

## INFORMATION TO BE PROVIDED IN SALES BROCHURE

### LIC's WEALTH PLUS (UIN: 512L259V01)

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

LIC's Wealth Plus is a unit linked plan that safeguards your investment from market fluctuations, so that your investments are protected in financially volatile times. This plan offers payment of Fund Value at the end of policy term, based on highest Net Asset Value (NAV) over the first 7 years of the policy, or the NAV as applicable at the end of the policy term, whichever is higher. NAV of the fund will be subject to a minimum of Rs. 10/-. The policy term is 8 years with an extended life cover for 2 years after the completion of policy term. This plan will be available for sale for a limited period.

You can pay the premium either in a single lump sum or for 3 years. You can choose the level of cover within the limits, which will depend on your age whether the policy is a Single premium or Limited premium contract and on the level of premium you agree to pay.

Premiums paid after allocation charge will purchase units of the Fund. The Unit Fund is subject to various charges and value of units may increase or decrease, depending on the Net Asset Value (NAV).

1. **Payment of Premiums:** You may pay premiums regularly at yearly, half-yearly, quarterly or monthly (through ECS mode only) intervals over the 3 years premium paying term. Alternatively, a Single premium can be paid.
2. **Guaranteed NAV:** In this product there is a guarantee of the highest NAV recorded on a daily basis, in the first 7 years of the policy, subject to a minimum of Rs. 10. This means the payment at the end of the policy term will be based on highest Net Asset Value (NAV) recorded over the first 7 years of the policy, or the NAV as applicable on the end of the policy term, whichever is higher. The guarantee will be applicable only for payment made at the end of the policy term irrespective of any partial withdrawals made during the policy term. The period of 7 years starts from the date of commencement of policy.

3. **Benefits:**

**A) Death Benefit:**

In case of death during the policy term, the nominee shall receive Sum Assured under the basic plan together with the Policyholder's Fund Value as death benefit.

In case of death of the Life assured after the policy term, but before the expiry of extended period, the nominee shall receive the Sum Assured under the Basic Plan.

**B) Benefit at the end of Policy term:**

On the Life Assured surviving the end of the policy term of the contract, an amount equal to the Policyholder's Fund Value based on highest Net Asset Value (NAV) recorded over the first 7 years of the policy, or the NAV as applicable on the end of the policy term, whichever is higher is payable.

4. **Option:**

**Accident Benefit Option:**

If you are between 18 and 62 years of age, you may opt for Accident Benefit equal to the amount of life cover subject to minimum of Rs. 50,000 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.

**5. Eligibility Conditions and Other Restrictions:**

- (a) Minimum Age at entry - 10 (age last birthday)  
 (b) Maximum Age at entry - 65 years (age nearer birthday)  
 (c) Policy Term - 8 years  
 (d) Extended Life Cover - 2 years after the completion of policy term

(e) Minimum Premium:

- 3 years Premium Paying policies - Rs. [20,000] p.a.  
 (Other than monthly (ECS) mode)  
 Monthly (ECS) mode - Rs. [2,000] p.m.  
 Single premium policies - Rs. [40,000] p.a.

(f) Sum Assured under the Basic Plan -

Minimum Sum Assured:

3 years Premium Paying Term: 5 times the annualized premium

Single Premium: 1.25 times the single premium.

Maximum Sum assured:

3 years Premium Paying Term:

10 times the annualized premium if age at entry is upto 50 years

5 times the annualized premium if age at entry is 51 years and above

Single Premium:

5 times the Single premium if age at entry is upto 40 years.

2.5 times the Single premium if age at entry is 41 to 50 years.

1.25 times the Single premium if age at entry is 51 years and above.

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. Annualized Premiums shall be payable in multiple of Rs. 1,000 for other than ECS monthly. For monthly (ECS), the premium shall in multiples of Rs. 500/-.

**6. Investment of Funds:** The fund detail is as below:

Fund Type	Investment in Government / Government Guaranteed Securities / Corporate Debt	Short-term investments such as money market instruments	Investment in Listed Equity Shares	Details and objective of the fund for risk / return
Wealth Plus Fund	0% to 100%	0% to 100%	0% to 100%	Medium Risk

In the period during which this product is open for sale, all premiums received shall be invested in Money Market instruments of applicable duration i.e. the period from the date of sale to the date of closure of the plan. After the date of closure of the plan the above investment pattern shall be followed.

**7. Method of Calculation of Unit price:** Units will be allotted based on the Net Asset Value (NAV) of the 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, Guarantee Charge and whether fund is expanding or contracting 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 including Guarantee Charge 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 including Guarantee Charge 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 through ECS or by way of 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 through ECS or by way of 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 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 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 payment at the end of policy term, the Policyholders fund value shall be based on the highest NAV over the first 7 years of the policy or the NAV as applicable at the end of the policy term, which ever is higher.

