

**LIFE INSURANCE CORPORATION OF INDIA
CENTRAL OFFICE**

Dept: Actuarial

“Yogakshema”
Jeevan Bima Marg
Mumbai – 400 021

Ref: CO/PD/296

Date: 02.12.2025

To,
All HODs of Central Office
All Zonal Offices
All Divisional Offices
All P&GS Units
All Branch Offices & Satellite Offices
Audit & Inspection Depts., MDC, ZTCs, STCs

Re: INTRODUCTION OF LIC's Bima Kavach (Plan No. 887)

1. INTRODUCTION:

It has been decided to introduce **LIC's Bima Kavach (Plan No. 887)** with effect from **03.12.2025**.

The Unique Identification Number (UIN) for LIC's Bima Kavach is **512N360V01**. This number has to be quoted in all relevant documents furnished to the Policyholders and other users (public, distribution channels).

LIC's **Bima Kavach** is a Non-Par, Non-Linked, Life, Individual, Pure Risk plan. This plan provides financial support to the insured's family in case of his/her unfortunate death during policy term.

The proposer will have the following **two** Death Benefit options to choose and the same are further detailed in Para 4(a):

- Option I: Level Sum Assured
- Option II: Increasing Sum Assured.

The proposer has to choose one of the above mentioned options at the proposal stage itself subject to eligibility conditions as mentioned in Para 2 below. The premium and benefits shall vary as per the Option chosen and cannot be altered subsequently.

Under this plan, there are two categories of premium rates viz. (1) Non-Smoker rates and (2) Smoker rates. The Proposer/Life to be assured has an option to choose between Non-Smoker and Smoker category. However, in order to choose Non-Smoker category (for which the premium rates are lower than Smoker category), Life to be assured will have to undergo an additional medical test- Urinary Cotinine test. Based on the findings of the Urinary Cotinine test and subject to the Board Approved Underwriting policy of the Corporation, Non-Smoker/Smoker premium rates shall be applicable. **In case Life to be assured does not undergo Urinary Cotinine test, Smoker rates shall be applicable.**

This plan can be purchased Offline through Agents, Corporate Agents, Brokers and Insurance Marketing Firms (IMF) as well as Online directly through website www.licindia.in. **Proposals through Agents / Intermediaries shall be through “ANANDA” only.**

The benefits and other details of the plan are given below:

2. ELIGIBILITY CONDITIONS AND RESTRICTIONS FOR BASE PLAN:

- a) Minimum Age at entry : 18 years (last birthday)

- b) Maximum Age at entry : 65 years (last birthday)
However, the proposal for ages above 60 years (last birthday) to be considered on case to case basis in accordance with Board Approved Underwriting Policy, Reinsurer's acceptance and other Terms & Conditions in this regard as applicable.
- c) Minimum age at Maturity : 28 years (last birthday)
- d) Maximum age at Maturity : 100 years (last birthday)
- e) Minimum Basic Sum Assured : Rs. 2,00,00,000/-.
- f) Maximum Basic Sum Assured : No limits.
However, the maximum Basic Sum Assured allowed to each individual will be subject to underwriting decision as per the Board Approved Underwriting Policy.

The Basic Sum Assured shall be in multiples of amounts specified below:

Basic Sum Assured range	Sum Assured Multiple
From Rs. 2,00,00,000/- to Rs. 2,75,00,000/-	Rs. 5,00,000/-
Above Rs. 2,75,00,000/-	Rs. 25,00,000/-

g) Policy Term:

Premium Payment	Minimum Policy Term (yrs)	Maximum Policy Term (yrs)*
Single Premium	10	82
Limited Premium Payment:		
5 years	10	
10 years	15	
15 years	20	
Regular	10	

* The maximum Policy Term for Option I- Level Sum Assured death benefit option and Option II- Increasing Sum Assured death benefit option for different premium payment shall be subject to maximum Age at Maturity of 100 years (last birthday).

- h) Premium Payment Term : Single Premium: Single Pay
Limited Premium Payment: 5, 10, 15 years
Regular: Same as Policy Term

3. OTHER CONDITIONS FOR BASE PLAN:

- i) **Date of commencement of Risk**: The risk will commence immediately from the date of issuance of policy.
- ii) **Date of issuance of policy** is a date when a proposal after underwriting is accepted as a policy and the contract gets effected.

4. BENEFITS UNDER THE BASE PLAN:

The benefits payable under an in-force policy are as under:

a) **Death Benefit:**

Death benefit, payable on death of the Life Assured during the policy term after the date of commencement of risk but before the stipulated Date of Maturity, provided the policy is in-force and claim is admissible shall be "**Sum Assured on Death**".

Under Regular premium and Limited premium payment policy, "Sum Assured on Death" is defined as the highest of:

- 7 times of Annualized Premium; or
- 105% of "Total Premium Paid" upto the date of death; or
- Absolute amount assured to be paid on death.

Under Single premium payment policy, “Sum Assured on Death” is defined as the higher of:

- 125% of Single Premium; or
- Absolute amount assured to be paid on death.

Where,

- i. “Annualized Premium” shall be the premium amount payable in a year, excluding the taxes, rider premiums, underwriting extra premiums and loadings for modal premiums.
- ii. “Single Premium” shall be the premium amount payable, excluding the taxes, rider premiums, underwriting extra premiums.
- iii. “Total Premiums Paid” means total of all the premiums paid under the base product, excluding any extra premium, and taxes, if collected explicitly. If Life Stage Option has been exercised, the Total Premiums Paid shall also include the additional premium(s) paid.

