra at NB stage, the multiplicative factor will depend on the Original Policy Term, whereas for calculating class I extra at revival stage, the multiplicative factor will depend on the Original Policy Term as well as the Outstanding Policy Term at Revival.

Class-I extra in such cases shall be calculated using the following formula:

Class I Extra rate under Option II = [Class I Extra Premium rate under Option I] * [Multiplicative Factor]

The extra premium so arrived at will be rounded off to two decimal places to the nearest one hundredth paisa.

Note: The Table to be used at NB stage and Revival stage to calculate the Class-I extra under Option I is same. Hence while referring to the Table at NB stage, the Policy Term/Premium Paying Term is to be used and while referring at the Revival stage, the outstanding Policy Term/Premium Paying Term is to be referred to.

The multiplicative factors to arrive at Class-I extra under Regular and Limited Premium Payment for Option II are enclosed as Annexure II.

	Category	Option I	Option II
S. No.	Regular Premium		
1.	Non-Smoker	Page 1 of Annx. I	Refer Annexure II
2.	Smoker	Page 2 of Annx. I	
	Limited Premium		
3.	Non-Smoker (Outstanding PPT 15 to 1)	Page 3 to 17 of Annx. I	
4.	Smoker (Outstanding PPT 15 to 1)	Page 18 to 32 of Annx. I	
	Single Premium		
5.	Non-Smoker	Page 33 of Annx. I	Page 35 of Annx. I
6.	Smoker	Page 34 of Annx. I	Page 36 of Annx. I

Various Examples for calculation of Class-I extra premium rate for Rs.1000/- B.S.A. A)

Under Regular Premium Payment policy

A Male, Non-Smoker aged 30 years (LBD) has taken a Regular Premium policy for Policy Term 25 years with Premium Paying Term 25 years.

Case(1): At NB Stage:

a) For Option I:

Class I Extra Premium rate at NB Stage (Proposal Stage) per Rs. 1000/- B.S.A = 0.22 (Refer Page 1 of Annexure I)

b) For Option II:

Class I Extra Premium rate at NB Stage (Proposal Stage) per Rs. 1000/- B.S.A
= Class I Extra Premium rate, per Rs. 1000/- B.S.A, applicable for Option I * Applicable multiplicative factor (Original policy term and Outstanding Policy Term of 25 years)
= 0.22 (As above) * 1.62 (Refer Annexure II)
= 0.3564 = 0.36 (Rounded off to 2 decimal places)

Case(2): At Revival Stage: (During 10th policy year)

Age at revival (LBD) : 40 years
Original Policy Term : 25 years
Outstanding Policy Term : 15 years (In completed years)
Outstanding Premium Paying Term : 15 years (In completed years)

a) For Option I:

Class I Extra Premium rate, per Rs. 1000/- B.S.A for Outstanding Policy Term of 15 Years = 0.33 (Refer Page 1 of Annexure I)

b) For Option II:

Class I Extra rate per Rs. 1000/- B.S.A.
= Class I Extra Premium rate per Rs. 1000/- B.S.A, applicable for Option I * Applicable multiplicative factor (Original Policy Term of 25 years and Outstanding Policy Term at revival of 15 years)
= 0.33 (As above) * 1.93 (Refer Annexure II)
= 0.6369 = 0.64 (Rounded off to 2 decimal places)

B) Under Limited Premium Payment policy (with PPT = 15 years)

A Female, Smoker aged 30 years (LBD) has taken a Limited Premium policy for Policy Term 35 years with Premium Paying Term 15 years.

Case(1): At NB Stage:

a) For Option I:

Class I Extra Premium rate at NB Stage (Proposal Stage) per Rs. 1000/- B.S.A = 0.69 (Refer Page 18 of Annexure I)

b) For Option II:

Class I Extra Premium rate at NB Stage (Proposal Stage) per Rs. 1000/- B.S.A
= Class I Extra Premium rate, per Rs. 1000/- B.S.A, applicable for Option I * Applicable multiplicative factor (Original Policy Term and Outstanding Policy Term of 35 years)
= 0.69 (As above) * 1.73 (Refer Annexure II)
= 1.1937 = 1.19 (Rounded off to 2 decimal places)

Case(2): At Revival Stage: (During 12th policy year)

