

A Firm Step towards Financial Security of the Family



GROUP MICRO TERM INSURANCE PLAN

(UIN: 512N359V01)

For Micro Finance Institutions,
Self-Help Groups, NGOs &
other Affinity Groups.

A Non-Par, Non-Linked,
Group, Pure Risk, Single Premium,
Life Micro Insurance Plan



भारतीय जीवन बीमा निगम
LIFE INSURANCE CORPORATION OF INDIA

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For Details:- Email to: groupbusiness@licindia.com

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LIC's Single Premium Group Micro Term Insurance Plan (UIN: 512N359V01)

(A Non – Par, Non - Linked, Group, Pure Risk, Life Micro Insurance Plan)

LIC's Single Premium Group Micro Term insurance Plan is a Non-Par, Non-Linked, Group, Pure Risk Single Premium, Life Micro Insurance plan. It provides valuable life cover to the members of a homogeneous group seeking low level of cover at attractive premium rates. The plan can be offered to Employer-Employee groups as well as Non - Employer - Employee groups (including Financial Institutions).

The amount of life cover in respect of each member shall be guided by the Scheme Rules of the group. The total single premium payable at commencement of policy shall be equal to the sum of premiums in respect of individual members of the group.

This plan provides an option to Member to include his/ her Spouse for Joint Life Cover. This option is only available under Non-Employer-Employee group where Master Policyholder is a Financial Institution and loan is jointly availed by the Member with Spouse. This option can be exercised at Entry Date only.

This is a Non-Par plan where policies are not entitled for any share in surplus (profits) during the term of the policy.

1. Key Features

- Ensures financial security for insured member's family at very attractive rates.
- Premium rates dependant on the risk profile of the group.
- Joint Life cover Option is available for Non-Employer-Employee group where Master Policyholder is a Financial Institution where Member can also cover his/ her Spouse. Under this option, 5% discount is offered to the premium applicable to the younger of two lives.

2. Eligibility conditions and other restrictions:

| | |
|---------------------------------------|-------------------------------|
| Minimum Entry Age for Member | 18 years (Completed Birthday) |
| Maximum Entry Age for Member | 69 years (Nearer Birthday) |
| Maximum cover ceasing age for Member | 70 years (Nearer Birthday) |
| Minimum Sum Assured for Member | Rs. 5,000/- |
| Maximum Sum Assured for Member | Rs. 2,00,000/- |
| Minimum Period of Coverage for Member | 1 month |

| | |
|---------------------------------------|--|
| Maximum Period of Coverage for Member | 120 months |
| Premium Paying Term for Member | Single Premium |
| Minimum Group Size | 50 members. However, Period of Coverage less than 12 months is allowed only if the Group Size is greater than 1000. |
| Maximum Group Size | No restriction |
| Minimum Policy Term | 1 Month for Master Policyholder |
| Maximum Policy Term | 120 Month Note: if the Master Policyholder does not opt for a Policy term, Policy shall remain in-force until terminated. |

The eligibility condition as mentioned above applicable to Members shall also be applicable to Spouse in case Joint Life Cover is opted for. However, the Period of Coverage and Sum Assured for Member and Spouse shall be same.

Note:

The Total Sum Assured under all in-force policies issued to a Member under all versions of this plan shall not exceed Rs 2 Lakh.

The Total Sum Assured under all in-force policies issued to a Spouse, if Joint Life Cover is opted for under all versions of this plan shall not exceed Rs 2 Lakh.

The Sum Assured shall be allowed in the multiple of Rs. 1000/-

3. Benefits:

A. Death Benefit:

Under Single life cover:

On death of the Member during the Period of coverage, Sum Assured on Death in respect of the member as per the Scheme Rules of the Master Policyholder shall be payable.

However, on death (other than Accidental Death) of a Member within a period as mentioned below from the Entry Date of the member in to the scheme, 80% of the Single Premium paid (excluding extra premium and taxes if collected explicitly) in respect of that member shall be payable.

| Period of Coverage(in month(s)) | Period (in days) from Entry Date |
|---------------------------------|----------------------------------|
| 1 | 5 |
| 2 | 10 |
| 3 | 15 |
| 4 | 20 |
| 5 | 25 |
| 6 to 120 | 30 |

This provision mentioned above shall be applicable for all the schemes under Non-Employer-Employee groups and only for Employer-Employee groups where participation is voluntary.

Under Joint life cover:

On First death of Member or Spouse or simultaneous death of Member and

Spouse during the Period of coverage, Sum Assured on Death as per the Scheme Rules of the Master Policyholder shall be payable. Upon payment of death benefit, the cover for surviving life shall terminate.

However, on death (other than Accidental Death) of a Member/ Spouse within a period as mentioned below from the Entry Date of the member in to the scheme, 80% of the Single Premium paid (excluding extra premium and taxes if collected explicitly) shall be payable.

| Period of Coverage(in month(s)) | Period (in days) from Entry Date |
|---------------------------------|----------------------------------|
| 1 | 5 |
| 2 | 10 |
| 3 | 15 |
| 4 | 20 |
| 5 | 25 |
| 6 to 120 | 30 |

This provision mentioned above shall be applicable for all the schemes under Non-Employer-Employee groups.