Absolute amount assured to be paid on death shall depend on Death Benefit Option chosen at the time of taking this policy and is as under:

- **Option I: Level Sum Assured:** “Absolute amount assured to be paid on death” shall be an amount equal to Basic Sum Assured, which shall remain the same throughout the policy term. However, in case the Life Assured has opted for Life Stage Option (as mentioned in Para 6.1), the Basic Sum Assured shall be increased by each of the additional Basic Sum Assured, on exercise of the respective life stage event(s) and shall be effective from the policy anniversary coinciding with or next policy anniversary following the date of acceptance by the Corporation, and on payment of every such additional premium related to the respective life stage event(s).
- **Option II: Increasing Sum Assured:** “Absolute amount assured to be paid on death” shall remain equal to Basic Sum Assured till completion of fifth policy year. Thereafter, it increases by 10% of Basic Sum Assured each year from the sixth policy year till fifteenth policy year till it becomes twice the Basic Sum Assured. This increase will continue under an in-force policy till the end of policy term; or till the Date of Death; or till the fifteenth policy year, whichever is earlier. From sixteenth policy year and onwards, the “Absolute amount assured to be paid on death” remains constant i.e. twice the Basic Sum Assured, till the policy term ends.

The proposer has to **choose one of the Death Benefit Options at proposal stage itself** and mention the same in the Proposal Form clearly. **The option once chosen cannot be altered subsequently.**

Examples for “Absolute Amount Assured to be paid on death” under Option II (Increasing Sum Assured) for Basic Sum Assured of Rs. 2,00,00,000 opted at inception for different Policy Terms.

(In Rs.)

Policy year	Policy Term = 15 years	Policy Term = 20 years
1	2,00,00,000	2,00,00,000
2	2,00,00,000	2,00,00,000
3	2,00,00,000	2,00,00,000
4	2,00,00,000	2,00,00,000
5	2,00,00,000	2,00,00,000
6	2,20,00,000	2,20,00,000
7	2,40,00,000	2,40,00,000
8	2,60,00,000	2,60,00,000
9	2,80,00,000	2,80,00,000
10	3,00,00,000	3,00,00,000
11	3,20,00,000	3,20,00,000

12	3,40,00,000	3,40,00,000
13	3,60,00,000	3,60,00,000
14	3,80,00,000	3,80,00,000
15	4,00,00,000	4,00,00,000
16	-	4,00,00,000
17	-	4,00,00,000
18	-	4,00,00,000
19	-	4,00,00,000
20	-	4,00,00,000

*Note: Policy year is the period between two consecutive policy anniversaries. This period includes the first day and excludes the next policy anniversary day.

b) Maturity Benefit:

On the life assured surviving to the date of maturity, no maturity benefit is payable.

5. OPTIONAL RIDER BENEFIT:

The following optional rider shall be available under this plan (under both the Option I and II) by payment of additional premium and shall be subject to the eligibility as detailed below.

LIC's Accident Benefit Rider (UIN: 512B203V03):

LIC's Accident Benefit Rider is available as an optional Rider under Regular and Limited Premium payment policies by payment of additional premium. This rider shall not be available under Single Premium policies.

Under an in-force policy, this Rider can be opted for at any time within the Premium Paying Term of the Base Policy provided the outstanding Premium Paying Term of the Base Plan as well the rider is atleast 5 years but before the policy anniversary on which the age nearer birthday of Life Assured is 65 years. The benefit cover under this Rider shall be available **only during the Premium Payment Term of the Base Policy or before the policy anniversary, on which the age nearest birthday is 70 years, whichever is earlier.** Thereafter, the cover shall cease.

If this rider is opted for and if the Life Assured is involved in an accident leading to death within 180 days from the date of accident then an amount equal to the Accident Benefit Sum Assured is payable. However, the policy shall have to be in-force at the time of accident irrespective of whether or not it is in-force at the time of death.

LIC's Accident Benefit Rider shall not acquire any paid-up value and the Rider benefit will cease to apply, if policy is in lapsed condition.

Beyond the specific details as mentioned in this Circular in respect of this Rider, any additional details like requirements of claim etc., may be referred from the Rider Circular Ref: CO/PD/224 dated 30th September, 2024.

Eligibility conditions and restrictions:

- a) Minimum Entry Age : 18 years (completed)
- b) Maximum Entry Age : The cover can be opted for at inception or at any policy anniversary thereafter, provided the outstanding Premium Payment Term under the Base Policy as well as rider is at least 5 years. However, in any case the maximum age at entry shall not exceed 65 years (nearer birthday).
- c) Rider Term : Outstanding premium payment term of the Base Plan or (70 minus age at entry), whichever is lower
- d) Cover ceasing Age : 70 years (nearer birthday)

e) Minimum Accident Benefit Sum Assured: Rs. 20,000/-

f) Maximum Accident Benefit Sum Assured: An amount subject to the maximum of Rs.100 lakhs overall limit taking all existing policies (excluding additional limit of Rs 100 lakhs under policies taken under LIC's Jeevan Shiromani) of the Life Assured under individual as well as group policies including policies with inbuilt accident benefit taken with Life Insurance Corporation of India and the Accident Benefit Sum Assured under the new proposal into consideration.

Even considering the additional Accident Benefit Sum Assured limit of Rs. 100 lakhs above this, allowed under LIC's Jeevan Shiromani only, the maximum Accident Benefit cover offered to an individual in any case including the policies taken under LIC's Jeevan Shiromani will not exceed Rs. 200 lakhs.

The Accident Benefit Sum Assured shall be in multiples of Rs. 5,000/-only.

Note: The overall limit of Accident Benefit Sum Assured shall be inclusive of Sum Assured under all the Accident Benefit Riders i.e. the LIC's Accidental Death and Disability Benefit Rider, LIC's Accident Benefit Rider, LIC's Group Accident Benefit Rider and LIC's Linked Accidental Death Benefit Rider.

Note: The premiums under above life insurance rider shall not exceed 30% of premiums under the base product.

