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beyond life

LIC's
SARAL
Jeevan Bima



Plan No.: 859

UIN.: 512N341V01

**A Non-Linked,
Non-Participating,
Individual Pure Risk Premium
Life Insurance Plan**

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FOR YOUR FAMILY**

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Har Pal Aapke Saath

LIC's SARAL JEEVAN BIMA (UIN:512N341V01)
(A Non-Linked, Non-Participating, Individual Pure Risk
Premium Life Insurance Plan)

LIC's Saral Jeevan Bima Plan is a Non-Linked, Non-Participating, Individual, Pure Risk Life Insurance plan which provides financial protection to the insured's family in case of his/her unfortunate death during the policy term.

I. BENEFITS:

A. Death Benefit:

(i) During the Waiting Period of 45 days from the date of commencement of Risk:

This Policy will cover death due to accident only during the waiting period of 45 days from the date of commencement of risk.

In case of death of the Life Assured other than due to accident during the waiting period, an amount equal to 100% of all premiums received excluding taxes, if any, shall be paid and the Basic Sum Assured shall not be paid.

In case of death of the Life Assured due to accident during the Waiting Period and provided the Policy is in force, the Death Benefit amount payable as a lump sum is:

- (1) For regular premium or limited premium payment policy, equal to Sum Assured on Death which is the highest of:
 - (a) 10 times the Annualized Premium, or
 - (b) 105% of all premiums paid as on the date of death, or
 - (c) Absolute amount assured to be paid on death.
- (2) For Single premium policy, equal to Sum Assured on Death which is the higher of:
 - (a) 125% of Single premium or
 - (b) Absolute amount assured to be paid on death.

(ii) After the expiry of Waiting Period of 45 days from the date of commencement of Risk: On death of the Life Assured after the expiry of Waiting Period but before the stipulated Date of Maturity and provided the Policy is in force, the Death Benefit amount payable as a lump sum is:

- (1) For Regular premium or Limited premium payment policy, "Sum Assured on Death" which is the highest of:
 - (a) 10 times of annualized premium; or
 - (b) 105% of all the premiums paid as on the date of death; or
 - (c) Absolute amount assured to be paid on death.
- (2) For Single premium policy, "Sum Assured on Death" which is the higher of:
 - (a) 125% of Single Premium or

(b) Absolute amount assured to be paid on death.

Premiums referred above shall not include any extra amount chargeable under the policy due to underwriting decision if any.

Absolute amount assured to be paid on death shall be an amount equal to Basic Sum Assured.

B. Maturity Benefit:

No Maturity Benefit shall be payable on the Life Assured surviving the stipulated Date of Maturity.

2. ELIGIBILITY CONDITIONS AND OTHER RESTRICTIONS

- a) Minimum Basic Sum : Rs. 5,00,000 Assured
- b) Maximum Basic Sum : Rs. 25,00,000 per life basis
(The Basic Sum Assured shall be in multiples of Rs. 50,000/-)
- c) Minimum Age at entry : 18 years (Last Birthday)
- d) Maximum Age at entry : 65 years (Last Birthday)
- e) Maximum Maturity Age : 70 years (Last Birthday)
- f) Policy Term : No limit
Single/Regular/Limited : [5 to 40] years Premium
- g) Premium Paying Term :
Regular Premium : Same as policy term
Limited Premium : 5 and 10 years
Single Premium : Premium is payable in lumpsum

3. PAYMENT OF PREMIUMS:

Regular Premium, Limited Premium and Single Premium payment options are allowed under this plan. In case of Regular Premium and Limited Premium payment option, the premium can be paid regularly during the premium paying term with modes of premium payment Yearly, Half-yearly or Monthly (through ECS/NACH only).

The premium payable will depend on the age at entry of the life to be assured, policy term, premium paying term and sum assured chosen.

4. GRACE PERIOD:

A grace period of 30 days shall be allowed for payment of yearly or half-yearly premiums and 15 days for monthly premiums from the date of First Unpaid Premium. During this period, the policy shall be considered in-force with the risk cover without any interruption as per the terms of the policy. If the premium is not paid before the expiry of the days of grace, the Policy lapses.

5. SAMPLE ILLUSTRATIVE PREMIUM:

The sample illustrative annual/single premiums for Basic Sum Assured of Rs 5 lakh for Standard lives under Offline sales are as under

(Amount in Rs)

Premium Payment Option	Age=30 years, Policy Term=20
Regular	2095
Limited (PPT=10 years)	3010
Limited (PPT=5 years)	4955
Single	20310

The sample illustrative for Basic Sum Assured of Rs 10 lakh and Policy Term 25 years for Standard lives under Offline/ Online sales for different combinations are as under

Distribution Channel: Offline

Age↓ Mode→	Single Premium	Regular Premium Payment Option		
		Annual	Half Yearly	Monthly
25	41,610	3,850	1,965	331
30	52,260	4,670	2,383	401
35	70,840	6,110	3,117	525
40	98,630	8,340	4,254	716
45	1,38,230	11,660	5,948	1001

Distribution Channel: Online

Age↓ Mode→	Single Premium	Regular Premium Payment Option		
		Annual	Half Yearly	Monthly
25	40,776	3,574	1,826	308
30	51,213	4,336	2,216	373
35	69,421	5,675	2,900	488
40	96,655	7,749	3,959	667
45	1,35,463	10,837	5,536	932

The above premium is exclusive of taxes.