Age at revival (LBD) : 42 years
Original Policy Term : 35 years
Outstanding Policy Term : 23 years (In completed years)
Outstanding Premium Paying Term : 3 years (In completed years)

a) ForOption I:

Class I Extra Premium rate with Option I (Level Sum Assured) per Rs. 1000/- B.S.A for Outstanding Premium Paying Term of 3 years = 3.70 (Refer Page 30 of Annexure I)

b) ForOptionII:

Class I Extra rate per Rs. 1000/- B.S.A

= Class I Extra Premium rate, per Rs. 1000/- B.S.A, applicable for Option I * Applicable multiplicative factor (Original Policy Term of 35 years and Outstanding Policy Term at revival of 23 years)

=3.70 (As above) * 1.99 (Refer Annexure II)

=7.3630 = 7.36 (Rounded off to 2 decimal places)

8. GRACE PERIOD FOR PAYMENT OF PREMIUM (APPLICABLE FOR REGULAR AND LIMITED PREMIUM PAYMENT POLICIES):

A grace period of 30 days shall be allowed for payment of yearly or half-yearly premiums from the date of First Unpaid Premium.

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.

If the premium is not paid before the expiry of the days of grace, the Policy lapses. Under such policies, all the benefits shall cease after the expiry of grace period and nothing shall be payable.

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 the date of death and before the next policy anniversary shall be deducted from the claim amount.

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

9. REBATES:

The rebates for Base Plan are as under:

- (i) Rebate for Higher Sum Assured: The rebates for Option I and Option II applicable for all the premium payment modes i.e. Regular Premium, Limited Premium as well as Single Premium are as under:

a) UnderOptionI:LevelSumAssured

Regular/LimitedPremiumpayment:

Age Band	High SA rebate as a % of Tabular Annual Premium for different Basic Sum Assured bands			
	to less than Rs. 1 Crore	Rs. 1 Crore to less than Rs. 2 Crore	Rs. 2 Crore to less than Rs. 5 Crore	Rs. 5 Crore and above
Up to 30 years	Nil	18%	30%	37%
31 to 45 years	Nil	16%	28%	33%

Single Premium payment:

Age Band	High SA rebate as a % of Tabular Single Premium for different Basic Sum Assured bands			
		Rs. 1 Crore to less than Rs. 1 Crore	Rs. 2 Crore to less than Rs. 5 Crore	Rs. 5 Crore and above
Up to 30 years	Nil	17%	27%	30%
31 to 45 years	Nil	15%	25%	27%

b) Under Option II: Increasing Sum Assured

Regular/Limited Premium payment:

Age Band	High SA rebate as a % of Tabular Annual Premium for different Basic Sum Assured bands			
		Rs. 1 Crore to less than Rs. 2 Crore	Rs. 2 Crore to less than Rs. 5 Crore	Rs. 5 Crore and above
Upto 30 years	Nil	16%	26%	33%
31 to 45 years	Nil	14%	24%	29%

Single Premium payment:

Age Band	High SA rebate as a % of Tabular Single Premium for different Basic Sum Assured bands			
		Rs. 1 Crore to less than Rs. 2 Crore	Rs. 2 Crore to less than Rs. 5 Crore	Rs. 5 Crore and above
Upto 30 years	Nil	15%	24%	27%
31 to 45 years	Nil	14%	23%	25%

(ii) **Premium Conversion rate (applicable for Regular and Limited Premium payment):**

The modal premium for other than yearly mode shall be based on annual equivalent premium. Annual equivalent premium is tabular annual premium rate (after allowing for any other rebate) increased by corresponding Premium Conversion rate as given below. The modal premium is arrived by dividing the annual equivalent premium by corresponding Modal frequency of the chosen mode of premium payment.

Mode	Premium Conversion rate	Modal frequency
Yearly	Nil	1
Half-Yearly	2%	2

10. **CORPORATION'S INSURANCE SCHEME (CIS) REBATE:**

Corporation's Insurance Scheme (CIS) rebate shall not be available under this plan

11. **COMMISSION PAYABLE TO AGENTS/INTERMEDIARIES & CREDIT TO DEVELOPMENT OFFICERS:**

Since this plan will be sold online only, intermediaries shall not be involved in the sales process. Hence any commission/remuneration to Agents/ Intermediaries and credit to Development Officers shall not be payable under this plan.