6. OPTION AVAILABLE UNDER THE BASE PLAN:

I. Life Stage Option:

Life Stage Option is an option available to the Life Assured at policy inception to increase the Basic Sum Assured under the policy on attaining the defined life stages during the Policy Term. This option shall be provided to the Life Assured subject to satisfying the following criteria:

- If Option - I (i.e. Level Sum Assured) and Regular Premium Payment has been opted for.
- Age of Life Assured at entry is less than or equal to 40 years (last birthday).
- Life Assured is underwritten as a standard life at policy inception as per the Board approved Underwriting Policy of the Corporation.

The increase in Basic Sum Assured shall not be subject to any further medical underwriting except for the requirement to submit valid documents to support the fulfilment of the conditions required for exercising the option.

Under this option, Life Assured can opt to increase the Basic Sum Assured by the specified amount on occurrence of the following life stage events during the Policy Term:

- a. On marriage (only once during the Policy Term), the Basic Sum Assured would be increased by 50% of Basic Sum Assured at inception, subject to maximum increase of Rs. 2 crore.
- b. On live birth of first child, the Basic Sum Assured would be increased by 25% of Basic Sum Assured at inception, subject to maximum increase of Rs. 1 crore.
- c. On live birth of second child, the Basic Sum Assured would be increased by 25% of Basic Sum Assured at inception, subject to maximum increase of Rs. 1 crore.

Note: Under point b) or c), in case of the birth of twin children or triplets etc., in total only two increases shall be allowed and the option for increase can be exercised for first two children.

Life Stage Option (if opted at policy inception) can be exercised by Life Assured subject to following terms and conditions:

- i. The Policy should be In-force at the time of exercising the option, i.e. at the time of requesting for increase in Sum Assured on attaining the defined life stage events.

- ii. If the policy has been revived before the exercise of this option, the revival of the policy should have been at standard rates as per the Board approved Underwriting Policy of the Corporation.
- iii. The Life Assured's attained age should be 45 years (last birthday) or below as on the policy anniversary from which the additional cover shall be effective.
- iv. Outstanding policy term shall not be less than the minimum policy term allowed under the product for regular premium payment at the time of issuance of original policy.
- v. The Life Assured is required to submit a written request for increase in Basic Sum Assured, within a period of 6 months from the date of occurrence of any of the above mentioned 3 life stage events. In case if Life Assured has not exercised any of the eligible option(s) within the given time period, he/she will not be allowed to exercise that option. However, other eligible option(s) shall be available to the Life Assured subject to terms and conditions.
- vi. The increase in Basic Sum Assured shall be effective from the policy anniversary coinciding with or next policy anniversary following the date of acceptance of such request by the Corporation, and on payment of every such additional premium related to the respective life stage event(s).
- vii. The Corporation reserves its right to not increase the Basic Sum Assured as per the Board approved underwriting policy.

On exercising the option for any of the defined life stage events and on acceptance of such request by the Corporation, 'Absolute amount assured to be paid on death' (i.e. Basic Sum Assured) shall be enhanced by additional Basic Sum Assured (for each such event as per the suitable Endorsement to the Base policy) on payment of additional premium(s) subject to the following:

- The additional premium(s) for additional Basic Sum Assured(s) opted by the Life Assured at different life stage event(s) shall be based on
 - attained age (last birthday) of the Life Assured and
 - the outstanding policy term
 as on the policy anniversary from which the additional cover shall be effective.
- The Premium Table as applicable at the time of issuance of original policy shall be used for the determination of additional premium(s) corresponding to the attained age and outstanding policy term as stated above. The rebate/loading, if any, as applicable under the policy at policy inception, shall also be considered for the determination of additional premium(s).
- The additional premium(s) shall continue to be payable along with the Premium payable under the policy from the policy anniversary from which the additional cover shall be effective.

Once the Basic Sum Assured is enhanced by exercising the life stage event option, the same cannot be withdrawn during the term of the policy.

Any further instructions in this regard shall be issued by the CRM/PS Department, Central Office.

II. Option to take Death Benefit in Instalments:

This is an option to receive Death Benefit in instalments over the period of 5 or 10 or 15 years instead of lump sum amount under an in-force policy. This option can be exercised by the Life Assured during his/her life time; for full or part of Death benefits payable under the policy. The amount opted for by the Life Assured (i.e. Net Claim Amount) can be either in absolute value or as a percentage of the total claim proceeds payable.

The instalments shall be paid in advance at yearly or half-yearly or quarterly or monthly intervals, as opted for, subject to minimum instalment amount for different modes of payments being as under:

Mode of Instalment payment	Minimum instalment amount
Monthly	Rs. 5,000/-
Quarterly	Rs. 15,000/-
Half-Yearly	Rs. 25,000/-
Yearly	Rs. 50,000/-

If the net claim amount is less than the required amount to provide the minimum instalment amount as per the option exercised by the Life Assured, the claim proceed shall be paid in lump sum only.

The interest rates applicable for arriving at the instalment payments under this option shall be as fixed by the Corporation from time to time.

For exercising option to take Death Benefit in instalments, the Life Assured, can exercise this option at proposal stage or during his/her lifetime while in currency of the policy, specifying the Net Claim Amount for which the option is to be exercised. The death claim amount shall then be paid to the nominee as per the option exercised by the Life Assured and no alteration whatsoever shall be allowed to be made by the nominee.

Any further instructions including applicable interest rates would be as issued by the Actuarial Department, Central Office.

7. MODE OF PREMIUM PAYMENT:

Premiums can be paid either under Regular Premium, Limited Premium (5 or 10 or 15 years) or Single Premium payment options under this plan. In case of Regular and Limited Premium payment, the premium can be paid regularly during the Premium Paying Term with modes of premium payment yearly or half-yearly.

