

LIC's Bima Diamond (With Profits) (UIN: 512N307V01)  
(A non-linked, with-profit, limited premium payment money back life insurance plan)

PART - A

Ref: NB

(Branch Office):

\_\_\_\_\_  
\_\_\_\_\_

Date:

Dear Policyholder,

Re: Your Policy No. \_\_\_\_\_

We have pleasure in forwarding herewith the above Policy Document which please find in order.

We would also like to draw your kind attention to the information mentioned in the Schedule of the Policy and the benefits available under the Policy.

Some of our plans have certain options (including rider(s)) available under them. It is important that the options, if any, available under this plan and mentioned in the Policy Document are noted carefully as it will be helpful to you, in case you decide to exercise any of the available options. It is also essential to note that such option, if available and mentioned in the document of this plan has to be exercised in the right manner and during the stipulated time limit as prescribed herein.

**Free Look Period**

We would request you to go through the terms and conditions of the Policy and in case you disagree with any of the terms and conditions, you may return the Policy within a period of 15 days from the date of receipt of Policy Document stating the reasons of your objections and disagreement. On receipt of the policy we shall cancel the same and the amount of Premium deposited by you shall be refunded to you after deducting the **proportionate risk premium (for Base Policy and Rider(s), if opted for) for the period on cover and charges for medical examination, special reports, if any and stamp duty.**

We would also like to draw your attention to the following aspects:

- 1) Change of Address: In case you change your residence, kindly ensure that you inform the change in address to the servicing Branch Office.
- 2) Assignment: Assignment should be in accordance with the provisions of Section 38 of the Insurance Act 1938, as amended from time to time. The current provisions of Section 38 are enclosed as Annexure-1 for reference.
- 3) Nomination: Nomination should be in accordance with the provisions of Section 39 of the Insurance Act 1938, as amended from time to time. The current provisions of Section 39 are enclosed as Annexure-2 for reference.
- 4) Section 45 of the Insurance Act 1938: The current provisions of the same are enclosed as Annexure -3.
- 5) In case you wish to avail LIC's e-services for your policy, the details on the procedure and services under the same can be obtained from our website : [www.licindia.in](http://www.licindia.in)

These measures will enable us to serve you better.

If you find any errors in this Policy Document, you may return this Policy for corrections.

Thanking you.

Yours faithfully,

p. Chief/Sr. Branch Manager



**PART – A (Contd.)**

THE LIFE INSURANCE CORPORATION OF INDIA (hereinafter called “the Corporation”) having received a Proposal along with Declaration and the first premium from the Proposer and the Life Assured named in the Schedule referred to herein below and the said Proposal and Declaration with the statements contained and referred to therein having been agreed to by the said Proposer and the Corporation as basis of this assurance do by this Policy agree, in consideration of and subject to the due receipt of the subsequent premiums as set out in the Schedule, to pay the Benefits, but without interest, at the Branch Office of the Corporation where this Policy is serviced to the person or persons to whom the same is payable in terms of the said Schedule, on proof to the satisfaction of the Corporation of the Benefits having become payable as set out in this Policy Document, of the title of the said person or persons claiming payment and of the correctness of the age of the Life Assured stated in the Proposal if not previously admitted.

And it is hereby declared that this Policy of Assurance shall be subject to the Definitions, Benefits, Conditions Related To Servicing Aspects, Other Terms And Conditions and Statutory Provisions printed on the back hereof and that the following Schedule and every endorsement placed on the Policy by the Corporation shall be deemed part of the Policy.

**SCHEDULE**

**DIVISIONAL OFFICE:**

**BRANCH OFFICE:**

Policy No.:	Basic Sum Assured (Rs.):  Instalment Premium for Base Policy (Rs.)  Total Instalment Premium (Rs.)  (Service tax and/ or any other Tax as applicable from time to time is charged extra)	Due date of premium:
Date of Commencement of Policy:		Mode of payment of premium:
Date of Commencement of Risk:		Due Date of Payment of Last premium for Base Policy:
Plan & Policy Term:		Date of birth of the Life Assured:
Premium Paying Term:		Age of the Life Assured:
Last date of Extended Cover Period:		Whether age admitted?
Date of Maturity:		

Sr. No.	Rider Opted	UIN	Rider Sum Assured	Instalment Premium for Rider	Due date of payment of last premium for Rider	Date of rider termination
1						
2						

Note: Conditions of the rider(s) mentioned under condition No. 5 of Part C (Benefits) shall only apply if the above mentioned riders have been opted for.

Name of Nominee under Section 39 of the Insurance Act, 1938:	Proposal No.:
If nominee is a minor, name of the Appointee:	Date of Proposal:
	Date of issuance of policy:
	Benefit Illustration Reference No.:
Name and address of Proposer:	Name and address of Life Assured:

Beneficiary to whom Benefits payable	The proposer or the Life Assured or his Assignee under Section 38 of the Insurance Act 1938 or Nominees under Section 39 of the Insurance Act 1938 or proved Executors or Administrators or other Legal Representatives who should take out representation to his/ her Estate or limited to the moneys payable under this Policy from any Court of any State or Territory of the Union of India, as applicable.
Period during which premiums payable	Till the stipulated due date of payment of last premium or earlier death of the Life Assured.
Dates when premium payable	On the stipulated due date in .....

Signed on behalf of the Corporation at the above mentioned Branch Office, whose address is given on the last page and to which all communications relating to the policy should be addressed.

**Date:**

**Examined by:**

**Form No.:**

\_\_\_\_\_  
p. Chief/ Sr. Branch Manager

Agency Code	Agency Name	Agent's Mobile Number / Landline Number

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## PART – B: DEFINITIONS

The definitions of terms/words used in the Policy Document are as under:

