

INFORMATION TO BE PROVIDED IN SALES BROCHURE

LIC's GROUP CREDIT LIFE INSURANCE (UIN: 512N302V02)

(A Non-Par, Non-Linked, Life, Group, Pure Risk plan)

LIC's Group Credit Life Insurance is a Non-Par, Non-Linked, Life, Group, and Pure Risk Plan. This is a single premium group credit life term insurance plan to insure the borrowers of housing loans/ vehicles/ education loans etc. This plan offers an insurance cover on death of the insured group member during the Period of Coverage.

Depending on the type of loan the amount of insurance cover may vary. The following options are available to the Master Policyholder/ Members to choose the amount of insurance covers:

1. **Option 1: Level Cover** for loans where interest is only being paid during the term.
2. **Option 2: Decreasing Cover** for loans where loan is being repaid through Equated Instalment during the term.
3. **Option 3: Increasing Cover** for loans where interest and capital is being repaid at the end of the term.
4. **Option 4: Level and then decreasing Cover** for loans where interest is being paid during the moratorium period and then the loan is being repaid through Equated Instalment.
5. **Option 5: Increasing and then decreasing Cover** for loans where interest is not being paid during the moratorium period and then the loan is being repaid through Equated Instalment.

The amount of insurance cover i.e. sum assured and hence premium shall depend on the loan amount, rate of interest, moratorium period, if any, and nature of the loan (i.e. Option chosen) as mentioned above, the sum assured in respect of each member may vary during the Period of Coverage.

The prospective policyholders are hereby informed that while making a buying decision reference may be made to the similar available products for informed decision making to choose and select the Options/Product which best suits their needs such as under annuities, ULIPs etc.

1. Key Features

- Protect insured member's family from loan liability
- Flexibility to choose insurance cover
- Flexibility to choose Period of Coverage
- A moratorium period upto 5 years under Option 4 & 5.

2. Benefits

(a) Death Benefit

On death of the member during the Period of Coverage, under a policy, Sum Assured on Death shall be payable.

Where "**Sum Assured on Death**" is defined as:

Applicable for Option 2, Option 4 and Option 5:

"**Sum assured on Death**" shall be the applicable Sum Assured as per the Risk Cover Schedule in respect of that member.

Applicable for Option 1 and 3:

- **For age at entry less than 50 years**

Higher of applicable Sum Assured as per the Risk Cover Schedule or 1.25 times of Single Premium paid (excluding extra premium and taxes, if collected separately) in respect of that member.

- **For age at entry 50 years and above**

Higher of applicable Sum Assured as per the Risk Cover Schedule or 1.10 times of Single Premium paid (excluding extra premium and taxes, if collected separately) in respect of that member.

(b) Maturity Benefit:

On survival of the member to the end of the Period of Coverage, nothing shall be payable.

3. Payment of Premium:

The Single Premium shall be payable for the insurance cover in respect of each of the Member of the group on 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 be determined based on the actual past experience of the Scheme.

4. ELIGIBILITY CONDITIONS AND OTHER RESTRICTIONS

- a) Minimum Entry Age : 18 years (completed)
- b) Maximum Entry Age : 60 years (nearest birthday)
- c) Maximum Maturity Age : 65 years (nearest birthday)
- d) Minimum Sum Assured : Rs.400000/-
- e) Maximum Sum Assured : No limit. However, maximum Sum Assured in respect of a Member shall also be consistent with the original loan amount at inception.
- f) Policy Term/ Period of Coverage : 2 to 35 years (for option 1 & 2) and
5 to 35 years (for Option 3,4 and 5)
Note: The Period of Coverage in respect of a Member shall not be more than the outstanding loan term.
- g) Minimum Moratorium Period : 1 year (Applicable for Option 4 & 5)
- h) Maximum Moratorium Period : 5 Years (Applicable for Option 4 & 5)
- i) Minimum group size : 50 members
- j) Premium payment mode : Single premium only

5. Option applicable in case of early repayment of loan:

If a member repays Outstanding Loan Balance before the end of the policy term, the member shall have an option to

- Continue the insurance cover and in case of death during the Period of Coverage, the death benefit shall be payable as mentioned Para 3 above.
- Surrender his/her insurance cover.