8. PREMIUM RATES:

Tabular Annual Premium rate and Class I extra premium rates in respect of the Base Plan as well as available Riders are enclosed and tabulated below:

Annexure	Particulars
Annexure 1	Tabular Annual Premium rates per Rs. 1000 Basic Sum Assured for each of the following combinations in respect of Option I as well as Option II for Base Plan 1) Male, Non-Smoker, Regular Premium 2) Male, Smoker, Regular Premium 3) Female, Non-Smoker, Regular Premium 4) Female, Smoker, Regular Premium 5) Male, Non-Smoker, Single Premium 6) Male, Smoker, Single Premium 7) Female, Non-Smoker, Single Premium 8) Female, Smoker, Single Premium 9) Male, Non-Smoker, Limited Premium 5 years 10) Male, Smoker, Limited Premium 5 years 11) Female, Non-Smoker, Limited Premium 5 years 12) Female, Smoker, Limited Premium 5 years 13) Male, Non-Smoker, Limited Premium 10 years 14) Male, Smoker, Limited Premium 10 years 15) Female, Non-Smoker, Limited Premium 10 years 16) Female, Smoker, Limited Premium 10 years 17) Male, Non-Smoker, Limited Premium 15 years 18) Male, Smoker, Limited Premium 15 years 19) Female, Non-Smoker, Limited Premium 15 years 20) Female, Smoker, Limited Premium 15 years
Annexure 2	Class – I extra premium rates in respect of Base plan, which are applicable for both New Business as well as Revival stage, for various combinations are enclosed as below: 1) Option I: Class-I extra premium rates for each of the 6 combinations specified as Item 1 to 6 are enclosed in Annexure 2 (Page 1 to 34).

2) **Option II: Single Premium policy**

Class-I extra premium rates for Single Premium policy for each of the 2 combinations are enclosed in **Annexure 2** (Page 35 to 36).

3) **Option II: Regular and Limited Premium Payment Policy**

The Class-I extra premium rates for Regular and Limited Premium Payment under Option II will be arrived at by using the Class-I extra per Rs. 1000/- Basic Sum Assured under Option I for corresponding equivalent policy and a multiplicative factor. For calculating class I extra at NB stage, the multiplicative factor will depend on the Original Policy Term, whereas for calculating class I extra at revival stage, the multiplicative factor will depend on the Original Policy Term as well as the Outstanding Policy Term at Revival.

Class-I extra in such cases shall be calculated using the following formula:

Class I Extra rate under Option II = [Class I Extra Premium rate under Option I] * [Multiplicative Factor]

The extra premium so arrived at will be rounded off to two decimal places.

Note: The Table to be used at NB stage and Revival stage to calculate the Class-I extra under Option I is same. Hence while referring to the Table at NB stage, the Policy Term/Premium Paying Term is to be used and while referring at the Revival stage, the outstanding Policy Term/Premium Paying Term is to be referred to.

The multiplicative factors to arrive at Class-I extra under Regular and Limited Premium Payment for Option II are enclosed as **Annexure 3**.

	Category	Option I	Option II
S. No.	Regular Premium		
1.	Non-Smoker	Page 1 of Annx. 2	Refer Annexure 3
2.	Smoker	Page 2 of Annx. 2	
	Limited Premium		
3.	Non-Smoker (Outstanding PPT 15 to 1)	Page 3 to 17 of Annx. 2	
4.	Smoker (Outstanding PPT 15 to 1)	Page 18 to 32 of Annx. 2	
	Single Premium		
5.	Non-Smoker	Page 33 of Annx. 2	Page 35 of Annx. 2
6.	Smoker	Page 34 of Annx. 2	Page 36 of Annx. 2

The premium rate for **LIC's Accident Benefit Rider** is as under;

- Rs. 0.50 per thousand Accident Benefit Sum Assured irrespective of age.
- Rs. 1.00 per thousand Accident Benefit Sum Assured, if the Life Assured is engaged in police duty in any police organization other than paramilitary forces and opts for this cover while engaged in police duty.

The above premium rates are exclusive of taxes, if any.

Various Examples for calculation of Class-I extra premium rate for Rs. 1000/- B.S.A.

A) Under Regular Premium Payment policy

A Male, Non-Smoker aged 30 years (LBD) has taken a Regular Premium policy for Policy Term 25 years with Premium Paying Term 25 years.

Case (1): At NB Stage:

a) **For Option I:**

Class I Extra Premium rate at NB Stage (Proposal Stage) per Rs. 1000/- B.S.A = 0.26 (Refer Page 1 of Annexure 2)

b) For Option II:

Class I Extra Premium rate at NB Stage (Proposal Stage) per Rs. 1000/- B.S.A

= Class I Extra Premium rate, per Rs. 1000/- B.S.A, applicable for Option I * Applicable multiplicative factor (Original policy term and Outstanding Policy Term of 25 years)

=0.26 (As above) * 1.62 (Refer Annexure 3)

=0.4212 = 0.42 (Rounded off to 2 decimal places)

Case (2): At Revival Stage: (During 10th policy year)

Age at revival (LBD) : 40 years

Original Policy Term : 25 years

Outstanding Policy Term : 15 years (In completed years)

Outstanding Premium Paying Term : 15 years (In completed years)

a) For Option I:

Class I Extra Premium rate, per Rs. 1000/- B.S.A for Outstanding Policy Term of 15 Years = 0.41 (Refer Page 1 of Annexure 2)

b) For Option II:

Class I Extra rate per Rs. 1000/- B.S.A.

= Class I Extra Premium rate, per Rs. 1000/- B.S.A, applicable for Option I * Applicable multiplicative factor (Original Policy Term of 25 years and Outstanding Policy Term at revival of 15 years)

=0.41 (As above) * 1.93 (Refer Annexure 3)

=0.7913 = 0.79 (Rounded off to 2 decimal places)

B) Under Limited Premium Payment policy (with PPT = 15 years)

A Female, Smoker aged 30 years (LBD) has taken a Limited Premium policy for Policy Term 35 years with Premium Paying Term 15 years.

