

## INFORMATION TO BE PROVIDED IN SALES BROCHURE

### LIC's FORTUNE PLUS

**"IN THIS POLICY, THE INVESTMENT RISK IN INVESTMENT PORTFOLIO IS BORNE BY THE POLICYHOLDER"**

It is a unit linked assurance plan where premium payment term (PPT) is 5 years and the premium payable in the first year will be 50% of total premium payable under the policy. The level of cover will depend on the level of premium you agree to pay.

Four types of investment funds are offered. Premiums paid after allocation charge will purchase units of the Fund type chosen. The Unit Fund is subject to various charges and value of the units may increase or decrease, depending on the Net Asset Value (NAV). The plan therefore serves the purpose of insurance-cum-investment.

**1. Payment of Premiums:** You may pay premiums regularly at yearly, half-yearly, quarterly or monthly (ECS) intervals for 5 years. The minimum First year premium will be Rs.20,000/- and you may pay any amount exceeding it. From second year onwards each year's premium will be 25% of the first year premium.

#### **2. Benefits:**

##### **A) Death Benefit:**

Higher of Sum Assured or the Policyholder's Fund Value shall be available as death benefit.

##### **B) Maturity Benefit:**

On the Life Assured surviving the maturity date of the contract, an amount equal to the Policyholder's Fund Value is payable.

#### **3. Options:**

##### **Accident Benefit Option:**

If you are above 18 years of age, you may opt for Accident Benefit equal to the amount of life cover subject to minimum of Rs. 25,000 and maximum of Rs. 50 lakh (taken all policies with LIC of India and other insurers.) In case of death by Accident, an additional sum equal to Accident Benefit sum assured shall be payable.

#### **4. Eligibility Conditions and Other Restrictions:**

(a)	Minimum Age at entry	12 (age last birthday)
(b)	Maximum Age at entry	60 years (age nearer birthday)
(c)	Minimum Maturity Age	18 years (completed)
(d)	Maximum Maturity Age	65 years (age nearer birthday)
(e)	Minimum Policy Term	5 years
(f)	Maximum Policy Term	20 years
(g)	Minimum Premium	Rs.20,000 for first Premium
(j)	Sum Assured under the Basic Plan	Higher of 5 times the first year's annualized premium or half of the policy term times the first year's annualized premium.

Where the minimum Sum assured is not in the multiples of Rs. 5,000, it will be rounded off to the next multiple of Rs. 5,000.

5. *Investment of Funds:* Plan offers following four Funds detailed below:

Fund Type	Investment in Government / Government Guaranteed Securities / Corporate Debt	Short-term investments such as money market instruments (including Govt. Securities & Corporate Debt)	Investment in Listed Equity Shares	Details and objective of the fund for risk return
<b>Bond Fund</b>	Not less than 60%	100%	Nil	Low risk
<b>Secured Fund</b>	Not less than 45%	Not more than 85%	Not less than 15% & Not more than 55%	Steady Income - Lower to Medium risk
<b>Balanced Fund</b>	Not less than 30%	Not more than 70%	Not less than 30% & Not more than 70%	Balanced Income and growth - Medium risk
<b>Growth Fund</b>	Not less than 20%	Not more than 60%	Not less than 40% & Not more than 80%	Long term Capital growth - High risk

The Policyholder has the option to choose any ONE of the above 4 funds.

6. *Method of Calculation of Unit price:* Units will be allotted based on the Net Asset Value (NAV) of the respective fund as on the date of allotment. There is no Bid-Offer spread (the Bid price and Offer price of units will both be equal to the NAV). The NAV will be computed on daily basis and will be based on investment performance, Fund Management Charge and whether fund is expanding or contracting under each fund type and shall be calculated as under:

**Appropriation price is applied (when fund is expanding):**

Market value of investments held by the fund plus the expenses incurred in the purchase of the assets plus the value of any current assets plus any accrued income net of fund management charges less the value of any current liabilities less provisions, if any divided by the number of units existing at the valuation date (before any new units are allocated).

**Expropriation price is applied (when fund is contracting):**

Market value of investments held by the fund less the expenses incurred in the sale of assets plus the value of any current assets plus any accrued income net of fund management charges less the value of any current liabilities less provisions, if any divided by the number of units existing at the valuation date (before any units redeemed).