1. **Age** is the age nearest birthday of the Life Assured at the time of commencement of the policy except for age 14 years for which the age is in completed years.
2. **Appointee** is the person to whom the proceeds/benefits secured under the Policy are payable if the benefit becomes payable to the nominee and nominee is minor as on the date of claim payment.
3. **Annualized Premium** is the total amount of premium payable in a policy year excluding extra amount if charged under the policy due to underwriting decisions, loading for mode of payment for other than yearly mode and rider premium, if any.
4. **Assignee** is the person to whom the rights and benefits are transferred by virtue of an Assignment.
5. **Assignment** is the process of transferring the rights and benefits to an "Assignee". Assignment should be in accordance with the provisions of Section 38 of Insurance Act, 1938 as amended from time to time.
6. **Auto Cover Period** under a paid-up policy only is the period from the due date of first unpaid premium during which the benefits are payable as specified in Condition 2 of Part D of this Policy document.
7. **Base Policy** is that part of the Policy referring to basic benefit (benefits referred to in this Policy Document excluding benefits covered under Rider(s), if opted for).
8. **Beneficiary** means the person who is entitled to receive benefits under this Policy. The Beneficiary may be proposer or Life Assured or his Assignee or Nominees or proved Executors or Administrators or other Legal Representatives as the case may be.
9. **Corporation** means the Life Insurance Corporation of India established under Section 3 of the LIC Act, 1956.
10. **Date of commencement of policy** is the start date of this Policy.
11. **Date of commencement of risk** is the date on which the Corporation accepts the risk for insurance (cover) as evidenced in the schedule of the policy.
12. **Date of issuance of policy** is a date when a proposal after underwriting is accepted as a policy and this contract gets effected.
13. **Date of vesting** is the date from which the Life Assured becomes entitled to the policy benefits as specified in Condition 4 of Part C of this Policy Document.
14. **Death Benefit** means the benefit, agreed at the inception of the contract, which is payable on death of Life Assured
15. **Discharge form** is the form to be filled by policyholder/claimant to claim the maturity / surrender / death benefit under the policy.
16. **Due Date** means a fixed date on which the policy premium is due and payable by the policyholder.
17. **Endorsement** means conditions attached/ affixed to this Policy incorporating any amendments or modifications agreed to or issued by the Corporation.
18. **Extended Cover Period** is the period, in years, which shall start immediately from the Date of Maturity and is equal to half of the Policy Term in respect of policies which are in force on the date of maturity.
19. **Foreclosure** is an action of closing the policy due to default in payment of outstanding loan and/or loan interest on due date.
20. **Free Look Period** is the period of 15 days from the date of receipt of the Policy Document by the Policyholder to review the terms and conditions of this policy and where the Policyholder disagrees to any of those terms and conditions, he/ she has the option to return this policy.
21. **Grace period** is the time granted by the insurer from the due date for the payment of premium, without any penalty/ late fee, during which time the policy is considered to be in force with the insurance cover without any interruption as per the terms of the policy.
22. **Guaranteed Surrender Value** is the minimum guaranteed amount of Surrender Value payable to the policyholder on surrender of the policy.
23. **In force policy** means a policy in which all the due premiums have been paid and the premiums are not outstanding.
24. **IRDAI** means Insurance Regulatory and Development Authority of India earlier called as Insurance Regulatory and Development Authority (IRDA).
25. **Lapse** is the status of the Policy when due premium is not paid within the grace period.
26. **Life Assured** is the person on whose life the insurance cover has been accepted.
27. **Loan** is the interest bearing repayable amount granted by the Corporation against the surrender value payable to the policyholder.
28. **Maturity Benefit** means the benefit, which is payable on maturity i.e. at the end of the policy term on life assured surviving the stipulated Date of Maturity.
29. **Material information** is the information already known to the Life Assured at the time of obtaining a policy which has a bearing on underwriting of the proposal /Policy submitted.
30. **Minor** is a person who has not completed 18 years of age.
31. **Nomination** is the process of nominating a person who is named as "Nominee" in the proposal form or subsequently included/ changed by an endorsement. Nomination should be in accordance with provisions of Section 39 of the Insurance Act, 1938 as amended from time to time.
32. **Nominee** is the person who has right to give a valid discharge to the policy monies in case of the death of the Life Assured.
33. **Participating** means the Policy is eligible for share of profit depending upon the Corporation's experience.
34. **Paid - Up** is the status of the Policy, if the premiums are paid for at least 3 full years and subsequent due premium/s be not paid.
35. **Policy Anniversary** means one year from the date of commencement of the Policy and the same date falling one year thereafter, till the date of maturity.
36. **Policy/ Policy Document** means this document along with endorsements, if any, issued by the Corporation which is a legal contract between the Policyholder and the Corporation.
37. **Policyholder** is the legal owner of this policy.
38. **Policy term** is the period, in years, as chosen by the policyholder and mentioned in the Schedule, commencing from the Date of commencement of policy specified in the Schedule..
39. **Policy year** is the period between two consecutive policy anniversaries. This period includes the first day and excludes the next policy anniversary day.



40. **Premium** is the contractual amount payable by the Policyholder at specified times periodically as mentioned in the schedule of this Policy Document to secure the benefits under the policy. The premium payable will be "Total Instalment Premium" which includes
- Instalment Premium for Base Policy and
  - Instalment Premium for Rider(s), if rider(s) has been opted for.
- The term 'Premium' used anywhere in this Policy Document does not include any taxes.
41. **Premium paying term** means the period, in years, during which premium is payable.
42. **Proof of continued insurability** is the information sought from the policyholder to decide revival of the policy. This includes Form of declaration of Good Health, Medical Reports, Special Reports, etc.
43. **Proposer** is a person who proposes the life insurance proposal.
44. **Revival** of a policy which was discontinued due to the non-payment of premium, means restoration of the policy by the insurer as per underwriting decision, upon the receipt of all the premium due and other charges/late fee, if any, as per the terms and conditions of the policy, upon being satisfied as to the continued insurability of the insured on the basis of the information, documents and reports furnished by the policyholder, in accordance with the then existing underwriting guidelines.
45. **Revival Period** is the period of two consecutive years from the date of discontinuance of the policy, during which period the policyholder is entitled to revive the policy which was discontinued due to the non-payment of premium.
46. **Rider** is an add-on benefit in addition to basic benefits as specified under this Policy Document.
47. **Rider Premium** is the premium payable by the policyholder along with the premium under Base Policy towards the additional cover/benefit opted under the rider, if opted.
48. **Rider Sum Assured** is the assured amount payable on happening of a specified event covered under the rider, if opted.
49. **Schedule** is the part of policy document that gives the specific details of your policy.
50. **Sum Assured on Death** is the assured amount payable on death before the stipulated Date of Maturity.
51. **Sum Assured on Maturity** is the absolute amount payable on maturity as mentioned in Condition 3 of Part C of this Policy Document.
52. **Surrender** means complete withdrawal / termination of the entire policy before maturity.
53. **Surrender Value** means an amount, if any, that becomes payable in case of surrender in accordance with the terms and conditions of this policy.
54. **Survival Benefit** is the specified benefit payable under inforce policies on survival of the Life Assured at the end of specified durations during the term of this policy.
55. **Tabular premium** is the premium for the chosen Basic Sum Assured based on the age of the Life Assured without application of any rebate or extra loading.
56. **Underwriting** is the term used to describe the process of assessing risk and ensuring that the cost of the cover is proportionate to the risks faced by the individual concerned. Based on underwriting, a decision on acceptance or rejection of cover as well as applicability of suitable premium or modified terms, if any, is taken.
57. **UIN** means the Unique Identification Number allotted to this plan by the IRDAI.
58. **With Profits** policies mean policies which are entitled for any share in surplus (profits) emerging during the term of the policy in accordance with the terms and conditions of the policy.