Case (1): At NB Stage:

a) For Option I:

Class I Extra Premium rate at NB Stage (Proposal Stage) per Rs. 1000/- B.S.A = 0.88 (Refer Page 18 of Annexure 2)

b) For Option II:

Class I Extra Premium rate at NB Stage (Proposal Stage) per Rs. 1000/- B.S.A

= Class I Extra Premium rate, per Rs. 1000/- B.S.A, applicable for Option I * Applicable multiplicative factor (Original Policy Term and Outstanding Policy Term of 35 years)

=0.88 (As above) * 1.73 (Refer Annexure 3)

=1.5224 = 1.52 (Rounded off to 2 decimal places)

Case (2): At Revival Stage: (During 12th policy year)

Age at revival (LBD) : 42 years

Original Policy Term : 35 years

Outstanding Policy Term : 23 years (In completed years)

Outstanding Premium Paying Term : 3 years (In completed years)

a) For Option I:

Class I Extra Premium rate per Rs. 1000/- B.S.A for Outstanding Premium Paying Term of 3 years = 5.08 (Refer Page 30 of Annexure 2)

b) For Option II:

Class I Extra Premium rate per Rs. 1000/- B.S.A

= Class I Extra Premium rate, per Rs. 1000/- B.S.A, applicable for Option I * Applicable multiplicative factor (Original Policy Term of 35 years and Outstanding Policy Term at revival of 23 years)

=5.08 (As above) * 1.99 (Refer Annexure 3)

=10.1092 = 10.11 (Rounded off to 2 decimal places)

9. GRACE PERIOD FOR PAYMENT OF PREMIUM (APPLICABLE FOR REGULAR AND LIMITED PREMIUM PAYMENT POLICIES):

A grace period of 30 days shall be allowed for payment of yearly or half-yearly premiums from the date of First Unpaid Premium.

If the death of the Life Assured occurs within the grace period but before the payment of premium then due, the policy will be treated as in-force and the benefits will be paid after deduction of the said unpaid premium and also the balance premium(s) falling due before the next policy anniversary.

If the premium is not paid before the expiry of the days of grace, the Policy lapses. Under such policies, all the benefits shall cease after the expiry of grace period and nothing shall be payable.

In case of death of Life Assured under an In-force policy wherein all the premiums due till the date of death have been paid and where the mode of payment of premium is other than yearly, balance premium(s), if any, falling due from the date of death and before the next policy anniversary shall be deducted from the claim amount.

In case of death due to Suicide, provision of Para 20 shall be applicable.

10. REBATES:

The rebates for Base Plan are as under:

- (i) **Rebate for Higher Sum Assured:** The rebates for Option I and Option II applicable for all the premium payment i.e. Regular Premium, Limited Premium as well as Single Premium are as under:

a) Under Option I: Level Sum Assured Policies

Single/Regular/Limited Premium payment:

Age Band (LBD)	High Sum Assured rebate as a % of Tabular Single/Annual Premium for different Basic Sum Assured bands			
	Rs. 2 crore to less than Rs. 3 Crore	Rs. 3 Crore to less than Rs. 5 Crore	Rs. 5 Crore to less than Rs. 10 Crore	Rs. 10 Crore and above
18 to 35 years	Nil	2.25%	3.50%	4.00%
36 to 55 years	Nil	1.75%	2.50%	3.25%
56 years and above	Nil	1.25%	2.00%	2.50%

b) Under Option II: Increasing Sum Assured Policies

Single/Regular/Limited Premium payment:

Age Band (LBD)	High Sum Assured rebate as a % of Tabular Single/Annual Premium for different Basic Sum Assured bands			
	Rs. 2 crore to less than Rs. 3 Crore	Rs. 3 Crore to less than Rs. 5 Crore	Rs. 5 Crore to less than Rs. 10 Crore	Rs. 10 Crore and above
18 to 35 years	Nil	2.00%	3.00%	3.50%
36 to 55 years	Nil	1.50%	2.00%	2.50%
56 years and above	Nil	1.00%	1.50%	2.00%

(ii) **Corporation's Insurance Scheme (CIS) Rebate:**

Proposals completed under Corporation's Insurance Scheme (CIS) with regard to employees of the Corporation and its Subsidiaries/ Step Down Subsidiaries/ Associates Companies, as per the prevailing policy of the Corporation in this regard, shall be eligible for CIS rebate on tabular premium for Base plan (under both the Option I and Option II) as

well as the rider(s) premium, if opted for, at the following rates provided policy is not taken through Agents, Corporate Agents, Brokers and Insurance Marketing Firms.

Premium Payment Term	Percentage of Tabular premium
5 years to 82 years	7.50%
Single Premium	3.00%

Rebate under CIS shall be allowed to policies purchased either offline or online. However, in such cases of online purchase, only rebate under CIS shall be allowed.

Instructions in this regard, as applicable from time to time, shall be issued by Actuarial Department, Central Office.

(iii) Rebate under Online Sale:

Proposal to be completed under Online Sale without any assistance of Agent / Intermediary shall be eligible for rebate on tabular premium for Base Plan (under both the Option I and Option II) as well as the rider(s) premium, if opted for, at the following rates provided policy is not taken through Agents, Corporate Agents, Brokers and Insurance Marketing Firms.

Premium Payment Term	Percentage of Tabular premium
5 years to 82 years	7.50%
Single Premium	3.00%

(iv) Premium Conversion Rate (applicable for Regular and Limited Premium payment):

The modal premium for other than yearly mode (i.e. half-yearly mode) shall be based on annual equivalent premium. Annual equivalent premium is tabular annual premium rate (after allowing for any other rebate) increased by corresponding Premium Conversion rate as given below. The modal premium is arrived by dividing the annual equivalent premium applicable for chosen Basic Sum Assured by corresponding Modal frequency of the chosen mode of premium payment.