12. PAID-UP VALUE UNDER REGULAR AND LIMITED PREMIUM :

The policy will not acquire any paid-up value.

13. SURRENDER :

A. No surrender value will be available under this Plan.

B. However on receipt of request for surrender of policy by the policyholder in the following cases (for both Level Sum Assured (Option I) as well as Increasing Sum Assured (Option II) options), an amount equal to Unexpired Risk Premium Value, if any, shall be payable as under:

a) Regular Premium policies: Nothing shall be payable.

b) Single Premium Policies:

In case of Single Premium, Unexpired Risk Premium Value, if any shall be payable on surrender of the policy, anytime during the Policy Term. The Unexpired Risk Premium Value shall be calculated by using the following formula:

$$K * (100 - R) \% * [(n - t) / n] * P_s * (\text{Basic Sum Assured} / 1000)$$

Where; K is as given below:

Policy Year in which the policy is surrendered	K
1	75%
2	80%
3	85%
4 & thereafter	90%

R = High Sum Assured rebate applied to the original policy at inception

n = Original Policy Term

t = Policy year from inception during which the policy is surrendered

P_s = Tabular single premium per Rs. 1000/- Basic Sum Assured for the original single premium policy for original policy term n years

c) Limited Premium Payment:

In case of Limited Premium Payment, Unexpired Risk Premium Value, if any, shall only be payable if full premiums have been paid for at least three consecutive years.

In case of surrender of an in-force policy, Unexpired Risk Premium Value, if any, shall be payable and policy shall terminate.

In case of a lapsed policy, Unexpired Risk Premium Value, if any, shall be payable on the earliest occurrence of following and the policy shall terminate:

- On death of the Life Assured during the revival period, or
- On surrender of the policy during the revival period, or
- On expiry of the revival period, if the policy is not revived.

The amount of Unexpired Risk Premium Value shall be calculated by using the following formula:

During Premium Paying Term

$$75\% * (100 - R) \% * d * (P_{ppt} - P_n) * (\text{Basic Sum Assured} / 1000)$$

After Premium Paying Term

i) If all due premiums have been paid:

$$75\% * (100 - R) \% * ppt * (P_{ppt} - P_n) * [(n - t) / (n - ppt)] * (\text{Basic Sum Assured} / 1000)$$

- ii) If all due premiums have not been paid:
 $75\% * (100 - R) \% * d * (Pppt - Pn) * (\text{Basic Sum Assured} / 1000)$

Where,

- R = High Sum Assured rebate applied to the original policy at inception
t = Policy year from inception during which the policy is surrendered (in case of fully paid up policies)
d = Number of full years for which premiums have been paid
ppt = Premium Paying Term of the original Policy
Pppt = Tabular annual premium per Rs. 1000/- Basic Sum Assured in respect of the original policy i.e. based on the life assured's age at entry, original policy term and premium paying term
Pn = Tabular annual premium per Rs. 1000/- Basic Sum Assured for regular premium policy corresponding to the life assured's age at entry and original policy term n years

The premium mentioned above is exclusive of taxes, rider premium and underwriting extra, if any.

The above calculated amount of Unexpired Risk Premium Value is payable only if it is positive; and if negative, nothing shall be recovered from the policyholder.

14. REVIVALS (Applicable for Regular and Limited Premium payment only):

If premiums are not paid within the grace period then the policy will lapse. A lapsed policy may be revived during the lifetime of the Life Assured, but within a period of 5 consecutive complete years from the date of First Unpaid Premium. The revival shall be effected on payment of all the arrears of premium(s) together with interest (compounding half-yearly) at such rate as may be decided by the Corporation from time to time and on satisfaction of Continued Insurability of the Life Assured on the basis of information, documents and reports that are already available and any additional information in this regard if and as may be required in accordance with the Underwriting Policy of the Corporation at the time of revival, being furnished by the Policyholder/Life Assured.

In addition, additional proof of continued insurability such as DGH, medical report, special reports etc may be required.

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 a discontinued policy shall take effect only after the same is approved, accepted and revival receipt is issued by the Corporation.

