

LIC's BIMA ACCOUNT – II (Plan No. 806)
(UIN: 512N264V01)

Benefit Illustration:

“LIC’s Bima Account - II” is a simple non-linked plan which offers you everything you think of an insurance plan should provide:

- Simplicity
- Liquidity
- Guaranteed minimum return
- Transparent charges
- Risk cover

Under this plan, the premiums paid by you, after deduction of charges, will be credited to the Policyholder’s Account maintained separately for each policyholder. The risk cover will be provided by deduction of mortality charges from the Policyholder’s Account.

If all due premiums are paid, the amount held in your Policyholder’s Account will earn an annual interest rate of 6% p.a. which will be guaranteed for whole of the policy term. In addition to this guaranteed return, if all due premiums are paid, your account may earn an additional return depending upon the experience under this plan.

You will also have an option to pay additional (Top-up) premiums without any increase in risk cover.

Loan facility will also be available immediately after first policy anniversary.

1. **PAYMENT OF PREMIUMS:** You may pay premiums regularly at yearly, half-yearly, quarterly or monthly (through ECS mode only) intervals over the term of the policy.

Policyholder’s Account shall consist of 2 parts:

- Policyholder’s Regular Premium Account - to which regular premiums, net of charges, shall be credited.
- Policyholder’s Top-up Premium Account - to which Top-up premiums, net of charges, shall be credited.

2. **BENEFITS:**

Maturity Benefit:

On the Life Assured surviving the maturity date of the contract, balance in the Policyholder’s Account shall be payable.

Death Benefit:

In case of unfortunate death of the Life Assured during the policy term, when the cover is in full force, Sum Assured along with the balance in Policyholder’s Account shall be payable.

Guaranteed Interest:

Guaranteed interest rate shall be applicable on Policyholder’s Account and **not** on the gross premium paid by the Policyholder.

The Policyholder’s Account i.e both Policyholder’s Regular Premium Account and Policyholder’s Top-up Premium Account will earn an annual interest of 6% p.a. provided the policy is in force and 5% p.a. if the policy is paid-up. The interest rates will be guaranteed for the whole of the policy term.

During the revival period Policyholder's Account will earn guaranteed interest rate of 5% p.a. On revival of policy, the guaranteed rate of interest on Policyholder's Account will again be 6% p.a. from the date of revival.

The interest amount will be calculated on day to day basis on balance in the Policyholder's Account after deduction of all due charges and shall be credited to the Policyholder's Account at the end of each calendar month.

Additional Interest:

The Corporation may also declare an additional interest rate on Policyholder's Regular Premium Account for inforce policies based on the experience under this plan.

3. ELIGIBILITY CONDITIONS AND OTHER RESTRICTIONS:

(in years)

- a) Minimum Entry Age : 8 (completed)
- b) Maximum Entry Age : 60 (nearest birthday)
- c) Policy Term : 10 to 15
- d) Minimum Maturity Age : 18 (completed)
- e) Maximum Maturity Age : 70 (nearest birthday)
- f) Minimum Premium:

Regular premium:

<u>Mode</u>	<u>Instalment premium</u>
Yearly	Rs 15,000
Half-yearly	Rs 8,000
Quarterly	Rs 4,000
Monthly (ECS)	Rs 1250
<u>Top-up premium:</u>	Rs 1000

- g) Maximum Premium:
Regular premium: No Limit

Top-up premium: Sum total of Regular Premiums paid upto the date of payment of top-up.

Annualized Premiums shall be payable in multiple of Rs1000 for all modes other than ECS monthly. For monthly (ECS), the premium shall be in multiples of Rs 250/-.

- h) Minimum Sum Assured: 10 times the annualized premium.
- i) Maximum Sum Assured:
 - 30 times of the annualized premium up to age 35 years
 - 20 times of the annualized premium for age between 36 to 45years
 - 10 times of the annualized premium for age between 46 to 60 years

4. CHARGES UNDER THE PLAN:

- A) Expense Charge: This is the percentage of the premium appropriated towards charges

from the premium received. The balance part of the premium will be credited to the Policyholder's Regular Premium Account or Policyholder's Top-up Premium Account, as the case may be.