### PART – C: BENEFITS

The following benefits are payable under this policy:

**1. Death Benefit:**

- a) **Death Benefit payable in case of death of the life assured before the stipulated Date of Maturity provided the policy is inforce shall be as under:**

*On death during first five years: "Sum Assured on Death".*

*On death after completion of five policy years but before the stipulated Date of Maturity: "Sum Assured on Death" along with Loyalty Addition, if any.*

Where "Sum Assured on Death" is defined as the highest of

- 10 times of annualised premium; or
- Sum Assured on Maturity as defined in Condition 3. below; or
- Absolute amount assured to be paid on death, i.e. Basic Sum Assured.

This death benefit shall not be less than 105% of the total premiums paid excluding extra amount if charged under the policy due to underwriting decision and Rider(s) premium, if any, as on date of death.

- b) **In case of death during the Extended Cover Period provided the policy is inforce:** An amount equal to 50% of Basic Sum Assured shall be payable.

2. **Survival Benefit:** Provided the policy is inforce, on the Life Assured surviving to the end of each of the specified durations during the policy term, a fixed percentage of Basic Sum Assured shall be payable. The fixed percentage for various policy terms is as below:

For policy term 16 years: 15% of Basic Sum Assured at the end of each of 4<sup>th</sup>, 8<sup>th</sup> and 12<sup>th</sup> policy year.

For policy term 20 years: 15% of Basic Sum Assured at the end of each of 4<sup>th</sup>, 8<sup>th</sup>, 12<sup>th</sup> and 16<sup>th</sup> policy year.

For policy term 24 years: 12% of Basic Sum Assured at the end of each of 4<sup>th</sup>, 8<sup>th</sup>, 12<sup>th</sup>, 16<sup>th</sup> and 20<sup>th</sup> policy year.

3. **Maturity Benefit:** On Life Assured surviving the stipulated Date of Maturity provided the policy is inforce, **Sum Assured on Maturity** along with Loyalty Addition, if any, shall be payable.

Where "Sum Assured on Maturity" as a fixed percentage of Basic Sum Assured is as below:

For policy term 16 years: 55 % of Basic Sum Assured.



4. **Date of Vesting (Applicable only if the age of the Life Assured is below 18 years on the date of commencement of policy):** 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, this 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 the Life Assured. The Life Assured shall become the absolute owner of the policy and the proposer or his estate shall cease to have any right or interest therein.

5. **Rider Benefits available during the policy term:**

A. **LIC's Accidental Death and Disability Benefit Rider (UIN: 512B209V01) (If opted):** An 'Accident' for the purpose of this policy is defined as "An Accident is a sudden, unforeseen and involuntary event caused by external, violent and visible means."

LIC's Accidental Death and Disability Benefit Rider is available on payment of additional premium. This benefit will not be available under the policy on the life of minors, during minority of the Life Assured. However, this rider will be available from the policy anniversary following completion of age 18 years on receipt of specific request and payment of additional premium, if found eligible as per the underwriting rules of the Corporation.

Subject to as stated above, under an inforce policy the LIC's Accidental Death and Disability Benefit Rider can be opted for at any time within the premium paying term of the Base Policy provided, the outstanding premium paying term of the Base Policy is atleast five years. Wherever this rider has been opted for under the policy, the benefit covered under this rider will be available during the policy term, provided the policy is inforce for the full Sum assured as on date of accident.

The additional premium for this Rider will not be required to be paid after all premiums under this Policy have been paid.

The maximum aggregate limit of assurance under all policies including policies with in-built Accident Benefit taken with Life Insurance Corporation of India under individual policies as well as group policies on the same life to which following benefits apply shall not in any event exceed Rs.100 lakhs of Accident Benefit Sum Assured. If there be more policies than one and if the total Accident Benefit Sum Assured exceeds Rs.100 lakhs, the benefits shall apply to the first Rs. 100 lakhs Accident Benefit Sum Assured in order of date of policies issued.

If the Life assured is involved in an accident at any time when this Policy is in force for the full Sum Assured, and such injury shall within 180 days of its occurrence solely, directly and independently of all other causes result in (a) either permanent and total disability, as hereinafter defined or (b) death of the Life assured and the same is proved to the satisfaction of the Corporation, the Corporation agrees in case of:

(a). **Disability to the Life Assured:** (i) pay additional sum equal to the Accident Benefit Sum Assured in equal monthly instalments spread over 10 years under this Policy. If the policy becomes a claim by the way of death or maturity before the expiry of the said period of 10 years, the disability benefit instalments which have not fallen due will be paid along with the claim and (ii) waive the payment of future premiums chargeable, if any, under the policy (including the premium under Base Policy) to the extent of Accident Benefit Sum Assured. The premium for any other Rider, if opted for, shall continue to be paid.

The waiver of premium shall extinguish all options under this policy and the benefits covered by 5.A.(b) of this clause except as to such assurances, if any, as exceeds the total accident benefit sum assured under all the existing policies of the life assured and which may have been kept in force by continued payment of premiums.

The disability above referred to must be disability which is the result of an 'Accident' and must be total and permanent. Accidental injuries which independently of all other causes and within 180 days from the happening of such accident result in such disability due to which life assured is unable to perform at least 4 (four) of the following Activities of Daily Living (defined below) permanently without any external help/support including the use of mechanical equipment, special devices or other aids, then such disability shall be treated as Total and Permanent. Medical Examiner authorized by the Corporation shall examine the life assured to certify the disability as Total and Permanent.

The Activities of Daily Living are:

- Dressing - the ability to put on and take off all necessary garments, artificial limbs or other surgical appliances that are medically necessary
- Washing - the ability to wash to maintain an adequate level of cleanliness and personal hygiene
- Feeding - the ability to transfer food from a plate or bowl to the mouth once food has been prepared and made available
- Toileting - the ability to use the lavatory or otherwise manage bowel and bladder functions so as to maintain a satisfactory level of personal hygiene
- Mobility - the ability to move indoors from room to room on level surfaces at the normal place of residence
- Transferring - the ability to move from a bed to an upright chair or wheel chair and vice versa

Notwithstanding what is mentioned above, Accidental injuries which independently of all other causes and within 180 days from the happening of such accident, result in the irrecoverable loss of the entire sight of both eyes or in the amputation of both hands at or above the wrists or in the amputation of both feet at or above ankles, or in the amputation of one hand at or above the wrist and one foot at or above the ankle, shall also be deemed to constitute such disability.

After the happening of the disability, full particulars thereof must be given in writing to the office of the Corporation where this Policy is serviced together with the then address and whereabouts of the Life Assured and within 90 days of



the happening of the disability, must be given to the servicing Office of the Corporation, in the manner required by it, proof of disability satisfactory to the Corporation and without any expense to the Corporation. Medical Examiner authorized by the Corporation shall examine the Life Assured and certify in respect of any disability claimed after the intimation. Further, medical examination may be done to validate the continuity of disability on case to case basis, if required.