Where **“Sum Assured on Death”** is defined as:

For age at entry less than 50 years

Higher of Sum Assured or 1.25 times of Single Premium paid (excluding extra premium and taxes if collected explicitly)

For age at entry 50 years and above

Higher of Sum Assured or 1.10 times of Single Premium paid (excluding extra premium and taxes if collected explicitly).

The **“Sum Assured on Death”** shall become payable in lump sum to the nominee (s)/ beneficiaries. In case the insurance is effected to cover the outstanding loan balance amount provided by the Financial Institution who is the Master Policyholder, the part of the claim proceeds will be utilized to repay the loan to the Master policyholder and the balance amount, if any, shall be paid to the nominee(s)/ beneficiary.

B. Maturity Benefit:

No Maturity Benefit shall be payable under this policy.

4. Payment of Premium:

The Single Premium shall be payable for the insurance cover in respect of each of the Member of the group on the Entry Date. The Single Premium payable for insurance cover in respect of new Member(s) joining the Scheme after the date of commencement of Policy shall depend on the actual past experience of the Scheme.

The Single Premium paid shall carry the life assurance benefit for the Members for the period in respect of which it is paid and no further.

If Joint life cover is opted for, Single Premium shall be the sum of premiums for both the lives (i.e. Member and Spouse) shall be payable at the Entry Date after allowing for applicable discount.

5. Rebates / Loadings:

In case Joint life cover is opted for, 5% discount shall be applied to the tabular premium of younger of two lives.

6. Options available under the plan:

a) Option to Member to continue the insurance cover in case of surrender by Master Policyholder:

In case of surrender of the policy by the Master Policyholder, the insurance cover of the individual members of the group who are not interested in surrendering the insurance cover and expressly conveyed to continue the insurance cover shall have an option to continue as an individual policy till their coverage is terminated.

b) Joint Life Cover Option:

This plan provides an option to Member to include his/ her Spouse for Joint life cover. This option is only available under Non-Employer-Employee group where Master Policyholder is a Financial Institution and loan is jointly availed by the Member with Spouse. This option can be exercised at Entry Date only.

In case Joint life cover is opted for, premiums are charged for both lives separately with the 5% discount offered to the premium applicable to the younger of two lives. In such case, Single Premium shall be the sum of premiums for both the lives and shall be payable at the Entry Date after allowing for applicable discount. The eligibility condition as mentioned in Para 2 above applicable to Members shall also be applicable to Spouse. However, the Period of coverage and Sum Assured for Member and Spouse shall be same.

7. Paid-Up:

There is no paid-up value available under this plan.

8. Surrender:

No Surrender Value shall be available under this plan. However, in case of surrender of the policy by the Master Policyholder / surrender of Certificate of Insurance by Member through Master Policyholder an amount equal to Unexpired Risk Premium Value, if any, shall be payable as mentioned below provided it is atleast Rs100:

Surrender of Insurance Cover by a Member

Surrender of Insurance cover by a Member shall be allowed at any time after the entry of that Member into the policy. The unexpired Risk Premium Value, if any, shall be payable on the surrender of the policy, anytime during the Period of Coverage. Such surrender request shall be submitted through the Master Policyholder.

The Unexpired Risk Premium Value in respect of that Member shall be calculated by using the following formula:

$$50\% * [(n - t)/n] * Ps * (\text{Sum Assured}/1000)$$

Where;

n = Period of Coverage of the Member in days

t = Number of days from the Entry Date of member till the date of surrender

P_s = Single Premium for Rs 1000/- Sum Assured (Single Premium shall be the sum of premiums for both the lives (i.e. Member and Spouse) shall be payable at the Entry Date after allowing for applicable discount.

The Single premium mentioned above is exclusive of extra premium and taxes if collected explicitly.

Surrender of policy by the Master Policyholder:

No Surrender Value shall be available under this plan.

However, on surrender of policy, by the Master Policyholder at any time after the date of commencement of the policy, an amount equal to Sum Total of Unexpired Risk Premium Value of the Members if any, shall be payable provided it is at least Rs.100 .

However, in case of surrender of the policy by the Master Policyholder, the individual Members of the group who are not interested in surrendering the insurance cover and expressly conveyed to continue the policy shall have an option to continue as an individual policy till their coverage is terminated.

9. Policy Loan:

No loan is available under this plan.

10. Forfeiture and Non-forfeiture Regulations:

Forfeiture Regulations:

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:

Not applicable as there is no paid up value available under this plan.