6. Surrender:

Surrender of insurance cover by a member:

No Surrender Value shall be available under this plan.

However, surrender of insurance cover by a member shall be allowed at any time after the entry of the member into the policy but before 6 months prior to the end of Period of Coverage, provided the loan is fully repaid. On surrender, an amount equal to Unexpired Risk Premium Value in respect of that member, if any, shall be payable provided such value is at least Rs 100. Such surrender request shall be submitted through the Master Policyholder.

The Unexpired Risk Premium Value payable to a member shall be equal to applicable Surrender Value Factor multiplied by single premium paid (excluding extra premium and taxes, if collected separately) in

respect of that member. The applicable Surrender Value Factors shall depend on the Period of Coverage and duration elapsed since the entry date of the member and is enclosed as specified in the Table below.

Duration from Entry Date (in years)	Surrender Value Factors																																			Duration from Entry Date (in years)																																																																																																																																																																																																																																								
	Period of Coverage (in Years)																																																																																																																																																																																																																																																																											
0.00	17.60%	26.00%	31.08%	34.64%	36.79%	38.65%	40.02%	41.07%	41.99%	42.73%	43.35%	43.86%	44.27%	44.58%	45.08%	45.38%	45.66%	45.91%	46.14%	46.35%	46.55%	46.71%	46.88%	47.04%	47.18%	47.31%	47.44%	47.56%	47.67%	47.78%	47.89%	47.99%	48.08%	48.17%	48.25%	48.30%	48.34%	48.37%	48.39%	48.40%	48.41%	48.42%	48.43%	48.44%	48.45%	48.46%	48.47%	48.48%	48.49%	48.50%	48.51%	48.52%	48.53%	48.54%	48.55%	48.56%	48.57%	48.58%	48.59%	48.60%	48.61%	48.62%	48.63%	48.64%	48.65%	48.66%	48.67%	48.68%	48.69%	48.70%	48.71%	48.72%	48.73%	48.74%	48.75%	48.76%	48.77%	48.78%	48.79%	48.80%	48.81%	48.82%	48.83%	48.84%	48.85%	48.86%	48.87%	48.88%	48.89%	48.90%	48.91%	48.92%	48.93%	48.94%	48.95%	48.96%	48.97%	48.98%	48.99%	49.00%																																																																																																																																																																								
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2.00	0.00%	0.38%	9.04%	15.77%	20.60%	24.60%	28.03%	30.60%	32.74%	34.53%	36.09%	37.37%	38.51%	39.53%	40.45%	41.23%	41.98%	42.59%	43.20%	43.76%	44.28%	44.72%	45.14%	45.57%	45.93%	46.28%	46.63%	46.98%	47.24%	47.52%	47.81%	48.06%	48.33%	48.57%	48.81%	49.05%	49.29%	49.53%	49.77%	50.01%	50.25%	50.49%	50.73%	50.97%	51.21%	51.45%	51.69%	51.93%	52.17%	52.41%	52.65%	52.89%	53.13%	53.37%	53.61%	53.85%	54.09%	54.33%	54.57%	54.81%	55.05%	55.29%	55.53%	55.77%	56.01%	56.25%	56.49%	56.73%	56.97%	57.21%	57.45%	57.69%	57.93%	58.17%	58.41%	58.65%	58.89%	59.13%	59.37%	59.61%	59.85%	60.09%	60.33%	60.57%	60.81%	61.05%	61.29%	61.53%	61.77%	62.01%	62.25%	62.49%	62.73%	62.97%	63.21%	63.45%	63.69%	63.93%	64.17%	64.41%	64.65%	64.89%	65.13%	65.37%	65.61%	65.85%	66.09%	66.33%	66.57%	66.81%	67.05%	67.29%	67.53%	67.77%	68.01%	68.25%	68.49%	68.73%	68.97%	69.21%	69.45%	69.69%	69.93%	70.17%	70.41%	70.65%	70.89%	71.13%	71.37%	71.61%	71.85%	72.09%	72.33%	72.57%	72.81%	73.05%	73.29%	73.53%	73.77%	74.01%	74.25%	74.49%	74.73%	74.97%	75.21%	75.45%	75.69%	75.93%	76.17%	76.41%	76.65%	76.89%	77.13%	77.37%	77.61%	77.85%	78.09%	78.33%	78.57%	78.81%	79.05%	79.29%	79.53%	79.77%	80.01%	80.25%	80.49%	80.73%	80.97%	81.21%	81.45%	81.69%	81.93%	82.17%	82.41%	82.65%	82.89%	83.13%	83.37%	83.61%	83.85%	84.09%	84.33%	84.57%	84.81%	85.05%	85.29%	85.53%	85.77%	86.01%	86.25%	86.49%	86.73%	86.97%	87.21%	87.45%	87.69%	87.93%	88.17%	88.41%	88.65%	88.89%	89.13%	89.37%	89.61%	89.85%	90.09%	90.33%	90.57%	90.81%	91.05%	91.29%	91.53%	91.77%	92.01%	92.25%	92.49%	92.73%	92.97%	93.21%	93.45%	93.69%	93.93%	94.17%	94.41%	94.65%	94.89%	95.13%	95.37%	95.61%	95.85%	96.09%	96.33%	96.57%	96.81%	97.05%	97.29%	97.53%	97.77%	98.01%	98.25%	98.49%	98.73%	98.97%	99.21%	99.45%	99.69%	99.93%	100.00%																			
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Member, then and in every such case the policy shall be void and all claims to any benefit by virtue thereof shall be subject to the provisions of Section 45 of the Insurance Act, 1938 as amended from time to time.