In the event of it being discovered at any time that a claim under this clause has been wrongly admitted, all premiums falling due after the date of the Corporation's intimation to that effect shall be paid on due dates and further all premiums for which waiver was wrongly claimed and all instalments of additional sum assured which have been paid to the life assured shall be returned to the Corporation in one lump sum with interest, at such rate as fixed by the Corporation from time to time as if no disability had occurred, failing which

- (i) the benefits available under the policy shall stand reduced as if the policy has been discontinued as on the date from which premiums have been waived or on the payment of the first instalment of the additional sum assured, whichever is earlier and
- (ii) the instalments of additional sum assured already paid shall be treated as a debt against the said policy and shall be deducted with interest at such rate as fixed by the Corporation from time to time from the proceeds of the policy.

No further instalment/s of additional Accident Benefit Sum Assured shall be payable considering as if no disability had occurred.

- (b). **Death of the Life Assured:** In addition to Death Benefit under the Base Policy, an additional sum equal to the Accident Benefit Sum Assured shall be payable under this policy. However, the policy shall have to be in force at the time of accident irrespective of whether or not it is in force at the time of death.

The Corporation shall not be liable to pay the additional sum referred in (a) or (b) above, if the disability or the death of the Life Assured shall:

- (i) be caused by intentional self injury, attempted suicide, insanity or immorality or whilst the Life Assured is under the influence or consumption of intoxicating liquor, narcotic or drug (unless prescribed by doctor as a part of treatment); or
- (ii) be caused by injuries resulting from taking any part in riots, civil commotion, rebellion, war (whether war be declared or not), invasion, hunting, mountaineering, steeple chasing, racing of any kind, paragliding or parachuting, taking part in adventurous sports; or
- (iii) result from Life Assured committing any criminal act with criminal intent; or
- (iv) (a) arise from employment of the Life Assured in the armed forces or military service. This exclusion is not applicable if the Life Assured was involved in an accident when he is not on duty or was involved in any rescue operations while combating natural calamities in our country; or  
(b) arise from being engaged in police duty (which excludes administrative assignments) in any police organization other than paramilitary forces. This exclusion is not applicable where the option to cover Accidental Death and Disability Benefit arising on accident while engaged in police duty, has been chosen; or
- (v) occur after 180 days from the date of accident of the Life Assured.

**Benefits payable on surrender of Base Policy:** This rider shall not acquire any Paid-up Value and no surrender value will be available under this rider. However, if this rider has been opted for and on surrender of the Base Policy to which this rider is attached, provided all the due premiums in respect of this rider and Base Policy have been paid and the Base Policy has acquired surrender value, additional rider premium charged in respect of cover after premium paying term shall be refunded as follows:

**In case of Surrender during Premium Paying Term:**  $80\% * (\text{annualised rider premium per Rs. 1000 Accident Benefit Sum Assured} - 1) * (\text{Accident Benefit Sum Assured}/1000) * (\text{Number of years for which premiums in respect of this rider have been paid})$

**In case of Surrender after Premium Paying Term:**  $80\% * (\text{annualised rider premium per Rs. 1000 Accident Benefit Sum Assured} - 1) * (\text{Accident Benefit Sum Assured}/1000) * (\text{premium paying term of the rider}) * (\text{outstanding term for the rider in completed years} / (\text{Policy term in respect of this rider} - \text{Premium paying term of the rider}))$

Where annualised rider premium mentioned above excludes tax.

LIC's Accidental Death and Disability Benefit Rider shall not be available during Extended Cover Period.

**B. LIC's New Term Assurance Rider (UIN 512B210V01) (If opted): -**

LIC's New Term Assurance Rider is available at the inception of the policy on payment of additional premium. The additional premium for this Rider will need to be paid along with the premium of the Base Policy and any other rider, if opted for, during the premium paying term of the policy. If this rider is opted for, on death of the Life Assured during the policy term an additional amount equal to Term Assurance Rider Sum Assured shall be payable provided the rider cover is in force.



The maximum cover for this rider shall be Rs. 25 lakhs taking all Term Assurance Riders under all existing policies of the Life Assured taken from Life Insurance Corporation of India including the new proposal under consideration. If there be more policies than one and if the total Term Assurance Rider Sum Assured exceeds Rs. 25 lakhs, the benefits shall apply to the first Rs. 25 lakhs Term Assurance Rider Sum Assured in order of date of policies issued.

**Benefits payable on surrender of Base Policy:** This rider shall not acquire any Paid-up Value and no surrender value will be available under this rider. However, if this rider has been opted for and on surrender of the Base Policy to which this rider is attached, provided all the due premiums in respect of this rider and Base Policy have been paid and the Base Policy has acquired surrender value, additional Term Assurance Rider premium charged in respect of Term Assurance Rider cover after premium paying term shall be refunded as follows:

**In case of Surrender during Premium Paying Term:**

$75\% * d * (Pppt - Pn) * (\text{Term Assurance Rider Sum Assured} / 1000)$

**In case of Surrender after Premium Paying Term:**

$75\% * Pppt * (\text{Term Assurance Rider Sum Assured} / 1000) * (ppt/n) * (n-t)$

Where;

$Pppt$  = Tabular annual premium for the limited premium paying term per Rs. 1000/- Term Assurance Rider Sum Assured at inception

$Pn$  = Equivalent Tabular annual Regular premium per Rs. 1000/- Term Assurance Rider Sum Assured applicable to the Life Assured's age at inception and term of the rider being  $n$  years.

(Above Premiums excludes extra amount if charged under the policy due to underwriting decisions.)

$d$  = Policy duration elapsed in completed years as on date of surrender

$n$  = Term of the Rider

$ppt$  = Premium paying term of the Rider

$t$  = Policy duration elapsed in nearest completed years as on the date of surrender

LIC's New Term Assurance Rider shall not be available during Extended Cover Period.

6. **Participation in profits:** Provided the policy is in force, then depending upon the Corporation's experience the policies under this plan shall be eligible for Loyalty Addition at the time of exit after completion of five policy years in the form of Death or Maturity, at such rate and on such terms as may be declared by the Corporation. In addition, Loyalty Addition, if any, shall also be considered in Special Surrender Value calculation on surrender of policy during the policy term provided all the premiums for the entire premium paying term have been paid.

7. **Payment of Premiums**

- (a). The policyholder has to pay the Premium on the due dates as specified in the Schedule of this Policy Document along with Service tax and any other Tax as applicable from time to time.

- (b). **Grace period:** A grace period of one month but not less than 30 days shall be allowed for payment of yearly or half-yearly or quarterly premiums and 15 days for monthly premiums. If the premium is not paid before the expiry of the days of grace, the Policy lapses.

