

LIC's BHAGYA LAKSHMI PLAN – MICRO INSURANCE PRODUCT

(UIN: 512N292V03)

(A Non-Linked, Non-Participating, Individual, Life, Micro Insurance, Term Plan (with Return of 110% of Premiums on Maturity))

LIC's Bhagya Lakshmi is a limited premium paying, Non-linked, Non-participating Individual, Life, Micro Insurance, savings plan with return of 110% of total amount of premiums payable on maturity.

1. *Benefits :*

a. *Maturity Benefit:*

On Life Assured surviving to the end of policy term, , “Sum Assured on Maturity” equal to 110% of total amount of premiums payable during the term of the contract shall be payable provided all due premiums have been paid.

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

b. *Death Benefit:*

On Life Assured's death before the stipulated Date of Maturity, provided the policy is in-force by paying up-to-date premiums, “Sum Assured on Death” shall be payable; where “Sum Assured on Death” is defined as highest of 7 times of annualised premium or 105% of total premiums paid upto the date of death or Sum Assured.

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

2. *Eligibility Conditions and Other Restrictions:*

- a) Minimum Sum Assured : Rs. 20,000/-
- b) Maximum Sum Assured : Rs. 50,000/-
(The Sum Assured shall be in multiples of Rs. 1,000/-)
- c) Minimum age at entry : 18 years (completed)
- d) Maximum age at entry : 42 years (nearer birthday) for Premium Paying Term 5 years
55 years (nearer birthday) for Premium Paying Term 6 to 13 years
subject to Maximum Maturity Age of 65 years
- e) Minimum Premium Paying Term : 5 years
- f) Maximum Premium Paying Term : 13 years
- g) Policy Term : Premium Paying Term + 2 years
- h) Maximum age at maturity : 65 years (nearer birthday) (depending on the Premium Paying Term chosen)

3. *Payment of Premiums:*

Premiums can be paid regularly at yearly, half-yearly, quarterly or monthly mode during the premium paying term of the policy.

4. *Grace Period:*

A grace period of 30 days shall be allowed for payment of monthly premiums and 60 days for other modes of premium payments 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 Premium Rates:**

Following are some of the sample premium rates (in Rs.) (exclusive of taxes) per Rs. 1000/- Sum Assured:

AGE In years	TERM (PPT) in years		
	7(5)	10(8)	15(13)
20	127.45	64.35	37.20
30	129.30	65.80	38.55
40	138.30	72.80	44.25
50	-	91.40	57.15

6. **Rebates:**

Mode Rebate:

Yearly mode	-	2% of Tabular Premium
Half-yearly mode	-	1% of Tabular premium
Other modes	-	NIL

High Sum Assured Rebate: Nil

7. **Revival:**

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 but before the date of maturity as the case may be. The revival shall be effected on payment of all the arrears of premium(s) together with interest (compounding half-yearly) at such rate as may be fixed by the Corporation from time to time and on satisfaction of Continued Insurability of the Life Assured 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.

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, accepted and revival receipt is issued by the Corporation.

8. **Paid-up Policy:**

If less than one year's premiums have been paid and any subsequent premium be not duly paid, all the benefits under the policy shall cease after the expiry of grace period from the date of first unpaid premium and nothing shall be payable.

If at least one full policy year's premiums have been paid and any subsequent premium be not duly paid, this policy shall not be wholly void, but shall continue as a paid-up policy.

The **Sum Assured on Death** under a paid-up policy shall be reduced to such a sum, called '**Death Paid-up Sum Assured**' and shall be equal to Sum Assured on Death *multiplied* by the *ratio* of the total period for which premiums have already been paid *bears to* the maximum period for which premiums were originally payable.

The **Sum Assured on Maturity** under a paid-up policy shall be reduced to such a sum called '**Maturity Paid-up Sum Assured**' and shall be equal to Sum Assured on Maturity *multiplied* by the *ratio* of the total period for which premiums have already been paid *bears to* the maximum period for which premiums were originally payable.

In any case, the Death Paid-up Sum Assured or Maturity Paid-up Sum Assured mentioned above shall not be less than the total premiums paid under the policy.

9. Surrender:

The policy can be surrendered provided atleast one full policy year’s premiums have been paid. On surrender of the policy, the Corporation shall pay the Surrender Value equal to higher of Guaranteed Surrender Value or 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 (GSV) payable during the policy term shall be equal to the total premiums paid (excluding taxes & extra premium, if any) multiplied by the Guaranteed Surrender Value factors applicable to total premiums paid. 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 as specified below:

GSV factors applicable to total premiums paid									
Policy year/ Policy Term	7	8	9	10	11	12	13	14	15
1	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
2	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
3	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
4	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
5	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
6	90.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
7	90.00%	90.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
8	-	90.00%	90.00%	65.00%	60.00%	57.50%	56.00%	55.00%	54.29%
9	-	-	90.00%	90.00%	70.00%	65.00%	62.00%	60.00%	58.57%
10	-	-	-	90.00%	90.00%	72.50%	68.00%	65.00%	62.86%
11	-	-	-	-	90.00%	90.00%	74.00%	70.00%	67.14%
12	-	-	-	-	-	90.00%	90.00%	75.00%	71.43%
13	-	-	-	-	-	-	90.00%	90.00%	75.71%
14	-	-	-	-	-	-	-	90.00%	90.00%
15	-	-	-	-	-	-	-	-	90.00%

10. Policy Loan:

No loan facility will be available under this plan.

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 payable under the policy, 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 the Corporation within 15 days 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 charges for stamp duty.

13. Exclusions:

a) Suicide :

A 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 the policy except for 80% of the total premiums paid, provided the policy is in force.
- ii. If the Life Assured (whether sane or insane) commits suicide within 12 months from date of revival, an amount which is higher of 80% of the total premiums paid till the date of death or the surrender value available as on the date of death, shall be payable. The Corporation will not entertain any other claim under the policy. This clause shall not be applicable for a policy lapsed without acquiring paid-up value and nothing shall be payable under such policies.

Note: Premiums referred above shall not include any taxes and extra premiums, if any.

SECTION 45 OF THE INSURANCE ACT, 1938:

The provision of Section 45 of the Insurance Act, 1938 shall be applicable 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. Policy Holders 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 Micro Insurance Office.

BEWARE OF SPURIOUS PHONE CALLS AND FICTITIOUS / FRAUDULENT OFFERS

IRDAI is not involved in activities like selling insurance policies, announcing bonus or investment of premiums. Public receiving such phone calls are requested to lodge a police complaint.

Registered Office:

Life Insurance Corporation of India
Central Office, Yogakshema,
Jeevan Bima Marg,
Mumbai – 400021.
Website: www.licindia.in
Registration Number: 512