

## INFORMATION TO BE PROVIDED IN SALES BROCHURE

### LIC's Saral Pension (UIN: 512N342V03)

(A Non-Linked, Non-Participating, Single Premium, Individual Immediate Annuity Plan)

#### 1. Introduction:

- This is a Standard Immediate Annuity plan as per the guidelines of Insurance Regulatory and Development Authority of India (IRDAI), which offers same terms and conditions across all the life insurers.
- The Policyholder has an option to choose type of annuity from two available options on payment of a lump sum amount.
- The annuity rates are guaranteed at the inception of the policy and annuities are payable throughout the life time of Annuitant(s).
- This plan can be purchased offline as well as online through LIC's website [www.licindia.in](http://www.licindia.in).

#### 2. Annuity Options:

The available annuity options under this plan are as under:

**Option I:** Life Annuity with Return of 100% of Purchase Price.

**Option II:** Joint Life Last Survivor Annuity with Return of 100% of Purchase Price on death of the last survivor.

Annuity option once chosen cannot be altered.

#### 3. Benefits:

Benefits payable under above options are:

Option	Benefits
<b>Option I</b>	<ul style="list-style-type: none"><li>• The annuity payments shall be made in arrears for as long as the Annuitant is alive, as per the chosen mode of annuity payment.</li><li>• On death of the annuitant, the annuity payment shall cease immediately and 100% of Purchase Price shall be payable to nominee(s)/legal heirs.</li></ul>
<b>Option II</b>	<ul style="list-style-type: none"><li>• The annuity amount shall be paid in arrears for as long as the Annuitant and/or spouse are alive, as per the chosen mode of annuity payment.</li><li>• On death of the last survivor, the annuity payments will cease immediately and 100% of Purchase Price shall be payable to the nominee(s)/legal heirs.</li></ul>

#### 4. Eligibility Criteria:

- i. Minimum Age at Entry:40 years(completed)
- ii. Maximum Age at Entry:80 years (completed)
- iii. Minimum Annuity:

Annuity Mode	Monthly	Quarterly	Half-yearly	Annual
<b>Minimum Annuity</b>	Rs.1,000 per month	Rs.3,000 per quarter	Rs.6,000 per half year	12,000 per annum

- iv. Minimum Purchase Price: Minimum Purchase price shall depend on the Minimum Annuity as specified in (iii)above, Option chosen and age of the Annuitant.
- v. Maximum Purchase Price: No Limit

- Note: 1) The Joint Life Annuity, i.e. Option II, can be taken with spouse only.  
2) For Joint life annuity options, age of spouse shall also be subject to Minimum Entry Age as specified in (i) and Maximum Entry Age as specified in (ii) above.

**5. Mode of Annuity payment:**

The modes of annuity available are yearly, half-yearly, quarterly, and monthly. The Annuity shall be payable in arrears i.e. the annuity payment shall be after 1 year, 6 months, 3 months and 1 month from the date of commencement of policy depending on whether the mode of annuity payment is Yearly, Half yearly, Quarterly and Monthly respectively.

**6. Incentives:**

The following incentives are available under this plan:

- i. Incentive for higher purchase price by way of increase in the annuity rate is as under:

Mode of Annuity	For Rs. 1000/-Purchase price (in Rs.)			
	Less than 5,00,000	5,00,000 to 9,99,999	10,00,000 to 24,99,999	25,00,000 and above
Yearly	Nil	0.80	1.45	1.80
Half Yearly	Nil	0.75	1.40	1.75
Quarterly	Nil	0.70	1.35	1.70
Monthly	Nil	0.65	1.30	1.65

- ii. Incentive for Online Sale by way of increase in the annuity rate is as under:  
A rebate of 2% by way of increase in annuity shall be available for policies purchased Online.