**Applicability of Net Asset Value (NAV):**

The premiums received up to a particular time (presently 3 p.m.) by the servicing branch of the corporation along with a local cheque or a demand draft payable at par at the place where the premium is received, the closing NAV of the day on which premium is received shall be applicable. The premiums received after such time by the servicing branch of the corporation along with a local cheque or a demand draft payable at par at the place where the premium is received, the closing NAV of the next business day shall be applicable.

Similarly, in respect of the valid applications received for surrender, partial withdrawal, death claim, switches etc up to such time by the servicing branch of the Corporation closing NAV of that day shall be applicable. For the valid applications received in respect of surrender, partial withdrawal, death claim, switches etc after such time by the servicing branch of the Corporation the closing NAV of the next business day shall be applicable

In respect of maturity claim, NAV of the date of maturity shall be applicable.

The timing given is as per the existing guidelines and changes in this regard shall be as per the instruction from IRDA.

**7. Charges under the Plan:**

A) **Premium Allocation Charge:** This is the percentage of the premium deducted from the premium received. The balance constitutes that part of the premium which is utilized to purchase (Investment) units for the policy. The allocation charges are as below:

Premium Band (per annum)	Allocation Charge	
	First year	thereafter
20,000 to 2,00,000	15.00 %	2.50 %
2,00,001 to 3,00,000	14.50 %	2.50 %
3,00,001 to 6,00,000	14.00 %	2.50 %
6,00,001 and above	13.50 %	2.50 %

B) **Charges for Risk Covers:**

i) **Mortality Charge** - This is the cost of life insurance cover which is age specific and will be taken every month. The life insurance cover is the difference between Sum Assured under Basic plan and the Fund Value after deduction of all other charges.

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

Age	25	35	45	55
Rs.	1.42	1.73	3.89	10.76

ii) **Accident Benefit charge** - It is the cost of Accident Benefit rider (if opted for) and will be levied every month at the rate of Rs. 0.50 per thousand Accident Benefit Sum Assured per policy year.

C) **Other Charges:**

i) **Policy Administration charge** - Rs. 60/- per month during the first policy year and Rs. 20/- per month thereafter, throughout the term of the policy.

ii) **Fund Management Charge** - It is the charge levied as a percentage of the value of units at following rates:

- 0.75% p.a. of Unit Fund for "Bond" Fund
- 1.00% p.a. of Unit Fund for "Secured" Fund
- 1.25% p.a. of Unit Fund for "Balanced" Fund
- 1.50% p.a. of Unit Fund for "Growth" Fund

Fund Management Charge shall be appropriated while computing NAV.

- iii) Switching Charge - This is a charge levied on switching of monies from one fund to another. Within a given policy year 4 switches will be allowed free of charge. Subsequent switches in that year shall be subject to a switching charge of Rs. 100 per switch.
- iv) Bid/Offer Spread - Nil.
- v) Surrender Charge - Nil.
- vi) Service Tax Charge - A service tax charge shall be levied on the Mortality Charges and Accident Benefit rider charges, if any, on a monthly basis. The level of this charge will be as per the rate of service tax as applicable from time to time. Presently, the rate of Service Tax is 12% with an educational cess at the rate of 3% thereon and hence effective rate is 12.36%.
- vii) Miscellaneous Charge - This is a charge levied for an alteration within the contract, such as reduction in policy term, change in premium mode, etc. An alteration may be allowed subject to a charge of Rs. 50/-.

**D) Right to revise charges:** The Corporation reserves the right to revise all or any of the above charges except the Premium Allocation charge and Mortality charge. The modification in charges will be done with prospective effect with the prior approval of IRDA.

Although the charges are reviewable, they will be subject to the following maximum limit:

- Policy Administration Charge  
Rs. 150/- per month during the first policy year and Rs. 50/- per month thereafter, throughout the term of the policy.
- Fund Management Charge: The Maximum for each Fund will be as follows:
  - i. Bond Fund: 1.5% p.a. of Unit Fund
  - ii. Secured Fund: 2.0% p.a. of Unit Fund
  - iii. Balanced Fund: 2.5% p.a. of Unit Fund
  - iv. Growth Fund: 3.0% p.a. of Unit Fund
- Switching Charge shall not exceed Rs. 200/- per switch.
- Miscellaneous Charge shall not exceed Rs. 100/- each time when an alteration is requested.