Mode	Premium Conversion rate	Modal frequency
Yearly	Nil	1
Half-Yearly	2%	2

(v) Applicable rebates/loading for additional premium calculation for Life Stage option:

The rebate/loading, if any, as applicable under the policy at policy inception, shall also be considered for the determination of additional premium(s). However, premium conversion rate shall be as per the applicable mode of premium payment as on the effective date of increase in Basic Sum Assured (BSA) through exercise of Life Stage option.

Example for calculation of additional premium for additional BSA through exercise of Life Stage option is given below:

Example for calculation of additional premium when Life Stage option is exercised

A Standard life, Male, Non-Smoker, Option I (Level Sum Assured), Regular Premium policy purchased **Online** with the following details:

Age = 28 years (LBD)
 Policy Term = 30 years
 Premium Paying Term = 30 years
 Basic Sum Assured = Rs. 3.50 Crore
 Premium payment mode = Half-yearly

At policy inception:

Tabular premium rate = 1.18 per Rs. 1000 BSA
 Applicable rebate for higher sum assured = 2.25%
 Rebate for Online sale = 7.50%

Premium conversion rate = 2% for Half-yearly mode

Annual equivalent premium rate for Rs. 1000 BSA = $1.18 * (1 - 2.25\% - 7.50\%) * (1 + 2\%)$
= 1.086249

Instalment premium (**half-yearly**) for the policy at inception = $1.086249 * (3,50,00,000 / 1000) / 2 = 19,009$ (After rounding of instalment premium)

After 8.5 years, Life Assured exercises the Life Stage option on Marriage and accepted by the Corporation:

Additional Basic Sum Assured opted for = Rs. 1.75 Crore (i.e. 50% of BSA at inception)

From the next policy anniversary, i.e. after completing 9 policy years, Absolute amount assured to be paid on death shall be enhanced by additional Basic Sum Assured on payment of additional premium.

Attained age of Life Assured as on the next policy anniversary = 37 years (LBD)

Outstanding Policy Term as on the next policy anniversary = 21 years

Outstanding Premium Paying Term = 21 years

Tabular premium (corresponding to Age 37 years and Policy Term 21 years) = 1.73 per Rs. 1000 BSA

Applicable rebate for higher sum assured = 2.25% (same as applicable at policy inception)

Rebate for Online sale = 7.50% (same as applicable at policy inception)

Premium conversion rate = 2% for Half-yearly mode (same as applicable at policy inception, **if the premium payment mode is same as at policy inception***)

Annual equivalent premium rate for Rs. 1000 additional BSA = $1.73 * (1 - 2.25\% - 7.50\%) * (1 + 2\%) = 1.5925515$

Additional instalment premium (**half-yearly**) for the additional BSA = $1.5925515 * (1,75,00,000 / 1000) / 2 = 13,935$ (After rounding of instalment premium)

Total instalment premium (**half-yearly**) payable 10th policy year onwards = $19,009 + 13,935 = \text{Rs. } 32,944$

** If the premium payment mode is different from that chosen at inception, then the instalment premium for additional BSA shall be calculated accordingly, based on the premium conversion rate as per the opted mode of premium payment.*

11. COMMISSION PAYABLE TO AGENTS/INTERMEDIARIES & CREDIT TO DEVELOPMENT OFFICERS:

For Offline sale:

a) Commission payable to Agents, Corporate Agents, Brokers and Insurance Marketing Firms (IMFs):

Commission rates (as percentage of premium net of taxes, if any) payable during the Premium Paying Term under Regular Premium, Single Premium and Limited Premium are as under:

Premium Payment Term	1 st year	Subsequent years
5 years to 82 years	10%	6%
Single Premium	3% of Single Premium	

Bonus Commission: 40% of 1st year commission under Regular/ Limited Premium payment. No Bonus commission shall be payable under Single Premium payment.

In case the Life Assured has exercised the Life Stage Option and pays the additional premium(s), the commission payable on such additional premium(s) shall be based on the renewal commission rate applicable to the Base policy for the subsequent years.

- b) Development Officer's Credit (D.O. Credit):** D.O. Credit (as a % of the first year/ Single premium net of taxes) under Regular Premium, Single Premium and Limited Premium are as under:

Premium Payment Term	D.O. Credit
5 years	60%
10 years to 14 years	100%
15 years and above	100%
Single Premium	10%

No additional credit shall be available in case the Life Assured has exercised Life Stage Option.

Instructions regarding claw back commission from Agents and other Insurance intermediaries shall be issued by Marketing Department, Central office.

For Online sale:

Agents / Insurance Intermediary shall not be involved and hence commission payment is not applicable.

12. PAID-UP VALUE UNDER REGULAR AND LIMITED PREMIUM:

The policy will not acquire any paid-up value.

13. SURRENDER:

A. No surrender value will be available under this Plan.

B. However on receipt of request for surrender of policy by the policyholder in the following cases (for both Level Sum Assured (Option I) as well as Increasing Sum Assured (Option II) options), an amount equal to Unexpired Risk Premium Value, if any, shall be payable as under:

a) Regular Premium policies: Nothing shall be payable.

b) Single Premium Policies:

In case of Single Premium, Unexpired Risk Premium Value, if any, shall be payable on surrender of the policy, anytime during the Policy Term. The Unexpired Risk Premium Value shall be calculated by using the following formula:

$$K * (100 - R) \% * [(n - t) / n] * Ps * (\text{Basic Sum Assured} / 1000)$$

Where; **K** is as given below:

Policy Year in which the policy is surrendered	K
1 st	75%
2 nd	80%
3 rd	85%
4 & thereafter	90%

R = High Sum Assured rebate applied to the original policy at inception

n = Original Policy Term

t = Policy year from inception during which the policy is surrendered

Ps = Tabular single premium per Rs. 1000/- Basic Sum Assured for the original single premium policy for original policy term n years

c) Limited Premium Payment:

In case of Limited Premium Payment, Unexpired Risk Premium Value, if any, shall only be payable if full premiums have been paid for at least:

- i. Two consecutive years in case of premium paying term less than 10 years.
- ii. Three consecutive years in case of premium paying term of 10 years or more.