**7. Illustration:**

Purchase Price :Rs. 10 lakh (excluding applicable taxes)  
Annuity Mode : Yearly  
Age of Annuitant at entry : 60 years (completed)  
Age of Spouse at entry : 55 years (completed) (applicable for Option II only)

Annuity Option	Annuity Amount (Rs.)
<b>Option I:</b> Life Annuity with Return of 100% of Purchase Price	58,950
<b>Option II:</b> Joint Life Last Survivor Annuity with Return of 100% of Purchase Price on death of the last survivor.	58,250

For death benefit under above options, please refer to Para 3 above.

**8. Surrender Value:**

The policy can be surrendered at any time after six months from the date of commencement, if the annuitant or spouse or any of the children of the annuitant is diagnosed as suffering from any of the specified critical illnesses as Annexure, based on the documents produced to the satisfaction of the medical examiner of the Corporation.

On approval of the surrender, 95% of the Purchase Price shall be paid to the annuitant, subject to deduction of any outstanding loan amount and the loan interest, if any.

On payment of the surrender value, all other benefits shall cease and the policy shall terminate.

Any change in the surrender value calculation method shall be applicable only after the prior approval of IRDAI.

Note: The insurance policy being a long term contract should be taken from the long term perspective of continuing the policy. While there is provision for surrender, it may be noted that there can be significant loss on surrender of a policy and hence, it is advisable to continue the policy.

#### **9. Loan:**

The Policy loan shall be allowed at any time after six months from the date of commencement of the policy.

Under joint life annuity option, the loan can be availed by the Annuitant and on death of Annuitant the same can be availed by the spouse.

The maximum amount of loan that can be granted under the policy shall be such that the effective annual interest amount payable on loan does not exceed 50% of the annual annuity amount payable under the policy.

Loan interest will be recovered from annuity amount payable under the policy. The Loan interest will accrue as per the frequency of annuity payment under the policy and it will be due on the due date of annuity. The loan outstanding shall be recovered from the claim proceeds under the policy. However, the annuitant has the flexibility to repay the loan principal at any time during the currency of the annuity payments.

The loan interest rate for all the loans commencing during the 12 months' period from 1<sup>st</sup> May to 30<sup>th</sup> April, shall be annual effective rate equal to 10 year G-Sec rate p.a. **plus** 200 basis points. The 10 year G-Sec rate shall be as at 1<sup>st</sup> April of relevant financial year. The calculated interest rate shall be applicable for full term of Loan.

For the loan sanctioned during the 12 months' period commencing from 1<sup>st</sup> May, 2022 to 30<sup>th</sup> April, 2023, the applicable interest rate is 8.98%p.a. effective for entire term of the loan.

Any change in basis of determination of interest rate for policy loan shall be subject to prior approval of IRDAI.

#### **10. Tax:**

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 any applicable taxes (such as GST), payable as per the prevailing rates, shall be payable by the policyholder on Premium payable under the policy, which shall be collected separately in addition to the Premium 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.

#### **11. 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 30 days from the date of receipt of the electronic or physical mode of 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 Premium paid after deducting the charges for stamp duty and annuity paid, if any. The treatment of the policy shall be as below:

- a) For standalone immediate annuity policies: The proceeds from cancellation shall be returned to the policyholder.
- b) If this policy is purchased out of proceeds of a deferred pension plan of any other insurance company: The proceeds from cancellation will be transferred back to the insurance company.

## **12. 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 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.
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.]*

### **13. Prohibition of rebates Section 41 of 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.

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](http://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.

To purchase the policy online please log on to [www.licindia.in](http://www.licindia.in).