11. Termination of Insurance Cover:

The insurance cover of a Member shall terminate on the happening of any of the following events:

- (a) On ceasing the group Membership of a Member
- (b) On reaching the maximum cover ceasing age of Member. In case of Joint Life Cover opted for, on reaching the maximum cover ceasing age of Member or Spouse, whichever is earlier.
- (c) On payment of Death Benefit
- (d) On surrender of policy by Master Policyholder and if the Member does not opt to continue the cover

- (e) On surrender of cover by the Member
- (f) On payment of free look cancellation amount
- (g) On expiry of the Period of Coverage
- (h) On event of Forfeiture as specified in Para 10 above.

12. Taxes:

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

The amount of applicable taxes, as per the prevailing rates shall be payable by the Master Policyholder (Members, in case of Non-Employer-Employee group) on premiums including extra premiums if any, 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.

13. Free Look Period

(a) Applicable to Master Policyholder:

If the Master Policyholder is not satisfied with the “Terms and Conditions” of the policy, the policy may be returned to the Corporation within 30 days from the date of receipt of the Policy Bond, stating the reasons for objections and disagreement. On receipt of the same, the Corporation shall cancel the policy and refund the amount of premium deposited to the Master Policyholder after deducting the proportionate risk premium for the period of cover, and charges for stamp duty.

This clause shall not be applicable for those policies where the Policy Term is less than a year.

(b) Applicable to Member:

If the Member is not satisfied with the “Terms and Conditions” of the Certificate of Insurance, the Certificate of Insurance may be returned to the Corporation through the Master Policyholder within 30 days from the date of receipt of the Certificate of Insurance, stating the reasons for objections and disagreement. On receipt of the same, the Corporation shall cancel the Certificate of Insurance and refund the amount of premium deposited to the Member after deducting the proportionate risk premium for the period of cover, and charges for stamp duty. The Life Insurance cover shall be terminated for the Member and Spouse if Joint Life Cover is opted for, on payment of Free Look cancellation amount.

This clause shall not be applicable for those policies where the Period of Coverage is less than a year.

14. Suicide Exclusion:

In case of death of a Member/ Spouse, if joint life cover is opted for,

(whether sane or insane) due to suicide within 12 months from the Date of Commencement of the Policy or Entry date, whichever is later, the nominee (s) / beneficiary shall be entitled to claim payable shall be 80% of the Single Premium paid (excluding extra premium and taxes if collected explicitly). The Corporation will not entertain any other claim and the life insurance cover shall terminate for the Member and Spouse if Joint Life is opted for.

This clause is applicable for voluntary schemes under employer-employee groups and all the schemes under Non employer employee groups.

15. Grievance Redressal Mechanism:

Of the Corporation:

The Corporation has Grievance Redressal Officers (GROs) at Branch/ Divisional/ Zonal/ Central Office to redress grievances of customers. The customers can visit our website (<https://licindia.in/web/guest/grievances>) for names and contact details of the GROs and other information related to grievances.

For ensuring quick redressal of customer grievances the Corporation has introduced Customer friendly Integrated Complaint Management System through our Customer Portal (website) <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 id co_complaints@licindia.com for redressal of any grievances.

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.

Of IRDAI:

In case the customer is not satisfied with the response or does 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 (BIMA BHAROSA SHIKAYAT NIVARAN KENDRA))
- Sending an email to complaints@irdai.gov.in
- Register the complaint online at <https://bimabharosa.irdai.gov.in/>
- Address for sending the complaint through courier / letter:

General Manager, Policyholders Protection and Grievance Redressal Department, Insurance Regulatory and Development Authority of India, Survey No.115/1, Financial District, Nanakramguda, Gachibowli, Hyderabad-500032, Telangana.

Of Ombudsman:

For redressal of Claims related grievances, claimants can also approach Insurance Ombudsman who provides for low cost and speedy arbitration to customers.

Section 45 of the Insurance Act, 1938 (as amended from time to time)

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

- (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.

PROHIBITION OF REBATES (SECTION 41 OF THE INSURANCE ACT, 1938) as amended from time to time:

- 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.

Various Sections of the Insurance Act, 1938, applicable to LIC to apply as amended from time to time.

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.

BEWARE OF SPURIOUS PHONE CALLS AND FICTITIOUS / FRAUDULENT OFFERS

IRDAI or its officials do not involve in any activities of insurance business like selling insurance policies, announcing bonus or investment of premiums, refund of amounts. Policyholders or the prospects receiving such phone calls are requested to lodge a police complaint.

LIFE INSURANCE CORPORATION OF INDIA

“Life Insurance Corporation of India” was established on 1st September, 1956 under Life Insurance Corporation Act, 1956, with the objective of spreading life insurance more widely, in particular to the rural areas with a view to reaching all insurable persons in the country and providing them adequate financial cover against insured events. LIC continues to be the important life insurer even in the liberalized scenario of Indian insurance and is moving fast on a new growth trajectory surpassing its own past records. In its existence of over six decades, LIC has grown from strength to strength in various areas of operation.



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LIFE INSURANCE CORPORATION OF INDIA

Registered Office:

Life Insurance Corporation of India
Central Office, Yogakshema,
Jeevan Bima Marg, Mumbai – 400021.

Website: www.licindia.in

Registration Number: 512