If the death of the Life Assured occurs within the grace period but before the payment of the premium then due, the policy will still be valid and the benefits shall be paid after deductions of the said unpaid premium as also the balance premium(s), if any, falling due from the date of death and before the next policy anniversary.

- (c). 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.

**PART – D: CONDITIONS RELATED TO SERVICING ASPECTS**

1. **Proof of Age:** The premiums having been calculated on the age of the Life Assured as declared in the Proposal, in case the age is found higher than such age, without prejudice to the Corporation's other rights and remedies, including those under the Insurance Act, 1938, the premiums shall be payable in such case at the rate calculated on the Basic Sum Assured and Rider(s) Sum Assured, if opted for, the correct age at entry, and the accumulated difference between the premiums for the correct age and the original premiums, from the commencement of the Policy upto the date of such payment shall be paid to the Corporation with interest at such rate as fixed by the Corporation from time to time. However, in case the Life Assured/Proposer continues to pay the premiums at the rates shown herein, and also does not pay the above mentioned accumulated debt, the accumulated difference between the premiums for the correct age and the original premiums from the commencement of this Policy up to the date on which the Policy becomes a claim, with interest on each instalment of such difference at such rate as may be fixed by the Corporation from time to time, shall accrue and be treated as a debt due by the Life Assured / Proposer against the said Policy and shall be deducted from the Policy moneys payable on the Policy becoming a claim.

Provided further that if the Life Assured's correct age at entry is such as would have made him/her uninsurable under the class or terms of assurance specified in the said Schedule hereto, the class or terms shall stand altered to such Plan of Assurance as are granted by the Corporation according to the practice in force at the commencement of this policy subject to the consent of the Policyholder, otherwise the policy will be cancelled.



## 2. Forfeiture and Non-forfeiture Regulations:

### Forfeiture Regulations:

- i. If less than three years' premiums have been paid and any subsequent premium be not duly paid, all the benefits shall cease after the expiry of grace period from the date of first unpaid premium and nothing shall be payable, and the premiums paid thitherto are also not refundable.
- ii. Forfeiture in Certain Other Events: In case any condition herein contained or endorsed hereon be contravened or 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 this 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.

### Non –forfeiture Regulations:

If at least three full years' premiums have been paid and any subsequent premiums be not duly paid, this policy shall not be wholly void, but shall subsist as a paid-up policy. However, under such policies **Auto Cover Period** shall be applicable as mentioned below:

#### **Auto Cover Period:**

"Auto Cover Period" under a paid-up policy shall be the period from due date of first unpaid premium.

The duration of Auto Cover Period shall be available as follows:

1. If at least three full years' but less than five full years' premiums have been paid and any subsequent premium is not duly paid: Auto Cover Period of six months from the due date of first unpaid premium shall be available.
2. If at least five full years' premiums have been paid and any subsequent premium is not duly paid: Auto Cover Period of two years from the due date of first unpaid premium shall be available.

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

1. **Death benefit:** Death benefit, as payable under an inforce policy (as defined in Condition 1 of Part C), shall be paid after deduction of (a) the unpaid premium(s) in respect of the base policy with interest thereon upto the date of death, and (b) the balance premium(s) for the base policy falling due from the date of death and before the next policy anniversary, if any.  
If any survival benefit was due but not paid before the date of death, the same shall also be paid along with the above mentioned death benefit.
2. **Survival Benefit:** Survival benefit is payable only when a policy is inforce or on revival (as mentioned in Condition 3 of Part D) of paid-up policy.

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

1. **On death during the policy term: Sum Assured on Death** under a paid-up policy shall be reduced to such an amount, called "**Death Paid-up Sum Assured**" and shall be equal to  $[\text{Sum Assured on Death} * (\text{Number of premiums paid} / \text{Total number of premiums payable})]$
2. **On maturity:** The **Sum Assured on Maturity** under paid-up policy shall be altered to such an amount called "**Maturity Paid-up Sum Assured**" which shall be payable on Life Assured surviving the stipulated Date of Maturity. The "**Maturity Paid-up Sum Assured**" shall be equal to  $[(\text{Number of premiums paid} / \text{Total Number of premiums payable}) * (\text{Sum Assured on Maturity plus Total Survival Benefits payable under the policy})]$  less Total amount of Survival Benefits already paid under the policy. In addition to "**Maturity Paid-up Sum Assured**" the surrender value of the proportionate premiums charged towards risk cover during the extended cover period shall also be payable and the policy will terminate.  
The survival benefits having already been incorporated in the calculation of Maturity Paid-up Sum Assured, future survival benefits shall not be payable separately.

The Extended Cover Period shall not be applicable in case of paid-up policies.

A paid-up policy shall not participate in profits.

These provisions do not apply to optional Rider(s) as they do not acquire any paid up value and the rider benefit ceases to apply, if policy is in lapsed condition.

3. **Revival of lapsed Policies:** : If the Policy has lapsed due to non payment of due premium within the days of grace, it may be revived during the life time of the Life Assured, but within a period of 2 consecutive years from the date of the first unpaid premium, on submission of proof of continued insurability of the Life Assured to the satisfaction of the Corporation and the payment of all the arrears of premium together with interest (compounding half-yearly) at such rate as fixed by the Corporation from time to time. The Corporation however, reserves the right to accept at original terms, accept with modified terms or decline the revival of a discontinued policy. The revival of the discontinued policy shall take effect only after the same is approved by the Corporation and is specifically communicated to the Life Assured.

Revival period and Auto Cover Period (as defined in Condition 2 of Part D) shall run concurrently i.e. Auto Cover period does not extend period of revival.

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



4. **Surrender:** The policy can be surrendered at any time provided premiums have been paid for atleast three full years. On surrender of the policy, the Corporation shall pay the Surrender Value equal to higher of Guaranteed Surrender Value and Special Surrender Value.

The Special Surrender Value is reviewable and shall be determined by the Corporation from time to time subject to prior approval of IRDAI.

The Guaranteed Surrender Value payable during the policy term shall be equal to the total premiums paid excluding any extra amount if charged under the policy due to underwriting decisions and premiums for rider(s), if opted, for, multiplied by the Guaranteed Surrender Value factor applicable to total premiums paid, less any survival benefits already paid under the policy. These Guaranteed Surrender Value factors expressed as percentages will depend on the policy term and policy year in which the policy is surrendered and are contained in Annexure - 4 of this policy document.

After expiry of the policy term i.e. during Extended Cover period, Special Surrender value shall be applicable.

No surrender value will be available on Rider(s), if any.