### **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](http://www.licindia.in)  
Registration Number: 512

## List of Critical Illnesses

### 1. CANCER OF SPECIFIED SEVERITY

- I. A malignant tumor characterized by the uncontrolled growth and spread of malignant cells with invasion and destruction of normal tissues. This diagnosis must be supported by histological evidence of malignancy. The term cancer includes leukemia, lymphoma and sarcoma.
- II. The following are excluded –
  - i. All tumors which are histologically described as carcinoma in situ, benign, pre- malignant, borderline malignant, low malignant potential, neoplasm of unknown behavior, or non-invasive, including but not limited to: Carcinoma in situ of breasts, Cervical dysplasia CIN-1, CIN -2 and CIN-3.
  - ii. Any non-melanoma skin carcinoma unless there is evidence of metastases to lymph nodes or beyond;
  - iii. Malignant melanoma that has not caused invasion beyond the epidermis;
  - iv. All tumors of the prostate unless histologically classified as having a Gleason score greater than 6 or having progressed to at least clinical TNM classification T2N0M0
  - v. All Thyroid cancers histologically classified as T1N0M0 (TNM Classification) or below;
  - vi. Chronic lymphocytic leukaemia less than RAI stage 3
  - vii. Non-invasive papillary cancer of the bladder histologically described as TaN0M0 or of a lesser classification,
  - viii. All Gastro-Intestinal Stromal Tumors histologically classified as T1N0M0 (TNM Classification) or below and with mitotic count of less than or equal to 5/50 HPFs;

### 2. MYOCARDIAL INFARCTION

(First Heart Attack of specific severity)

- I. The first occurrence of heart attack or myocardial infarction, which means the death of a portion of the heart muscle as a result of inadequate blood supply to the relevant area.  
The diagnosis for Myocardial Infarction should be evidenced by all of the following criteria:
  - i. A history of typical clinical symptoms consistent with the diagnosis of acute myocardial infarction (For e.g. typical chest pain)
  - ii. New characteristic electrocardiogram changes
  - iii. Elevation of infarction specific enzymes, Troponins or other specific biochemical markers.
- II. The following are excluded:
  - i. Other acute Coronary Syndromes
  - ii. Any type of angina pectoris
  - iii. A rise in cardiac biomarkers or Troponin T or I in absence of overt ischemic heart disease OR following an intra-arterial cardiac procedure.

### 3. OPEN CHEST CABG

- I. The actual undergoing of heart surgery to correct blockage or narrowing in one or more coronary artery(s), by coronary artery bypass grafting done via a sternotomy (cutting through the breast bone) or minimally invasive keyhole coronary artery bypass procedures. The diagnosis must be supported by a coronary angiography and the realization of surgery has to be confirmed by a cardiologist.
- II. The following are excluded:

- i. Angioplasty and/or any other intra-arterial procedures

#### **4. OPEN HEART REPLACEMENT OR REPAIR OF HEART VALVES**

- I. The actual undergoing of open-heart valve surgery is to replace or repair one or more heart valves, as a consequence of defects in, abnormalities of, or disease-affected cardiac valve(s). The diagnosis of the valve abnormality must be supported by an echocardiography and the realization of surgery has to be confirmed by a specialist medical practitioner. Catheter based techniques including but not limited to, balloon valvotomy/valvuloplasty are excluded.

#### **5. COMA OF SPECIFIED SEVERITY**

- I. A state of unconsciousness with no reaction or response to external stimuli or internal needs. This diagnosis must be supported by evidence of all of the following:
  - i. no response to external stimuli continuously for at least 96 hours;
  - ii. life support measures are necessary to sustain life; and
  - iii. permanent neurological deficit which must be assessed at least 30 days after the onset of the coma.
- II. The condition has to be confirmed by a specialist medical practitioner. Coma resulting directly from alcohol or drug abuse is excluded.

#### **6. KIDNEY FAILURE REQUIRING REGULAR DIALYSIS**

- I. End stage renal disease presenting as chronic irreversible failure of both kidneys to function, as a result of which either regular renal dialysis (haemodialysis or peritoneal dialysis) is instituted or renal transplantation is carried out. Diagnosis has to be confirmed by a specialist medical practitioner.