6. Rebates/Loadings:

The following rebates/loadings shall be applicable:

i. Mode Loadings (applicable for Regular and Limited Premium payment):

Yearly mode	-	NIL
Half-yearly mode	-	2% of Tabular annual premium

Monthly (ECS/NACH) - 3% of Tabular annual premium

ii. High Sum Assured Rebate:

<u>Basic Sum Assured (B.S.A)</u>	<u>Rebate (Rs.)</u>
5, 00,000 to 9, 50,000	Nil
10, 00,000 to 14, 50,000	0.10%o B.S.A.
15, 00,000 to 19, 50,000	0.20%o B.S.A.
20, 00,000 and above	0.25%o B.S.A.

iii. Rebate under Online Sale:

Proposal to be completed under online sales without any assistance of Agent / intermediary shall be eligible for rebate on tabular premium at the following rates:

<u>Premium Paying Term</u>	<u>Online Sale (Rate of rebate)</u>
Single Premium	2.00%
5 to 9 years	5.00%
10 to 14 years	6.00%
15 years and above	7.00%

7. Revival of lapsed Policies (Applicable for Regular and Limited Premium policies):

If premiums are not paid within the grace period then the policy will lapse. A lapsed policy can be revived within a period of 5 consecutive years from the date of first unpaid premium and before the date of maturity, as the case may be. The revival shall be effected on payment of all the arrears of premium(s) together with interest at a rate which shall be determined as follows:

The rate of interest applicable for revival of policies during the 12 months' period from 1st May to 30th April, shall be compounding half-yearly rate not exceeding 10 year G-Sec Base/Par yield p.a. compounding half-yearly plus 300 basis points. The 10 year G-Sec Base/Par yield shall be as at last trading date of previous financial year.

Accordingly, for 12 months' period commencing from 1st May, 2020 to 30th April, 2021, the applicable interest rate for revival shall be 9.50% p.a. compounding half-yearly.

In addition to the arrears of premium with interest, proof of continued insurability of the Life assured may be required for revival of the discontinued policy. Proof of continued insurability is the information that may be sought from the policyholder to decide revival of the policy. This includes Form of declaration of Good Health, Medical Reports, Special Reports and any such document as may be called for by the Corporation, in accordance with the Underwriting Policy of the Corporation.

The Corporation reserves the right to accept at original terms, accept with 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 by the Corporation and is specifically communicated to the policyholder.

If a lapsed policy is not revived within the revival period (i.e. 5 consecutive years from the date of first unpaid premium) but before the Date of Maturity, the policy will automatically terminate. In case of Regular Premium policies, nothing shall be payable. However, in case of Limited Premium Payment policies, the Policy Cancellation Value shall be refunded and the policy will terminate.

8. Surrender Value:

Surrender value is not applicable under this Plan.

9. Policy Cancellation Value:

Policy Cancellation Value shall be payable:

- a) upon the Policyholder applying for the same before the stipulated date of maturity in case of Single premium Policy; or
- b) upon the Policyholder applying for the same before the stipulated date of maturity or at the end of revival period if the policy is not revived, in case of Limited Premium Payment Policies.
- c) The amount payable shall be as follows:

- i) Single Premium Policies:

The Policy Cancellation Value acquires immediately after receipt of Single Premium and is calculated as follows:

$$= 70\% \times \text{Single Premium paid} \times \frac{\text{Unexpired Policy Term}}{\text{Original Policy Term}}$$

Single Premium shall be inclusive of any extra amount if charged under the policy due to underwriting decisions.

- ii) Limited Premium Payment Term: 5 years or 10 years:

The Policy Cancellation Value acquires if at least two (2) consecutive full years' premiums are paid and is calculated as follows:

$$= 70\% \times \text{Total Premiums Paid} \times \frac{\text{Unexpired Policy Term}}{\text{Original Policy Term}}$$

Total Premiums Paid shall be inclusive of any extra amount if charged under the policy due to underwriting decisions.

- d) No Policy Cancellation Value shall be payable in respect of regular premium policies.

10. Policy Loan:

No loan will be available under this policy.