The expenses charges are as below:

Regular premium:

Expenses charge (including commission)		
First Year	2 nd & 3 rd Years	Thereafter
27.5%	7.5%	5%

Top-up Premium: 2.5%

B) Other Charges:

i) Mortality Charge – This is the cost of life insurance cover which is age specific and will be taken every month from the Policyholder's Regular Premium Account appropriately. This charge shall depend upon the Sum Assured.

The charges per `1000/- life insurance cover for some of the ages in respect of a healthy life are as under:

Age	20	30	40	50
Rs.	1.25	1.46	2.57	6.56

ii) Service Tax Charge - A service tax charge, if any, shall be levied on Mortality charge deducted from the Policyholder's Regular Premium Account on a monthly basis as and when the corresponding Mortality charges are deducted.

The level of this charge will be as per the rate of service tax as applicable from time to time. Currently, the rate of Service Tax is 12% with an educational cess at the rate of 3% thereon and hence effective rate is 12.36%.

iii) Alteration Charge – This is a charge levied for an alteration within the contract, such as change in mode of payment to higher frequency and decrease in sum assured and shall be a flat amount of `50/- which will be deducted from the Policyholder's Account and the deduction shall be made on the date of alteration in the policy.

5. OTHER FEATURES:

i. **Top-up Premium:** You can pay top-up premiums in multiple of Rs 1000/-. The additional premiums paid shall be credited into the Policyholder's Top-up Premium Account after deducting the expense charge. However, there would not be any increase in the sum assured under the policy. The total of top-up premium at any point of time shall not exceed the sum total of regular premiums paid upto that point of time. Such additional premiums can be paid only if all due premiums have been paid under the policy.

ii. **Decrease in benefits:** This plan offers you the flexibility of reducing the sum assured during the term of the contract subject to the minimum limit. When the sum assured is

reduced, such change will be effective from the policy anniversary coinciding with or next following the date of request.

6. SURRENDER:

The policy will acquire Surrender benefit immediately on payment of the first instalment premium. The surrender value will be as under:

i. Surrender before completion of third policy anniversary:

The surrender benefit is payable only after completion of third policy anniversary and will be the balance in the Policyholder's Account as on the date of surrender. During the lock-in period of 3 years from the date of commencement of policy no charges will be deducted from the Policyholder's Account and no further interest will be credited from the date of surrender.

ii. Surrender on or after completion of 3rd policy anniversary:

Balance in the Policyholder's Account shall be payable.

7. DISCONTINUANCE OF PREMIUMS:

If premiums are not paid within the days of grace, the policy shall become a paid-up policy. The Life Assured shall have an option to revive the paid-up policy within 12 months from the date of first unpaid premium. During the revival period the life cover will cease and no mortality charges shall be deducted. The balance in the Policyholder's Account during the period of revival will earn guaranteed interest rate of 5% p.a. without debiting any expenses. On revival of policy, the guaranteed rate of interest on Policyholder's Account will again be 6% p.a. from the date of revival.

The benefits payable under the policy in different contingencies shall be as under:

I. In case of Death: The balance in the Policyholder's Account is payable.

II. On Maturity: The balance in the Policyholder's Account is payable.

III. In case of Surrender: Surrender benefit payable is as under:

Duration from date of commencement

Before completion of third policy anniversary

Surrender Benefit

The surrender benefit is payable only after completion of third policy anniversary and will be the balance in the policyholder's Account as on the date of surrender. During the lock-in period of 3 years from the date of commencement of policy no charges will be deducted from the Policyholder's Account and no further interest will be credited from the date of surrender.

On or after completion of 3rd policy anniversary

Balance in the Policyholder's Account shall be payable.