#### **8. Surrender:**

The surrender value, if any, is payable only after the completion of the third policy anniversary. The surrender value will be the Policyholder's Fund Value at the date of surrender. There will be no Surrender charge.

If you apply for surrender of the policy within 3 years from the date of commencement of policy, then the Policyholder's fund value of units shall be converted into monetary terms. No charges shall be deducted thereafter and this monetary value shall be paid on completion of 3 years from the date of commencement of policy.

In case of death of life assured after the date of surrender but before the completion of 3 years from the date of commencement of policy the monetary value payable on the completion of 3 years shall be payable to the nominee/ legal heir immediately on death.

**Compulsory Surrender:**

The policy shall be surrendered compulsorily in following cases:

- i) where the policy is not revived during the period of revival, the policy shall be terminated after completion of 3 years from the date of commencement of the policy or on expiry of revival period, whichever is later. However, if the date of maturity falls before the expiry of revival period, then the policy shall be terminated on the date of maturity.
- ii) where premiums have been paid for less than 3 years and the balance in policyholder's fund value is not sufficient to recover the relevant charges;
- iii) where premiums have been paid for at least 3 years and the balance in policyholder's fund value falls below Rs. 5,000/-.

**The conversion in monetary value shall be as under:**

The NAV on the date of application for surrender or on the date when revival period is over (in case of compulsory surrender), as the case may be, multiplied by the number of units in the Policyholder's Fund as on that date.

**9. Other Features:**

- i) **Partial Withdrawals:** You may encash the units partially after the third policy anniversary subject to the following:
  - i. In case of minors, partial withdrawals shall be allowed from the policy anniversary coinciding with or next following the date on which the life assured attains majority (i.e. on or after 18<sup>th</sup> birthday).
  - ii. Partial withdrawals may be in the form of fixed amount or in the form of fixed number of units.
  - iii. For 2 years' period from the date of withdrawal, the Sum Assured under the Basic plan shall be reduced to the extent of the amount of partial withdrawals made.
  - iv. Under policies where less than 3 years' premiums have been paid and further premiums are not paid, the partial withdrawals shall not be allowed.
  - v. Under policies where atleast 3 years' premiums have been paid, partial withdrawal will be allowed subject to Policyholder's Fund Value being atleast Rs. 10,000/-.
- ii) **Switching:** You can switch between any fund types for the entire Fund Value during the policy term subject to switching charges, if any.
- iii) **Discontinuance of premiums:** If premiums are payable either yearly, half-yearly, quarterly or monthly (ECS) and the same have not been duly paid within the days of grace under the Policy, the Policy will lapse. A lapsed policy can be revived during the period of two years from the due date of first unpaid premium.

I. Where atleast 3 years' premiums have been paid, the Life Cover and Accident Benefit rider, if any, shall continue during the revival period.

During this period, the charges for Mortality and Accident Benefit cover, if any, shall be taken, in addition to other charges, by cancelling an appropriate number of units out of the Policyholder's Fund Value every month. This will continue to provide relevant risk covers for :

- i. two years from the due date of first unpaid premium, or
- ii. till the date of maturity, or
- iii. till such period that the Policyholder's Fund Value reduces to Rs. 5,000/-, whichever is earlier.

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

- A. **In case of Death:** Higher of Sum Assured under the Basic Plan or the Policyholder's Fund Value. The Sum Assured shall be subject to provisions of Partial Withdrawals made, if any.
  - B. **In case of Death due to accident:** Accident Benefit Sum Assured in addition to the amount under A above, if Accident Benefit is opted for.
  - C. **On maturity:** The Policyholder's Fund Value.
  - D. **In case of Surrender (including Compulsory Surrender):** The Policyholder's Fund Value. The Surrender value, however, shall be paid only after the completion of 3 policy years.
  - E. **In case of Partial Withdrawals:** For 2 years period from the date of withdrawal, the sum assured under the basic plan shall be reduced to the extent of the amount of partial withdrawals made.
- II. Where the policy lapses without payment of at least 3 years' premiums, the Life Cover and Accident Benefit rider cover, if any, shall cease and no charges for these benefits shall be deducted. However, deduction of all the other charges shall continue. The benefits under such a lapsed policy shall be payable as under:
- F. **In case of Death:** The Policyholder's Fund Value.
  - G. **In case of death due to accident:** Only, the amount as under F above.
  - H. **In case of Surrender (including Compulsory Surrender):** Policyholder's Fund Value / monetary value as the case may be, shall be payable after the completion of the third policy anniversary. No amount shall be payable within 3 years from the date of commencement of policy.
  - I. **In case of Partial withdrawal:** Partial Withdrawals shall not be allowed under such a policy even after completion of 3 years period.