5. **Policy Loan:** Loan can be availed under this policy provided atleast three full years' premiums have been paid subject to the following terms and conditions, within the surrender value of the policy for such amounts and on such further terms and conditions as the Corporation may fix from time to time:
1. The Policy shall be assigned absolutely to and held by the Corporation as security for the repayment of Loan and of the interest thereon;
  2. The maximum loan as a percentage of surrender value shall be as under:
    - For inforce policies – upto 90%
    - For paid-up policies – upto 80%
  3. Interest on Loan shall be paid on compounding half-yearly basis to the Corporation at the rate to be specified by the Corporation at the time of taking loan under this policy. For Financial Year 2016-17, the applicable interest rate is 10% p.a. payable half-yearly. The first payment of interest is to be made on the next Policy anniversary or on the date six months before the next Policy anniversary whichever immediately follows the date on which the Loan is sanctioned and every half year thereafter. Interest is charged for a minimum period of six months.
  4. In case of policies which are not inforce i.e. paid-up policies, in the event of default in payment of loan interest on the due date as herein mentioned above, the Corporation would be entitled to foreclose such policies which continue to be in default, anytime after expiry of notice period of 30 days. Such policies when being foreclosed shall be entitled to payment of surrender value as on date of foreclosure, if any, after deduction of outstanding loan and accrued interest. However, in case of inforce policies (where all the due premiums stand paid) and fully paid-up policies (where all premiums payable during the term of the policy stand paid), foreclosure action shall not be applicable;
  5. In case the policy shall mature or become due for survival benefits or is surrendered or become a claim by death, the Corporation shall become entitled to deduct the amount of the Loan or any portion thereof which is outstanding, together with all interest from the policy moneys.
6. **Free look period:** During the Free Look period of 15 days from the date of receipt of the Policy Document by the Policyholder, if the Policyholder is not satisfied with the Terms and Conditions of the policy, he/she may return the policy to the Corporation stating the reason of objections. On receipt of the same the Corporation shall cancel the policy and return the amount of premium deposited after deducting the proportionate risk premium (for Base Policy and Rider(s), if opted for) for the period on cover and charges for medical examination, special reports, if any, and stamp duty.

#### PART E

Not Applicable.

#### PART – F: OTHER TERMS AND CONDITIONS

1. **a) Assignments:** Assignment is allowed under this plan as per section 38 of the Insurance Act, 1938, as amended from time to time. The current provisions of Section 38 are contained in Annexure-1 of this Policy Document. 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 current provisions of Section 39 are contained in Annexure-2 of this Policy Document. 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.
2. **Suicide:** This policy shall be void
- 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 Corporation will not entertain any claim under this policy except for 80% of the premiums paid excluding any extra amount if charged under the policy due to underwriting decisions and rider premiums other than term assurance rider, if any, provided the policy is inforce.



- 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 premiums paid till the date of death excluding extra amount if charged under the policy due to underwriting decisions and rider premiums other than term assurance rider, if any, or the surrender value, shall be payable. The Corporation will not entertain any other claim under this policy. This clause shall not be applicable for a policy lapsed without acquiring paid-up value and nothing shall be payable under such policy.
3. **Tax:** 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 Service Tax payable as per the prevailing rates shall be payable by the policyholder on premiums (for base policy and rider(s), if any) including extra amount if charged under the policy due to underwriting decisions, 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.

4. **Normal requirements for a 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, 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.

Where the policy results into a maturity claim or results into a survival benefits claim or 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.

Where policy results into a accidental disability/death claim the applicable statements from the following list may be called to ascertain circumstances under which death / disability took place:-

- 1) A certified copy of first information report (FIR).
  - 2) A certified copy of police inquest report.
  - 3) Copy of panchanama.
  - 4) Post mortem report to know the probable cause of death. If viscera are preserved in post mortem, then chemical analyzer report to know the contents i.e. whether life assured has consumed liquor, drugs, narcotics or poison.
  - 5) News paper cuttings where accident is reported.
  - 6) If death is due to vehicle accident, then copy of driving licence, if life assured was driving the vehicle.
  - 7) Sub-divisional magistrate final verdict about death- this will give classification of death as 'natural/suicide/accidental'
  - 8) When accident is not reported to police authorities, like death due to dog or snake bite, then alternate proofs such as statement of eye witness, affidavit of gramsevak or govt. officials, our own enquiry report, attending physician or hospital reports may be sufficient.
  - 9) Hospital treatment records, etc.
5. **Legislative Changes:** The Terms and Conditions including the premiums and benefits payable under this policy are subject to variation in accordance with the relevant Legislation & Regulations.
6. **Benefit Illustration:** Your customized Benefit Illustration is enclosed to this Policy Document.

## **PART – G: STATUTORY PROVISIONS**

### **Section 45 of the Insurance Act 1938:**

The provisions of Section 45 of the Insurance Act 1938 shall be applicable as amended from time to time. The current provisions are contained in Annexure-3 of this policy document.

### **Grievance Redressal Mechanism:**

The Corporation has Grievance Redressal Officers at Branch/ Divisional/ Zonal/ Central Office to redress grievances of customers. For ensuring quick redressal of customer grievances the Corporation has introduced Customer friendly Integrated Complaint Management System through our Customer Portal (website) which is <http://www.licindia.in>, where a registered policy holder can directly register complaint/ grievance and track its status. Customers can also contact at e-mail [co\\_crmgrv@licindia.com](mailto:co_crmgrv@licindia.com) for redressal of any grievances.

In case the customer is not satisfied with the response or do not receive a response from us within 15 days, then the customer may approach the Grievance Cell of the IRDAI through any of the following modes:

- Calling Toll Free Number 155255 / 18004254732 (i.e. IRDAI Grievance Call Centre)
- Sending an email to [complaints@irda.gov.in](mailto:complaints@irda.gov.in)
- Register the complaint online at <http://www.igms.irda.gov.in>
- Address for sending the complaint through courier / letter:  
Consumer Affairs Department, Insurance Regulatory and Development Authority of India, 9<sup>th</sup> Floor, United India Towers, Basheerbagh, Hyderabad – 500 029, Andhra Pradesh.
- Sending the complaint by Fax to 040-66789768

Claimants not satisfied with the decision of death claim repudiation have the option of referring their cases for review to Zonal Office Claims Dispute Redressal Committee or Central Office Claims Dispute Redressal Committee. A retired High Court/ District Court Judge is member of each of the Claims Dispute Redressal Committees. For redressal of Claims related grievances, claimants can also approach Insurance Ombudsman who provides for low cost and speedy arbitration to customers.



**NOTE:**

In case you have any Complaints/Grievance, you may approach Grievance Redressal Officer/ Ombudsman, whose address is as under:

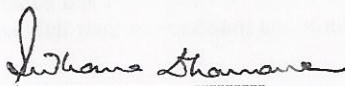
Address of Branch Office:

Address of Grievance Redressal officer:

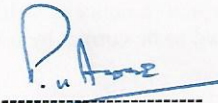
Address of Insurance Ombudsman:

Note: In case of dispute in respect of interpretation of these terms and conditions and special provisions/conditions the English version shall stand valid.