8. COMPULSORY SURRENDER:

The policy shall be surrendered compulsorily in following cases:

- i. If less than 2 years' premiums are paid and the policy is not revived during the revival period of 12 months, the policy shall be terminated compulsorily. The balance in the Policyholder's Account shall be refunded on completion of third policy anniversary. No charges shall be deducted and no interest will be credited from the date of compulsory termination. In case of death, balance in the Policyholder's Account shall be paid without waiting for completion of third policy anniversary.
- ii. If any loan has been taken under the policy, and if, at any point of time, the balance in the Policyholder's Account is less than or equal to loan outstanding alongwith interest thereon, then the policy shall be compulsorily terminated and nothing shall be payable to the Policyholder.

9. LOAN:

Loan will be granted under the policy after completion of one year provided at least one full year's premiums have been paid, subject to the following terms and conditions:

- It will be available maximum to the extent of 60% of the amount in the Policyholder's Account
- Minimum amount of loan that can be granted at any time shall not be less than `1000
- If at any point of time during the term of the contract the Policyholder's Account is less than or equal to the loan outstanding alongwith interest thereon, then policy shall be compulsorily terminated and nothing shall be payable to the policyholder.

The rate of interest charged for this loan amount would be determined from time to time by the Corporation.

10. GRACE PERIOD:

A grace period of one-month but not less than 30 days will be allowed for payment of premiums under all modes of premium payment.

11. REVIVAL:

If due premium is not paid within the days of grace, the policy becomes paid-up. A paid-up policy can be revived within 12 months period from the due date of first unpaid premium or before maturity, whichever is earlier. During this revival period, the life cover will cease and no mortality charge shall be deducted.

The revival shall be made on submission of proof of continued insurability to the satisfaction of the Corporation and the payment of all the arrears of premium without interest.

The Corporation reserves the right to accept the revival at its own terms or decline the revival of a paid-up policy. The revival of a paid-up policy shall take effect only after the same is approved by the Corporation and is specifically communicated in writing to the Policyholder.

In case the policy becomes paid-up without payment of at least 2 years' premium and is not revived during the period of revival, the policy shall compulsorily be terminated on expiry of revival period. No charges shall be deducted and no interest will be credited from the date of compulsory termination. The balance in the Policyholder's Account shall be refunded on

completion third policy anniversary.

In case the policy become paid-up after payment of 2 full years' premium and is not revived during the period of revival, the policy shall continue.

A policy once surrendered cannot be reinstated.

12. EXCLUSIONS:

Suicide: No claim under the policy shall be paid except to the extent of Policyholder's Account in case the Life Assured commits suicide (whether sane or insane at the time) at any time within one year from the date of commencement of risk and the Corporation will not entertain any other claim by virtue of this policy except to the extent of a third party's bonafide beneficial interest acquired in the policy for valuable consideration (but limited to the Sum Assured of this policy) of which notice has been given in writing to the branch where the Policy is being serviced (where the policy records are kept), at least one calendar month prior to death.

13. COOLING OFF PERIOD:

If you are not satisfied with the "Terms and Conditions" of the policy, you may return the policy to us within 15 days.

BENEFIT ILLUSTRATION:

Statutory warning:

"Some benefits are guaranteed and some benefits are variable with returns based on the future performance of your Insurer carrying on life insurance business. If your policy offers guaranteed returns then these will be clearly marked "guaranteed" in the illustration table on this page. If your policy offers variable returns then the illustrations on this page will show two different rates of assumed future investment returns. These assumed rates of return are not guaranteed and they are not the upper or lower limits of what you might get back, as the value of your policy is dependent on a number of factors including future investment performance."

Proposal No.	
Policy No.	

1	Name of the Product:	LIC's Bima Acct - II	2	Unique Identification No.	512N264V01
3	Amt of Instalment Premium:	15000	4	Policy Term :	15 Years
5	Age LA:	30 Years	6	Premium Paying Term:	15 Years
7	Sum Assured :	150000	8	Mode of Premium Payment :	Yearly
9	Current Service Tax rate	12.36%p.a			

Illustrative Account Value on Maturity:

Total Account Value of Policyholder at maturity @ 6% p.a (Rs.)	333760
Total Account Value of Policyholder at maturity @ 10% p.a (Rs.)	437523