*iv) Revival:* If due premium is not paid within the days of grace, the policy lapses. A lapsed policy can be revived during the period of two years from the due date of first unpaid premium or before maturity, whichever is earlier. The period during which the policy can be revived will be called "Period of revival" or "revival period".

If premiums have not been paid for at least 3 full years, the policy may be revived within two years from the due date of first unpaid premium. 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 lapsed policy. The revival

of a lapsed policy shall take effect only after the same is approved by the Corporation and is specifically communicated in writing to the Proposer / Life Assured.

If at least 3 full years' premiums have been paid and subsequent premiums are not paid, the policy may be revived within two years from the due date of first unpaid premium but before the date of maturity. No proof of continued insurability shall be required but all arrears of premium without interest shall be required to be paid.

Irrespective of what is stated above, if less than 3 years' premiums have been paid and the Policyholder's Fund Value is not sufficient to recover the charges, the policy shall be terminated and thereafter revival will not be entertained. If 3 years' or more than 3 years' premiums have been paid and the Policyholder's Fund Value reduces to Rs. 5000/-, the policy shall terminate and Policyholder's Fund Value as on such date shall be refunded to the Life Assured and thereafter revival will not be allowed.

- v) **Settlement Option:** When the policy comes for maturity, you may exercise "Settlement Option" and may receive the policy money in instalments spread over a period of not more than five years from the date of maturity. There shall not be any life cover during this period. The value of installment payable on the date specified shall be subject to investment risk i.e. the NAV may go up or down depending upon the performance of the fund.

**10. Reinstatement:**

A policy once surrendered will not be reinstated.

**11. Risks borne by the Policyholder:**

- i) LIC's Fortune Plus is a Unit Linked Life Insurance product which is different from the traditional insurance products and are subject to the risk factors.
- ii) The premium paid in Unit Linked Life Insurance policies are subject to investment risks associated with capital markets and the NAVs of the units may go up or down based on the performance of fund and factors influencing the capital market and the insured is responsible for his/her decisions.
- iii) Life Insurance Corporation of India is only the name of the Insurance Company and LIC's Fortune Plus is only the name of the unit linked life insurance contract and does not in any way indicate the quality of the contract, its future prospects or returns.
- iv) Please know the associated risks and the applicable charges, from your Insurance agent or the Intermediary or policy document of the insurer.
- v) The various funds offered under this contract are the names of the funds and do not in any way indicate the quality of these plans, their future prospects and returns.
- vi) All benefits under the policy are also subject to the Tax Laws and other financial enactments as they exist from time to time.

**12. 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.

**13. Loan:**

No loan will be available under this plan.

**14. Assignment:**

Assignment will be allowed under this plan.

**15. Exclusions:**

In case the Life Assured commits suicide at any time within one year, the Corporation will not entertain any claim by virtue of the policy except to the extent of the Policyholder's Fund Value on death.

**Benefit Illustration :**

**Statutory warning**

*"Some benefits are guaranteed and some benefits are variable with returns based on the future performance of your life insurance company. 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 investment returns. These assumed rates of return are not guaranteed and they are not upper or lower limits of what you might get back as the value of your policy is dependant on a number of factors including future investment performance."*