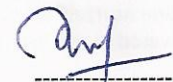
**YOU ARE REQUESTED TO EXAMINE THIS POLICY, AND IF ANY MISTAKE BE FOUND THEREIN, RETURN IT IMMEDIATELY FOR CORRECTION.**



Authorised Legal Officer



Appointed Actuary



Chairman



**Assignment - As per Section 38 of the Insurance Act 1938, as amended by the Insurance Laws (Amendment) Act, 2015**

(1) A transfer or assignment of a policy of insurance, wholly or in part, whether with or without consideration, may be made only by an endorsement upon the policy itself or by a separate instrument, signed in either case by the transferor or by the assignor or his duly authorised agent and attested by at least one witness, specifically setting forth the fact of transfer or assignment and the reasons thereof, the antecedents of the assignee and the terms on which the assignment is made.

(2) An insurer may, accept the transfer or assignment, or decline to act upon any endorsement made under sub-section(1), where it has sufficient reason to believe that such transfer or assignment is not bonafide or is not in the interest of the policyholder or in public interest or is for the purpose of trading of insurance policy.

(3) The insurer shall, before refusing to act upon the endorsement, record in writing the reasons for such refusal and communicate the same to the policyholder not later than thirty days from the date of the policy-holder giving notice of such transfer or assignment.

(4) Any person aggrieved by the decision of an insurer to decline to act upon such transfer or assignment may within a period of thirty days from the date of receipt of the communication from the insurer containing reasons for such refusal, prefer a claim to the Authority.

(5) Subject to the provisions in sub-section (2), the transfer or assignment shall be complete and effectual upon the execution of such endorsement or instrument duly attested but except, where the transfer or assignment is in favour of the insurer, shall not be operative as against an insurer, and shall not confer upon the transferee or assignee, or his legal representative, any right to sue for the amount of such policy or the moneys secured thereby until a notice in writing of the transfer or assignment and either the said endorsement or instrument itself or a copy thereof certified to be correct by both transferor and transferee or their duly authorised agents have been delivered to the insurer:

Provided that where the insurer maintains one or more places of business in India, such notice shall be delivered only at the place where the policy is being serviced.

(6) The date on which the notice referred to in sub-section (5) is delivered to the insurer shall regulate the priority of all claims under a transfer or assignment as between persons interested in the policy; and where there is more than one instrument of transfer or assignment the priority of the claims under such instruments shall be governed by the order in which the notices referred to in sub-section (5) are delivered:

Provided that if any dispute as to priority of payment arises as between assignees, the dispute shall be referred to the Authority.

(7) Upon the receipt of the notice referred to in sub-section (5), the insurer shall record the fact of such transfer or assignment together with the date thereof and the name of the transferee or the assignee and shall, on the request of the person by whom the notice was given, or of the transferee or assignee, on payment of such fee as may be specified by the regulations, grant a written acknowledgement of the receipt of such notice; and any such acknowledgement shall be conclusive evidence against the insurer that he has duly received the notice to which such acknowledgment relates.

(8) Subject to the terms and conditions of the transfer or assignment, the insurer shall, from the date of the receipt of the notice referred to in sub-section (5), recognize the transferee or assignee named in the notice as the absolute transferee or assignee entitled to benefit under the policy, and such person shall be subject to all liabilities and equities to which the transferor or assignor was subject at the date of the transfer or assignment and may institute any proceedings in relation to the policy, obtain a loan under the policy or surrender the policy without obtaining the consent of the transferor or assignor or making him a party to such proceedings.

Explanation – Except where the endorsement referred to in sub-section (1) expressly indicates that the assignment or transfer is conditional in terms of subsection (10) hereunder, every assignment or transfer shall be deemed to be an absolute assignment or transfer and the assignee or transferee, as the case may be, shall be deemed to be the absolute assignee or transferee respectively.

(9) Any rights and remedies of an assignee or transferee of a policy of life insurance under an assignment or transfer effected prior to the commencement of the Insurance Laws (Amendment) Act, 2015 shall not be affected by the provisions of this section.

(10) Notwithstanding any law or custom having the force of law to the contrary, an assignment in favour of a person made upon the condition that-

- a. The proceeds under the policy shall become payable to the policyholder or the nominee or nominees in the event of either the assignee or transferee predeceasing the insured; or
- b. The insured surviving the term of the policy, shall be valid:

Provided that a conditional assignee shall not be entitled to obtain a loan on the policy or surrender a policy.

(11) In the case of the partial assignment or transfer of a policy of insurance under sub-section (1), the liability of the insurer shall be limited to the amount secured by partial assignment or transfer and such policyholder shall not be entitled to further assign or transfer the residual amount payable under the same policy.



**Nomination - As Section 39 of the Insurance Act 1938, as amended by the Insurance Laws (Amendment) Act, 2015**

(1) The holder of a policy of life insurance on his own life may, when effecting the policy or at any time before the policy matures for payment, nominate the person or persons to whom the money secured by the policy shall be paid in the event of his death:

Provided that, where any nominee is a minor, it shall be lawful for the policy holder to appoint any person in the manner laid down by the insurer, to receive the money secured by policy in the event of his death during the minority of the nominee.

(2) Any such nomination in order to be effectual shall, unless it is incorporated in the text of the policy itself, be made by an endorsement on the policy communicated to the insurer and registered by him in the records relating to the policy and any such nomination may at any time before the policy matures for payment be cancelled or changed by an endorsement or a further endorsement or a will, as the case may be, but unless notice in writing of any such cancellation or change has been delivered to the insurer, the insurer shall not be liable for any payment under the policy made bona fide by him to a nominee mentioned in the text of the policy or registered in records of the insurer.

(3) The insurer shall furnish to the policy holder a written acknowledgement of having registered a nomination or a cancellation or change thereof, and may charge such fee as may be specified by regulations for registering such cancellation or change.

(4) A transfer or assignment of a policy made in accordance with section 38 shall automatically cancel a nomination:

Provided that the assignment of a policy to the insurer who bears the risk on the policy at the time of the assignment, in consideration of a loan granted by that insurer on the security of the policy within its surrender value, or its reassignment on repayment of the loan shall not cancel a nomination, but shall affect the rights of the nominee only to the extent of the insurer's interest in the policy:

Provided further that the transfer or assignment of a policy, whether wholly or in part, in consideration of a loan advanced by the transferee or assignee to the policyholder, shall not cancel the nomination but shall affect the rights of the nominee only to the extent of the interest of the transferee or assignee, as the case may be, in the policy:

Provided also that the nomination, which has been automatically cancelled consequent upon the transfer or assignment, the same nomination shall stand automatically revived when the policy is reassigned by the assignee or retransferred by the transferee in favour of the policyholder on repayment of loan other than on a security of policy to the insurer.