#### **7. STROKE RESULTING IN PERMANENT SYMPTOMS**

- I. Any cerebrovascular incident producing permanent neurological sequelae. This includes infarction of brain tissue, thrombosis in an intracranial vessel, haemorrhage and embolisation from an extracranial source. Diagnosis has to be confirmed by a specialist medical practitioner and evidenced by typical clinical symptoms as well as typical findings in CT Scan or MRI of the brain. Evidence of permanent neurological deficit lasting for at least 3 months has to be produced.
- II. The following are excluded:
  - i. Transient ischemic attacks (TIA)
  - ii. Traumatic injury of the brain
  - iii. Vascular disease affecting only the eye or optic nerve or vestibular functions.

#### **8. MAJOR ORGAN /BONE MARROW TRANSPLANT**

- I. The actual undergoing of a transplant of:
  - i. One of the following human organs: heart, lung, liver, kidney, pancreas, that resulted from irreversible end-stage failure of the relevant organ, or
  - ii. Human bone marrow using haematopoietic stem cells. The undergoing of a transplant has to be confirmed by a specialist medical practitioner.
- II. The following are excluded:

- i. Other stem-cell transplants
- ii. Where only islets of langerhans are transplanted

## **9. PERMANENT PARALYSIS OF LIMBS**

- I. Total and irreversible loss of use of two or more limbs as a result of injury or disease of the brain or spinal cord. A specialist medical practitioner must be of the opinion that the paralysis will be permanent with no hope of recovery and must be present for more than 3 months.

## **10. MOTOR NEURON DISEASE WITH PERMANENT SYMPTOMS**

- I. Motor neuron disease diagnosed by a specialist medical practitioner as spinal muscular atrophy, progressive bulbar palsy, amyotrophic lateral sclerosis or primary lateral sclerosis. There must be progressive degeneration of corticospinal tracts and anterior horn cells or bulbar efferent neurons. There must be current significant and permanent functional neurological impairment with objective evidence of motor dysfunction that has persisted for a continuous period of at least 3 months.

## **11. MULTIPLE SCLEROSIS WITH PERSISTING SYMPTOMS**

- I. The unequivocal diagnosis of Definite Multiple Sclerosis confirmed and evidenced by all of the following:
  - i. investigations including typical MRI findings which unequivocally confirm the diagnosis to be multiple sclerosis and
  - ii. there must be current clinical impairment of motor or sensory function, which must have persisted for a continuous period of at least 6 months.
- II. Neurological damage due to Systemic lupus erythematosus (SLE) is excluded.

## **12. BENIGN BRAIN TUMOR**

- I. Benign brain tumor is defined as a life threatening, non-cancerous tumor in the brain, cranial nerves or meninges within the skull. The presence of the underlying tumor must be confirmed by imaging studies such as CT scan or MRI.
- II. This brain tumor must result in at least one of the following and must be confirmed by the relevant medical specialist.
  - i. Permanent Neurological deficit with persisting clinical symptoms for a continuous period of at least 90 consecutive days or
  - ii. Undergone surgical resection or radiation therapy to treat the brain tumor.
- III. The following conditions are excluded:

Cysts, Granulomas, malformations in the arteries or veins of the brain, hematomas, abscesses, pituitary tumors, tumors of skull bones and tumors of the spinal cord.

## **13. BLINDNESS**

- I. Total, permanent and irreversible loss of all vision in both eyes as a result of illness or accident.
- II. The Blindness is evidenced by:
  - i. corrected visual acuity being 3/60 or less in both eyes or ;
  - ii. the field of vision being less than 10 degrees in both eyes.



- III. The diagnosis of blindness must be confirmed and must not be correctable by aids or surgical procedure.

#### **14. END STAGE LUNG FAILURE**

- I. End stage lung disease, causing chronic respiratory failure, as confirmed and evidenced by all of the following:
  - i. FEV1 test results consistently less than 1 litre measured on 3 occasions 3 months apart; and
  - ii. Requiring continuous permanent supplementary oxygen therapy for hypoxemia; and
  - iii. Arterial blood gas analysis with partial oxygen pressure of 55mmHg or less (PaO<sub>2</sub> < 55mmHg); and
  - iv. Dyspnea at rest.