In case of surrender of an in-force policy, Unexpired Risk Premium Value, if any, shall be payable and policy shall terminate.

In case of a lapsed policy, Unexpired Risk Premium Value, if any, shall be payable on the earliest occurrence of following and the policy shall terminate:

- On death of the Life Assured during the revival period, or
- On surrender of the policy during the revival period, or
- On expiry of the revival period, if the policy is not revived.

The amount of Unexpired Risk Premium Value shall be calculated by using the following formula:

During Premium Paying Term

$$Z * (100 - R) \% * d * (Pppt - Pn) * (\text{Basic Sum Assured} / 1000)$$

After Premium Paying Term

- i) If all due premiums have been paid:

$$Z * (100 - R) \% * ppt * (Pppt - Pn) * [(n - t) / (n - ppt)] * (\text{Basic Sum Assured} / 1000)$$

- ii) If all due premiums have not been paid:

$$Z * (100 - R) \% * d * (Pppt - Pn) * (\text{Basic Sum Assured} / 1000)$$

Where,

- Z = 65% during 2nd policy year to 9th policy year
70% during 10th policy year to 14th policy year
75% thereafter
- R = High Sum Assured rebate applied to the original policy at inception
- t = Policy year from inception during which the policy is surrendered (in case of fully paid up policies)
- d = Number of full years for which premiums have been paid
- ppt = Premium Paying Term of the original Policy
- Pppt = Tabular annual premium per Rs. 1000/- Basic Sum Assured in respect of the original policy i.e. based on the life assured's age at entry, original policy term and premium paying term
- Pn = Tabular annual premium per Rs. 1000/- Basic Sum Assured for regular premium policy corresponding to the life assured's age at entry and original policy term n years

The premium mentioned above is exclusive of taxes, rider premium and underwriting extra, if any.

The above calculated amount of Unexpired Risk Premium Value is payable only if it is positive; and if negative, nothing shall be recovered from the policyholder.

14. REVIVALS (Applicable for Regular and Limited Premium payment only):

If premiums are not paid within the grace period then the policy will lapse. A lapsed policy may be revived during the lifetime of the Life Assured, but within a period of 5 consecutive complete 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 (compounding half-yearly) at such rate as may be decided 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.

In addition, additional proof of continued insurability such as DGH, medical report, special reports etc. may be required.

The Corporation, however, reserves the right to accept at original terms, accept at 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.

Revival of lapsed policies can be considered with the following requirements:

Period from First Unpaid Premium	Requirements for revival
31 days to 60 days	Arrears of premiums with interest thereon and DGH.
61 days and above	Arrears of premiums with interest thereon alongwith underwriting requirements as per the underwriting rules prevailing at the time of revival.

The cost of the medical reports, including special reports, if any, required for the purposes of revival of the policy, shall be borne by the Life Assured.

If a lapsed policy is not revived within the revival period, the policy will automatically terminate. In case of Regular Premium policies, nothing shall be payable. However, in case of Limited Premium Payment policies, if full premiums have been paid for at least, Two consecutive years (in case of premium paying term less than 10 years) or Three consecutive years (in case of premium paying term of 10 years or more), an amount equal to Unexpired Risk Premium Value, if any, shall be payable on expiry of revival period and the policy will terminate.

On revival of a lapsed policy, all the benefits as applicable for an in-force policy, shall be restored.

Revival of Rider, if opted for, will only be considered along with the revival of the Base policy and not in isolation.

Instructions regarding the applicable interest rate shall be issued by Actuarial Department, Central Office.

15. ALTERATIONS:

The following alterations shall be allowed:

- Any change not involving change in Base premium rates and the corresponding benefit structure.
- Inclusion of LIC's Accident Benefit Rider.

Condition regarding alteration shall be as per the instructions issued by CRM/PS department, Central Office, from time to time.

16. LOAN:

No Loan will be granted under this plan.

17. TERMINATION OF POLICY:

The policy shall immediately and automatically terminate on the earliest occurrence of any of the following events:

- a) The date on which lump sum death benefit / final instalment of death benefit is paid; or
- b) The date on which Unexpired Risk Premium Value, if any, is settled, in case of surrender of policy; or
- c) The date of maturity; or
- d) On expiry of Revival Period, if the policy has not been revived within the revival period; or
- e) On payment of free look cancellation amount; or
- f) In the event of forfeiture as specified in Para 21 below.

18. ONLINE SALE OF POLICIES:

Instructions relating to online sale of policies, if any, will be issued by Digital Marketing Department, Central Office.

19. UNDERWRITING, AGEPROOF AND MEDICAL REQUIREMENTS:

NB&R department, Central Office will issue instructions in this regard.

20. SUICIDE CLAUSE:

Notwithstanding the provision of benefits payable on death mentioned anywhere in this Circular, the provisions related to claim payment in case of death due to Suicide shall be subject to the conditions as specified herein under:

i) Under Regular/Limited Premium Policy:

If the Life Assured (whether sane or insane) commits suicide at any time within 12 months from the date of commencement of risk under the policy or from the date of revival of the policy, as applicable, the nominee or beneficiary of the Life Assured shall be entitled to 80% of the total premiums paid (excluding any extra premium, rider premium and taxes, if collected explicitly) till the date of death, provided the policy is in force.

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

ii) Under Single Premium Policy:

If the Life assured (whether sane or insane) commits suicide at any time within 12 months from the date of commencement of risk under the policy, the Nominee or beneficiary of the Life Assured shall be entitled to 80 % of the Single Premium paid excluding any extra premium, rider premium and taxes, if collected explicitly.

21. FORFEITURE IN CERTAIN EVENTS:

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 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.

22. PAYMENT OF CLAIMS:

No claim concession and extended claim concession shall be applicable under this plan.