LIC's FORTUNE PLUS

FREQUENCY OF PREMIUM PAYMENT :		ANNUAL		BASIC PLAN + AB		FIRST YR. PREMIUM	
AGE AT ENTRY 35 years		20000		20000		20000	
TERM 20 years		20000		20000		20000	
PPT 5 years		20000		20000		20000	
END OF POLICY YEAR	TOTAL PREMIUM PAID	GUARANTEED	DEATH BENEFIT PAYABLE AT END OF YEAR OF DEATH		SURRENDER/ MATURITY VALUE		
			VARIABLE SCENARIO 1	VARIABLE SCENARIO 2	PAYABLE AMOUNT SCENARIO 1	PAYABLE AMOUNT SCENARIO 2	
1	20000	200000	16617	17266	200000	0	0
2	25000	200000	21811	23356	200000	0	0
3	30000	200000	27245	29974	200000	27245	29974
4	35000	200000	32930	37166	200000	32930	37166
5	40000	200000	38877	44985	200000	38877	44985
6	40000	200000	39962	48158	200000	39962	48158
7	40000	200000	41060	51580	200000	41060	51580
8	40000	200000	42176	55282	200000	42176	55282
9	40000	200000	43310	59289	200000	43310	59289
10	40000	200000	44452	63621	200000	44452	63621
11	40000	200000	45593	68303	200000	45593	68303
12	40000	200000	46723	73361	200000	46723	73361
13	40000	200000	47831	78828	200000	47831	78828
14	40000	200000	48907	84738	200000	48907	84738
15	40000	200000	49939	91135	200000	49939	91135
16	40000	200000	50916	98065	200000	50916	98065
17	40000	200000	51824	105585	200000	51824	105585
18	40000	200000	52652	113757	200000	52652	113757
19	40000	200000	53386	122657	200000	53386	122657
20	40000	200000	54010	132368	200000	54010	132368

Reduction in yield @ 6% 4.39%

Reduction in yield @ 10% 3.43%

LIC's FORTUNE PLUS

FREQUENCY OF PREMIUM PAYMENT : ANNUAL BASIC PLAN FIRST YR. PREMIUM 20000  
 AGE AT ENTRY 35 years TERM 20 years SUM ASSURED UNDER BASIC PLAN 200000  
 PPT 5 years TYPE OF FUND Secured Fund

END OF POLICY YEAR.	TOTAL PREMIUM PAID	GUARANTEED	DEATH BENEFIT PAYABLE AT END OF YEAR OF DEATH				SURRENDER/ MATURITY VALUE			
			VARIABLE SCENARIO 1	VARIABLE SCENARIO 2	PAYABLE AMOUNT SCENARIO 1	PAYABLE AMOUNT SCENARIO 2	PAYABLE AMOUNT SCENARIO 1	PAYABLE AMOUNT SCENARIO 2		
1	20000	200000	16732	17384	200000	200000	0	0		
2	25000	200000	22048	23602	200000	200000	0	0		
3	30000	200000	27610	30360	200000	200000	27610	30360		
4	35000	200000	33429	37706	200000	200000	33429	37706		
5	40000	200000	39518	45692	200000	200000	39518	45692		
6	40000	200000	40752	49048	200000	200000	40752	49048		
7	40000	200000	42007	52671	200000	200000	42007	52671		
8	40000	200000	43289	56592	200000	200000	43289	56592		
9	40000	200000	44597	60838	200000	200000	44597	60838		
10	40000	200000	45924	65433	200000	200000	45924	65433		
11	40000	200000	47260	70403	200000	200000	47260	70403		
12	40000	200000	48597	75778	200000	200000	48597	75778		
13	40000	200000	49924	81591	200000	200000	49924	81591		
14	40000	200000	51232	87884	200000	200000	51232	87884		
15	40000	200000	52511	94702	200000	200000	52511	94702		
16	40000	200000	53750	102096	200000	200000	53750	102096		
17	40000	200000	54939	110129	200000	200000	54939	110129		
18	40000	200000	56067	118870	200000	200000	56067	118870		
19	40000	200000	57121	128399	200000	200000	57121	128399		
20	40000	200000	58090	138809	200000	200000	58090	138809		

Reduction in yield @ 6% 3.99%  
 Reduction in yield @ 10% 3.17%

i) *This illustration is applicable to a non-smoker male/female 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.*

iv) *LIC does not authorize its agents/intermediaries, staff and officials to express their opinion on the future performance of the "ULIP" fund, excepting the above illustrative rate of 6% and 10% growth.*

#### **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 subsection 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.