Non –forfeiture Regulations:

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

9. Termination of Insurance Cover:

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

- (a) On payment of Death Benefit
- (b) On expiry of the Period of Coverage in respect of that member
- (c) On surrender of policy by Master Policyholder and if the Member does not opt to continue the cover
- (d) On surrender of insurance cover by the Member
- (e) On payment of free look cancellation amount
- (f) On event of Forfeiture as specified in Para 8 above.

10. 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/ Member on premiums including extra premiums if any, which shall be collected separately over and above in addition to the premiums payable by the Master Policyholder/Member. The amount of Tax paid shall not be considered for the calculation of benefits payable under the plan.

11. 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 electronic or physical mode the Policy Document, whichever is earlier, stating the reasons for objections. On receipt of the same, the Corporation shall cancel the policy and return 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.

(b) Applicable to Member:

If the Member is not satisfied with the “Terms and Conditions” of the policy, the Certificate of Insurance may be returned to the Corporation within 30 days from the date of receipt of the electronic or physical mode of the Certificate of Insurance, whichever is earlier, stating the reasons for objections. On receipt of the same, the Corporation shall cancel the Certificate of Insurance and return 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, on payment of Free Look cancellation amount.

12. Suicide Exclusion:

In the event of death of a Member (whether sane or insane) due to suicide within 12 months from the Date of Commencement of the Policy or Entry date, whichever occurs later, the Nominee or Beneficiary shall be entitled to 80% of the Single Premium paid (excluding extra premium and taxes, if collected explicitly) for the Member. The Corporation will not entertain any other claim and the insurance cover shall terminate for the Member.

13. 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.

Note: In case of dispute in respect of interpretation of these terms and conditions mentioned in this Document, the English version shall stand valid.

Section 45 of the Insurance Act, 1938

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):

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 punishable with fine which may extend to ten lakh rupees.

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 P&GS units.

BEWARE OF SPURIOUS PHONE CALLS AND FICTITIOUS/FRAUDULENT OFFERS

IRDAI or its officials do not involved 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 alongwith details of phone call and number.

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.

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