23. 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 shall be as applicable from time to time.

The amount of applicable taxes, if any as per the prevailing rates shall be payable by the policyholder on premiums (for Base Policy and Rider, if any) including extra premiums, 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.

The instructions regarding issues related to taxes will be issued separately by Finance & Accounts Department, Central Office, as applicable from time to time.

24. FREE LOOK PERIOD:

If a Policyholder is not satisfied with the "Terms and Conditions" of the policy, he/she may return the policy to the Corporation stating the reasons of objections, within 30 days from the date of receipt of the electronic or physical mode of the Policy Document, whichever is earlier.

The refund of premium to the Policyholder shall be subject to following deductions:

1. Stamp duty on policy;
2. Actual cost of medical examination (including special reports, if any);
3. Proportionate risk premium (in respect of Base policy and Rider, if opted for) for the period on cover as per C.O. Circular Ref: CO/ PD/ 39 dated 31st December, 2013.

25. BACK-DATING:

Back-dating shall not be allowed under this plan.

26. POLICY STAMPING:

For Base Plan, policy stamping charges will be at the rate of 20 paise per thousand **Sum Assured on Death**, where "**Sum Assured on Death**" shall be as under;

For policies taken Under Option I: Basic Sum Assured.

In case, Life Stage Option has been exercised by the Life Assured and on acceptance by Corporation, any increase in Basic Sum Assured for each such event shall be by way of endorsement for which stamping shall be done additionally on the additional Basic Sum Assured.

For policies taken Under Option II: The policy stamping charges shall be dependent on the policy term and is given as under:

Policy Term	% of Basic Sum Assured
10 years	150 %
11 years	160 %
12 years	170 %
13 years	180 %
14 years	190 %
15 years and above	200 %

For Rider, policy stamping charges will be at the rate of 20 paise per thousand Rider Sum Assured, if opted for.

Any updates in this regard shall be issued by Legal Department, Central Office.

27. REINSURANCE:

Normal procedure for Reinsurance shall apply as per applicable Reinsurance Treaty.

The retention limits of reinsurance under this plan shall be as under:

Treaty	Retention Limit
Standard Lives	Rs. 30,00,000
Sub-standard Lives	Rs. 20,00,000

28. ASSIGNMENTS/NOMINATIONS:

- a) **Assignments:** Assignment is allowed under this plan as per Section 38 of Insurance Act, 1938, as amended from time to time.

The notice of assignment should be submitted for registration to the office of the Corporation, where the policy is serviced.

- b) **Nominations:** Nomination by the holder of a policy of life assurance is required as per Section 39 of the Insurance Act, 1938, as amended from time to time.

The notice of nomination or change of nomination should be submitted for registration to any Branch/Satellite office of the Corporation. In registering nomination the Corporation does not accept any responsibility or express any opinion as to its validity or legal effect.

29. NORMAL REQUIREMENTS FOR A CLAIM:

- a) Death Claim: The normal documents which the claimant shall submit while lodging the claim in case of death of the Life Assured shall be claim forms, as prescribed by the Corporation, accompanied with original policy document, NEFT mandate from the claimant for direct credit of the claim amount to the bank account, proof of title, proof of death, medical treatment prior to the death (if any), school/college/employer's certificate, whichever is applicable, to the satisfaction of the Corporation. If the age is not admitted under the policy, the proof of age of the Life assured shall also be submitted.

In case of unnatural death or death on account of or arising from an accident, the Corporation may call for the copies of First Information Report (FIR), Panchnama and Post Mortem report. The Corporation may also call for additional documents as may be required by them.

Policyholder or the claimant, as applicable, is required to intimate the Corporation, about the happening of the insured event resulting into a claim under the policy, at the earliest possible time.

- b) Surrender Claim: In case of surrender of the policy, the Life Assured shall submit the discharge form along with the original policy document, NEFT mandate from the claimant for direct credit of the claim amount to the bank account besides proof of age, if the age is not admitted earlier.
- c) Claim under Rider: In case of claim under Rider, the respective rider circular may be referred to.

In addition to above, any requirement mandated under any statutory provision or as may be required as per law or any instructions issued by CRM/Claims department, Central Office in this regard shall also be required to be submitted.

30. ACCOUNTING OF INCOME AND OUTGO:

Instructions regarding the accounting procedure to be followed under the plan shall be issued separately by Finance & Accounts Department, Central office.

31. PROPOSAL FORM:

Proposal Form No. 300 (Rev 2025) and 340 (Rev 2025) along with Addendum to Proposal Form as issued by NB&R Department shall be used under this plan.

32. POLICY DOCUMENT, CUSTOMER INFORMATION SHEET AND SALES BROCHURE:

The specimen Policy Document, Customer Information Sheet and Sales Brochure will be sent by the Corporate Communications Department, Central Office.

This circular has to be read in conjunction with the Policy Document and Sales Brochure.

33. DISCLOSURES:

At the time of sale, a Customized Benefit Illustration shall be applicable under Limited Premium payment and single premium payment policies and shall be provided to the prospective Policyholder. Such Benefit Illustration shall be signed by both the prospective policyholder and intermediary and shall form part of the Policy Document.

Separate instructions on the above shall be issued by Marketing Department, Central Office.

34. ADDRESS OF OMBUDSMAN:

At the stage of issuance of policy the address and contact details of the nearest Insurance Ombudsman is to be mentioned in the Policy Document. In case of any change in address by policyholder, the address and contact details of the nearest Insurance Ombudsman from the transferring in branch has to be informed to the policyholder along with confirmation of change in address.

Further instructions in this regard to be issued by CRM/Claims Department, Central Office.

AJAY KUMAR Digitally signed by AJAY
KUMAR SRIVASTAVA
SRIVASTAVA Date: 2025.12.02
12:10:16 +05'30'

Executive Director (Actuarial)

Encl.: Annexure 1 to 3

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