(5) Where the policy matures for payment during the lifetime of the person whose life is insured or where the nominee or, if there are more nominees than one, all the nominees die before the policy matures for payment, the amount secured by the policy shall be payable to the policyholder or his heirs or legal representatives or the holder of a succession certificate, as the case may be.

(6) Where the nominee or if there are more nominees than one, a nominee or nominees survive the person whose life is insured, the amount secured by the policy shall be payable to such survivor or survivors.

(7) Subject to the other provisions of this section, where the holder of a policy of insurance on his own life nominates his parents, or his spouse, or his children, or his spouse and children, or any of them, the nominee or nominees shall be beneficially entitled to the amount payable by the insurer to him or them under sub-section (6) unless it is proved that the holder of the policy, having regard to the nature of his title to the policy, could not have conferred any such beneficial title on the nominee.

(8) Subject as aforesaid, where the nominee, or if there are more nominees than one, a nominee or nominees, to whom sub-section (7) applies, die after the person whose life is insured but before the amount secured by the policy is paid, the amount secured by the policy, or so much of the amount secured by the policy as represents the share of the nominee or nominees so dying (as the case may be), shall be payable to the heirs or legal representatives of the nominee or nominees or the holder of a succession certificate, as the case may be, and they shall be beneficially entitled to such amount.

(9) Nothing in sub-sections (7) and (8) shall operate to destroy or impede the right of any creditor to be paid out of the proceeds of any policy of life insurance.

(10) The provisions of sub-sections (7) and (8) shall apply to all policies of life insurance maturing for payment after the commencement of the Insurance Laws (Amendment) Act, 2015.

(11) Where a policyholder dies after the maturity of the policy but the proceeds and benefit of his policy has not been made to him because of his death, in such a case, his nominee shall be entitled to the proceeds and benefit of his policy.

(12) The provisions of this section shall not apply to any policy of life insurance to which section 6 of the Married Women's Property Act, 1874, applies or has at any time applied;

Provided that where a nomination made whether before or after the commencement of the Insurance Laws (Amendment) Act, 2015, in favour of the wife of the person who has insured his life or of his wife and children or any of them is expressed, whether or not on the face of the policy, as being made under this section, the said section 6 shall be deemed not to apply or not to have applied to the policy.



**Section 45 as per the Insurance Act 1938, as amended by the Insurance Laws (Amendment) Act, 2015**

(1) No policy of life insurance shall be called in question on any ground whatsoever after the expiry of three years from the date of the policy, i.e. from the date of issuance of the policy or the date of commencement of risk or the date of revival of the policy or the date of the rider to the policy, whichever is later.

(2) A policy of life insurance may be called in question at any time within three years from the date of issuance of the policy or the date of commencement of risk or the date of revival of the policy or the date of the rider to the policy, whichever is later on the ground of fraud:

Provided that the insurer shall have to communicate in writing to the insured or the legal representatives or nominees or assignees of the insured the grounds and materials on which such decision is based.

Explanation I- For the purposes of this sub-section, the expression "fraud" means any of the following acts committed by the insured or by his agent, with the intent to deceive the insurer or to induce the insurer to issue a life insurance policy:-

- (a) the suggestion, as a fact of that which is not true and which the insured does not believe to be true;
- (b) the active concealment of a fact by the insured having knowledge or belief of the fact;
- (c) any other act fitted to deceive; and
- (d) any such act or omission as the law specially declares to be fraudulent.

Explanation II- Mere silence as to facts likely to affect the assessment of the risk by the insurer is not fraud, unless the circumstances of the case are such that regard being had to them, it is the duty of the insured or his agent, keeping silence to speak, or unless his silence is, in itself, equivalent to speak.

(3) Notwithstanding anything contained in subsection (2), no insurer shall repudiate a life insurance policy on the ground of fraud if the insured can prove that the misstatement of or suppression of a material fact was true to the best of his knowledge and belief or that there was no deliberate intention to suppress the fact or that such misstatement of or suppression of a material fact are within the knowledge of the insurer:

Provided that in case of fraud, the onus of disproving lies upon the beneficiaries, in case the policyholder is not alive.

Explanation - A person who solicits and negotiates a contract of insurance shall be deemed for the purpose of the formation of the contract, to be the agent of the insurer.

(4) A policy of life insurance may be called in question at any time within three years from the date of issuance of the policy or the date of commencement of risk or the date of revival of the policy or the date of the rider to the policy, whichever is later, on the ground that any statement of or suppression of a fact material to the expectancy of the life of the insured was incorrectly made in the proposal or other document on the basis of which the policy was issued or revived or rider issued:

Provided that the insurer shall have to communicate in writing to the insured or the legal representatives or nominees or assignees of the insured the grounds and materials on which such decision to repudiate the policy of life insurance is based:

Provided further that in case of repudiation of the policy on the ground of misstatement or suppression of a material fact, and not on the ground of fraud the premiums collected on the policy till the date of repudiation shall be paid to the insured or the legal representatives or nominees or assignees of the insured within a period of ninety days from the date of such repudiation.

Explanation - For the purposes of this sub-section, the misstatement of or suppression of fact shall not be considered material unless it has a direct bearing on the risk undertaken by the insurer, the onus is on the insurer to show that had the insurer been aware of the said fact no life insurance policy would have been issued to the insured.

(5) Nothing in this section shall prevent the insurer from calling for proof of age at any time if he is entitled to do so, and no policy shall be deemed to be called in question merely because the terms of the policy are adjusted on subsequent proof that the age of the life insured was incorrectly stated in the proposal.



Guaranteed Surrender Value factors applicable to total premiums paid				
	Policy Term (Premium Paying Term)			
		16(10)	20(12)	24(15)
Policy Year	1	0.00%	0.00%	0.00%
	2	0.00%	0.00%	0.00%
	3	30.00%	30.00%	30.00%
	4	50.00%	50.00%	50.00%
	5	50.00%	50.00%	50.00%
	6	50.00%	50.00%	50.00%
	7	50.00%	50.00%	50.00%
	8	53.75%	52.50%	51.88%
	9	57.50%	55.00%	53.75%
	10	61.25%	57.50%	55.63%
	11	65.00%	60.00%	57.50%
	12	68.75%	62.50%	59.38%
	13	72.50%	65.00%	61.25%
	14	76.25%	67.50%	63.13%
	15	80.00%	70.00%	65.00%
	16	80.00%	72.50%	66.88%
	17	-	75.00%	68.75%
	18	-	77.50%	70.63%
	19	-	80.00%	72.50%
	20	-	80.00%	74.38%
	21	-	-	76.25%
	22	-	-	78.13%
	23	-	-	80.00%
	24	-	-	80.00%