Revival of lapsed policies can be considered with the following requirements:

Period from First Unpaid Premium	Requirements for revival
31 days to 60 days	Arrears of premiums with interest thereon and DGH.
61 days and above	Arrears of premiums with interest thereon alongwith underwriting requirements as per the underwriting rules prevailing at the time of revival.

The cost of the medical reports, including special reports, if any, required for the purposes of revival of the policy, shall be borne by the Life Assured.

If a lapsed policy is not revived within the revival period, the policy will automatically terminate. In case of Regular Premium policies, nothing shall be payable. However, in case of Limited Premium Payment policies, an amount equal to Unexpired Risk Premium Value, if any, shall be payable and the policy will terminate.

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

15. ALTERATIONS:

The following alterations shall be allowed:

- Any change not involving change in Base premium rates and the corresponding benefit structure.

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

16. LOAN:

No Loan will be granted under this plan.

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 lump sum death benefit / final instalment of death benefit is paid; or
- b) The date on which Unexpired Risk Premium Value, if any, is settled, in case of surrender of policy; or
- c) The date of maturity; or
- d) On expiry of Revival Period, if the policy has not been revived within the revival period; or
- e) On payment of free look cancellation amount; or
- f) In the event of forfeiture as specified in Para 21 below.

18. UNDERWRITING, AGE PROOF AND MEDICAL REQUIREMENTS:

NB&R department will issue instructions in this regard.

19. ONLINE SALE OF POLICIES:

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

20. SUICIDE CLAUSE:

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

i) Under Regular/Limited Premium Policy:

If the Life Assured (whether sane or insane) commits suicide at any time within 12 months from the date of commencement of risk under the policy or from the date of revival of the policy, as applicable, the nominee or beneficiary of the Life Assured shall be entitled to 80% of the total premiums paid (excluding any extra premium, rider premium and taxes, if collected explicitly) till the date of death, provided the policy is in force.

This clause shall not be applicable for a lapsed policy as nothing is payable under such policies.

ii) Under Single Premium Policy:

If the Life assured (whether sane or insane) commits suicide at any time within 12 months from the date of commencement of risk under the policy, the Nominee or beneficiary of the Life Assured shall be entitled to 80 % of the Single Premium paid excluding any extra premium, rider premium and taxes, if collected explicitly.

21. FORFEITURE IN CERTAIN EVENTS:

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

22. PAYMENT OF CLAIMS:

No claim concession and extended claim concession shall be applicable under this plan.

23. 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 shall be 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 separately by Taxation Department, Central Office, as applicable from time to time.

24. 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) for the period on cover as per C.O. Circular Ref: CO/ PD/ 39 dated 31st December, 2013.

25. BACK-DATING:

Back-dating shall not be allowed under this plan.

26. POLICY STAMPING:

For Base Plan, policy stamping charges will be at the rate of 20 paise per thousand Sum Assured on Death, where "Sum Assured on Death" shall be as under;

For policies taken Under Option I: Basic Sum Assured

For policies taken Under Option II: 200% of Basic Sum Assured

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

27. REINSURANCE:

The death benefit under this plan will be reinsured under an Individual Life Reinsurance Treaty, where the excess (if any) of the Sum at risk above retention limit specified below is reinsured with GIC Re.

The retention limits of reinsurance shall be as under:

Treaty	Retention Limit
Standard Lives	Rs. 30,00,000
Sub-standard Lives	Rs. 20,00,000

28. 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 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 the office of the Corporation, where the policy is serviced. In registering nomination the Corporation does not accept any responsibility or express any opinion as to its validity or legal effect.

29. NORMAL REQUIREMENTS FOR A CLAIM:

- a) **DeathClaim:** 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 claims to be admissible. However delay in intimation of the genuine claim by the claimant, if any, may be condoned by the Corporation, on merit, where delay is proved to be for reasons beyond his/her control.

- b) **SurrenderClaim:** In case of surrender of the policy, the Life Assured shall submit the discharge form along with the original policy document, NEFT mandate from the claimant for direct credit of the claim amount to the bank account besides proof of age, if the age is not admitted earlier.

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.

30. 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.

31. POLICY DOCUMENT AND SALES BROCHURE:

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

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

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.

Executive Director (Actuarial)

Encl: Annexure I & II

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