Policy Year	Annualised Premium	Commission Paid	Total expenses excluding commission	Premium less expenses(excluding risk premium)	Risk Premium Charges	Guaranteed Addition to Account	Assuming Gross Interest rate of 6%				Assuming Gross Interest rate of 10%			
							Variable Addition 1	Total account Value at the end of year	Surrender value	Death Benefit	Variable Addition 2	Total account Value at the end of year	Surrender value	Death Benefit
1	15000	1800	2325	10875	242	645	0	11278	0	161278	0	11278	0	161278
2	15000	600	525	13875	242	1501	0	26412	0	176412	0	26412	0	176412
3	15000	600	525	13875	248	2409	0	42448	42448	192448	0	42448	42448	192448
4	15000	375	375	14250	258	3394	0	59833	59833	209833	0	59833	59833	209833
5	15000	375	375	14250	271	4436	0	78249	78249	228249	0	78249	78249	228249
6	15000	375	375	14250	287	5541	0	97753	97753	247753	0	97753	97753	247753
7	15000	375	375	14250	306	6710	0	118407	118407	268407	0	118407	118407	268407
8	15000	375	375	14250	330	7949	0	140276	140276	290276	0	140276	140276	290276
9	15000	375	375	14250	356	9260	0	163430	163430	313430	0	163430	163430	313430
10	15000	375	375	14250	386	10648	0	187943	187943	337943	0	187943	187943	337943
11	15000	375	375	14250	425	12118	0	213886	213886	363886	0	213886	213886	363886
12	15000	375	375	14250	465	13673	0	241345	241345	391345	0	241345	241345	391345
13	15000	375	375	14250	500	15320	0	270414	270414	420414	0	270414	270414	420414
14	15000	375	375	14250	538	17063	0	301189	301189	451189	0	301189	301189	451189
15	15000	375	375	14250	586	18907	0	333760	333760	483760	103762	437523	437523	587523

Note

- 1) Guaranteed Interest is on Policyholder's Account and not on Gross Premiums paid.
- 2) Guaranteed Addition to Account shown above is based on the interest income guaranteed @ 6% p.a. for the entire term of the policy.
- 3) The variable addition to account shows the additional interest credit during the term of the policy.
- 4) At assumed gross interest rate, the additional interest credit has been shown at the end of the policy term.

The additional interest credit may be made during the term of the policy if declared.

Notes :

- i) This illustration is applicable to a standard (from medical, life style and occupation point of view) life.
- ii) The non-guaranteed benefits (1) and (2) in above illustration are calculated so that they are consistent with the Projected Investment Rate of Return assumption of 6% p.a.(Scenario 1) and 10% p.a. (Scenario 2) respectively. In other words, in preparing this benefit illustration, it is assumed that the Projected Investment Rate of Return that LIC will be able to earn throughout the term of the policy will be 6% p.a. or 10% p.a., as the case may be. The Projected Investment Rate of Return is not guaranteed.
- iii) The main objective of the illustration is that the client is able to appreciate the features of the product and the flow of benefits in different circumstances with some level of quantification.

SECTION 45 OF INSURANCE ACT, 1938:

No policy of life insurance shall after the expiry of two years from the date on which it was effected, be called in question by an insurer on the ground that a statement made in the proposal for insurance or in any report of a medical officer, or referee, or friend of the insured, or in any other document leading to the issue of the policy, was inaccurate or false, unless the insurer shows that such statement was on a material matter or suppressed facts which it was material to disclose and that it was fraudulently made by the policyholder and that the policyholder knew at the time of making it that the statement was false or that it suppressed facts which it was material to disclose.

Provided that 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 assured was incorrectly stated in the proposal.

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: provided that acceptance by an insurance agent of commission in connection with a policy of life insurance taken out by himself on his own life shall not be deemed to be acceptance of a rebate of premium within the meaning of this sub-section if at the time of such acceptance the insurance agent satisfies the prescribed conditions establishing that he is a bona fide insurance agent employed by the insurer.
- (2) Any person making default in complying with the provisions of this section shall be punishable with fine which may extend to five hundred rupees.

Note: Conditions apply for which please refer to the Policy document or contact our nearest Branch Office.