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

**8. Charges under the Plan:**

**A) Premium Allocation Charge:**

This is the percentage of the premium deducted towards charges 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:

**Single premium policies:**

Premium Band	Allocation Charge
Up to 4,00,000	5.00%
4,00,001 and above	4.50%

**3 years Premium Paying Term:**

Premium Band (per annum)	Allocation charge	
	First year	thereafter
20,000 to 2,00,000	12.00%	2.50%
2,00,001 to 4,00,000	11.75%	2.50%
4,00,001 to 7,00,000	11.50%	2.50%
7,00,001 and above	11.25%	2.50%

**B) Charges for Risk Covers:**

- i) Mortality Charge – This is the cost of life insurance cover. A level mortality charge based on the age at entry will be taken every month during the policy term by canceling the Policyholder's Fund Value appropriately.  
The level charges per Rs. 1000/- Basic Sum Assured for some of the ages in respect of a healthy life are as under:

Age	25	35	45	55
Rs.	1.65	2.75	6.85	17.25

- 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, Rs 25/- per month during the second year and thereafter, from the third year onwards till the end of the policy term Rs. 25/- per month escalating at 3% p.a. These charges will be deducted on monthly basis by canceling appropriate number of units out of Policyholder's Fund Value.
- ii) Fund Management Charge – This is a charge levied as a percentage of the value of assets and shall be appropriated by adjusting the Net Asset Value (NAV) at 1.00% p.a. of Fund Value.  
This is a charge levied at the time of computation of NAV, which will be done on daily basis.
- iii) Guarantee Charge – A charge of 0.35% p.a. of the Fund Value shall be levied for the cost of investment guarantee.  
This is a charge levied at the time of computation of NAV, which will be done on daily basis.
- iv) Bid/Offer Spread – Nil.
- v) Surrender Charge – Nil.

vi) Miscellaneous Charge - This is a charge levied for revival and alteration within the contract, such as change in mode of payment to higher frequency within the premium paying term decided in the beginning of the contract, Grant of Accident Benefit after the issue of the policy etc..

The flat charges for revival shall be Rs. 500/- and for alteration shall be Rs. 250/- which will be deducted by canceling the Policyholder's Fund Value appropriately and the deduction shall be made on the date of revival/alteration in the policy.

vii) Service Tax Charge - A service tax charge, if any, shall be levied on the following charges

a) Policy Administration, Mortality and Accident Benefit rider, if any - by canceling appropriate number of units out of the Policyholder's Fund Value on a monthly basis as and when the corresponding Policy Administration, Mortality and Accident Benefit rider charges are deducted.

b) Premium allocation - at the time of allocation.

c) Fund Management - at the time of deduction of Fund Management Charge.

d) Guarantee - at the time of deduction of Guarantee Charge.

e) Miscellaneous charge - on the date of revival/alteration in the policy.

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 10% with an educational cess at the rate of 3% thereon and hence effective rate is 10.3%.

**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, Rs. 50/- per month during the second year and thereafter, from the third year onwards till the end of the policy term Rs. 50/- per month escalating at 3% p.a.
- Fund Management Charge: The Maximum for each Fund will be 1.30% p.a. of Fund Value
- Guarantee Charge shall not exceed 0.50% p.a. of the Fund Value.
- Miscellaneous Charge shall not exceed Rs. 750/- for revival and Rs. 350/- for alteration each time when an revival/alteration is requested.

The above mentioned maximum limits are exclusive of service tax.

In case the policyholder does not agree with the revision of charges the policyholder shall have the option to withdraw the Policyholder's Fund Value. No Guarantee shall apply in such case.

#### 9. **Surrender:**

The policy can be surrendered only during the policy term. The surrender value, if any, is payable only after the completion of the third policy anniversary both under Single

and 3 years Premium Paying Term contract. The surrender value will be the Policyholder's Fund Value at the date of surrender. There will be no Surrender charge. The policy can not be surrendered during the extended life cover period.

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.
- ii) where single premium has been paid or premiums have been paid for less than 3 years and the policy is in force and the balance in policyholder's fund value is not sufficient to recover the relevant charges;
- iii) where 3 full years' premium are paid and the balance in policyholder's fund value falls below 50% of one annualized premium.

**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.

**10. 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 will be allowed twice in a policy year.
- iii. Partial withdrawals may be in the form of fixed amount or in the form of fixed number of units subject to a minimum amount of Rs. 2000/-.
- iv. Under 3 years Premium Paying Term 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 3 years Premium Paying Term policies where all the' premiums have been paid, partial withdrawal will be allowed subject to Policyholder's Fund Value being at least one annualized premium
- vi. Under Single Premium policies, the partial withdrawal will be allowed subject to a minimum balance of 25% of the single premium in the Policyholder's Fund Value.