#### **15. END STAGE LIVER FAILURE**

- I. Permanent and irreversible failure of liver function that has resulted in all three of the following:
  - Permanent jaundice; and
  - Ascites; and
  - Hepatic encephalopathy.
- II. Liver failure secondary to drug or alcohol abuse is excluded.

#### **16. LOSS OF SPEECH**

- I. Total and irrecoverable loss of the ability to speak as a result of injury or disease to the vocal cords. The inability to speak must be established for a continuous period of 12 months. This diagnosis must be supported by medical evidence furnished by an Ear, Nose, Throat (ENT) specialist.

#### **17. LOSS OF LIMBS**

- I. The physical separation of two or more limbs, at or above the wrist or ankle level limbs as a result of injury or disease. This will include medically necessary amputation necessitated by injury or disease. The separation has to be permanent without any chance of surgical correction. Loss of Limbs resulting directly or indirectly from self-inflicted injury, alcohol or drug abuse is excluded.

#### **18. MAJOR HEAD TRAUMA**

- I. Accidental head injury resulting in permanent Neurological deficit to be assessed no sooner than 3 months from the date of the accident. This diagnosis must be supported by unequivocal findings on Magnetic Resonance Imaging, Computerized Tomography, or other reliable imaging techniques. The accident must be caused solely and directly by accidental, violent, external and visible means and independently of all other causes.
- II. The Accidental Head injury must result in an inability to perform at least three (3) of the following Activities of Daily Living either with or without the use of mechanical equipment, special devices or other aids and adaptations in use for disabled persons. For the purpose of this benefit, the word “permanent” shall mean beyond the scope of recovery with current medical knowledge and technology.
- III. The Activities of Daily Living are:
  - i. Washing: the ability to wash in the bath or shower (including getting into and out of the bath or shower) or wash satisfactorily by other means;

- ii. Dressing: the ability to put on, take off, secure and unfasten all garments and, as appropriate, any braces, artificial limbs or other surgical appliances;
  - iii. Transferring: the ability to move from a bed to an upright chair or wheelchair and vice versa;
  - iv. Mobility: the ability to move indoors from room to room on level surfaces;
  - v. Toileting: the ability to use the lavatory or otherwise manage bowel and bladder functions so as to maintain a satisfactory level of personal hygiene;
  - vi. Feeding: the ability to feed oneself once food has been prepared and made available.
- IV. The following are excluded:
- i. Spinal cord injury;

### **19. PRIMARY (IDIOPATHIC) PULMONARY HYPERTENSION**

- I. An unequivocal diagnosis of Primary (Idiopathic) Pulmonary Hypertension by a Cardiologist or specialist in respiratory medicine with evidence of right ventricular enlargement and the pulmonary artery pressure above 30 mm of Hg on Cardiac Catheterization. There must be permanent irreversible physical impairment to the degree of at least Class IV of the New York Heart Association Classification of cardiac impairment.
- II. The NYHA Classification of Cardiac Impairment are as follows:
  - i. Class III: Marked limitation of physical activity. Comfortable at rest, but less than ordinary activity causes symptoms.
  - ii. Class IV: Unable to engage in any physical activity without discomfort. Symptoms may be present even at rest.
- III. Pulmonary hypertension associated with lung disease, chronic hypoventilation, pulmonary thromboembolic disease, drugs and toxins, diseases of the left side of the heart, congenital heart disease and any secondary cause are specifically excluded.

### **20. THIRD DEGREE BURNS**

- I. There must be third-degree burns with scarring that cover at least 20% of the body's surface area. The diagnosis must confirm the total area involved using standardized, clinically accepted, body surface area charts covering 20% of the body surface area.