11. Taxes:

Statutory Taxes, if any, imposed on such insurance plans by the Govt. of India or any other constitutional Tax Authority of India shall be as per the Tax laws and the rate of tax as applicable from time to time.

The amount of applicable taxes as per the prevailing rates, shall be payable by the policyholder on premiums including any 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.

Regarding Income tax benefits/implications on premium(s) paid and benefits payable under this plan, please consult your tax advisor for details.

12. Free Look Period:

If the Policyholder is not satisfied with the "Terms and Conditions" of the policy, the policy may be returned to Corporation within 15 days (30 days in case of online purchase) from the date of receipt of the policy bond stating the reasons 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 the period of cover and expenses incurred on medical examination and stamp duty charges, within 15 days of receipt of the request.

13. Suicide Exclusion:

a) Under Regular/Limited Premium Policy:

This policy shall be void if the Life Assured commits suicide at any time within 12 months from the date of commencement of risk, provided the policy is in force or within 12 months from the date of revival and the Corporation will not entertain any claim except for 80% of the premiums paid (excluding any extra amount if charged under the policy due to underwriting decisions and taxes, if any) till the date of death.

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

b) Under single Premium Policy:

This policy shall be void if the Life assured commits suicide at any time within 12 months from the date of commencement of risk and the Corporation will not entertain any claim except 90 % of the Single Premium paid excluding any extra amount if charged under the policy due to underwriting decisions and taxes, if any.

SECTION 45 OF INSURANCE ACT, 1938:

The provision of Section 45 of the Insurance Act, 1938 shall be as amended from time to time. The simplified version of this provision is as under:

Provisions regarding policy not being called into question in terms of Section 45 of the Insurance Act, 1938 are as follows:

1. No Policy of Life Insurance shall be called in question on any ground whatsoever after expiry of 3 yrs from
 - a. the date of issuance of policy or
 - b. the date of commencement of risk or
 - c. the date of revival of policy or
 - d. the date of rider to the policywhichever is later.
2. On the ground of fraud, a policy of Life Insurance may be called in question within 3 years from
 - a. the date of issuance of policy or
 - b. the date of commencement of risk or
 - c. the date of revival of policy or
 - d. the date of rider to the policywhichever is later.

For this, the insurer should communicate in writing to the insured or legal representative or nominee or assignees of insured, as applicable, mentioning the ground and materials on which such decision is based.

3. Fraud means any of the following acts committed by 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 specifically declares to be fraudulent.
4. Mere silence is not fraud unless, depending on circumstances of the case, it is the duty of the insured or his agent keeping silence to speak or silence is in itself equivalent to speak.
5. No Insurer shall repudiate a life insurance Policy on the ground of Fraud, if the Insured / beneficiary can prove that the misstatement was true to the best of his knowledge and there was no deliberate intention to suppress the fact or that such mis-statement of or suppression of material fact are within the knowledge of the insurer. Onus of disproving is upon the policyholder, if alive, or beneficiaries.

6. Life insurance Policy can be called in question within 3 years on the ground that any statement of or suppression of a fact material to expectancy of life of the insured was incorrectly made in the proposal or other document basis which policy was issued or revived or rider issued. For this, the insurer should communicate in writing to the insured or legal representative or nominee or assignees of insured, as applicable,

mentioning the ground and materials on which decision to repudiate the policy of life insurance is based.

7. In case repudiation is on ground of mis-statement and not on fraud, the premium collected on policy till the date of repudiation shall be paid to the insured or legal representative or nominee or assignees of insured, within a period of 90 days from the date of repudiation.

8. Fact shall not be considered material unless it has a direct bearing on the risk undertaken by the insurer. The onus is on insurer to show that if the insurer had been aware of the said fact, no life insurance policy would have been issued to the insured.

9. The insurer can call 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 of age of life insured. So, this Section will not be applicable for questioning age or adjustment based on proof of age submitted subsequently.

[Disclaimer: This is not a comprehensive list of Section 45 of the Insurance Act, 1938, and only a simplified version prepared for general information Policyholders are advised to refer to Section 45 of the Insurance Act, 1938, for complete and accurate details.]

Prohibition of Rebates (Section 41 of the Insurance Act, 1938)

- 1) No person shall allow or offer to allow, either directly or indirectly, as an inducement to any person to take out or renew or continue an insurance in respect of any kind of risk relating to lives or property in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the policy, nor shall any person taking out or renewing or continuing a policy accept any rebate, except such rebate as may be allowed in accordance with the published prospectuses or tables of the insurer.
- 2) Any person making default in complying with the provisions of this section shall be liable for a penalty which may extend to ten lakh rupees.

- This product brochure gives only salient features of the plan. For further details please refer to the Policy document on our website www.licindia.in or contact our nearest Branch Office.

- It is suggested to read and understand other similar products available with LIC of India to assess the suitability of the appropriate product as per individual needs.

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