**ii) Increase / Decrease of risk covers:** No increase or decrease of benefits will be allowed.

**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.

If the policy lapses, 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:

- A. **In case of Death:** The Policyholder's Fund Value.
- B. **In case of death due to accident:** Only, the amount as under A above.
- C. **In case of Surrender (including Compulsory Surrender):** Policyholder's Fund Value / monetary value of units 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.
- D. **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. The period during which the policy can be revived will be called "Period of revival" or "revival period".

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 mortality charge thereafter shall be based on the age nearest birthday as on the date of revival. There will be a charge of Rs. 500/- at the time of revival.

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.

Irrespective of what is stated above, if the Policyholder's Fund Value is not sufficient to recover the charges, the policy shall be terminated and thereafter revival will not be entertained.

#### 11. **Reinstatement:**

A policy once surrendered cannot be reinstated.

#### 12. **Risks borne by the Policyholder:**

- i) LIC's Wealth Plus is a Unit Linked Life Insurance products 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 Wealth 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.

**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. The amount to be refunded in case the policy is returned within the cooling-off period shall be determined as under:

Value of units in the Policyholder's Fund

- Plus unallocated premium.
- Plus Policy Administration charge deducted
- Less charges @ Rs.0.20per thousand Sum Assured under Basic plan
- Less Actual cost of medical examination and special reports, if any.

**14. Loan:**

No loan will be available under this plan.

**15. Assignment:**

Assignment will be allowed under this plan.

**16. 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."*

(This shall form a part of policy document)

**PRODUCT FEATURES :**

1 Name of the Product:	LIC's WEALTH Plus	2 Unique Identification No.	512L259V01
3 Amount of Instalment Premium:	40000	4 Policy Term :	8 Years
5 Age :	30	6 Premium Paying Term:	Single
7 Extended term cover	2 Years	8 Funds opted for:	WEALTH PLUS FUND
9 Mode of Premium Payment :	Single	10 Service Tax rate	10.30%p.a
11 Sum Assured :	100000		

Proposal No.
Policy No.

Statement of Various charges alongwith growth of the fund expected over the duration of the policy with assumed rate of interest as mentioned

Gross Yield	10.00%
Net Yield	7.38%

(All charges are in Rupees)

Policy Year	Annualised Premium	Premium Allocation Charge	Amount Available for investment (out of premium)	Mortality Charge	Service tax	Policy Admin Charge	Guarantee Charge	Other Charges	Addition to Fund (if any)	Fund before FMC	FMC	Fund at End	Surrender Value	Death Benefit
1	40000	2000	38000	195	354	720	136	0	3700	40294	388	39906	0	139906
2				195	108	300	145	0	3934	43092	413	42680	0	142680
3				195	113	309	155	0	4209	46117	441	45675	45675	145675
4				195	119	318	166	0	4506	49383	472	48911	48911	148911
5				195	124	328	178	0	4827	52913	506	52407	52407	152407
6				195	130	338	190	0	5173	56727	542	56184	56184	156184
7				195	137	348	204	0	5548	60848	582	60267	60267	160267
8				195	144	358	219	0	5953	65303	624	64679	64679	164679
9								0		0		0	0	100000
								0		0		0	0	100000

Gross Yield	6%
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(All charges are in Rupees)

Policy Year	Annualised Premium	Premium Allocation Charge	Amount Available for investment (out of premium)	Mortality Charge	Service tax	Policy Admin Charge	Guarantee Charge	Other Charges	Addition to Fund (if any)	Fund before FMC	FMC	Fund at End	Surrender Value	Death Benefit
1	40000	2000	38000	195	353	720	133	0	2220	38818	380	38438	0	138438
2				195	105	300	137	0	2273	39974	389	39585	0	139585
3				195	108	309	141	0	2341	41174	401	40773	40773	140773
4				195	110	318	145	0	2411	42416	413	42003	42003	142003
5				195	113	328	149	0	2484	43702	425	43276	43276	143276
6				195	116	338	154	0	2560	45034	438	44595	44595	144595
7				195	119	348	159	0	2638	46414	452	45962	45962	145962
8				195	122	358	163	0	2719	47843	466	47377	47377	147377
9								0		0		0	0	100000
10								0		0		0	0	100000

IN THIS POLICY, THE INVESTMENT RISK IS BORNE BY THE POLICY HOLDER AND THE ABOVE INTEREST RATES ARE ONLY FOR ILLUSTRATION PURPOSE.

- Note: 1) 'Addition to fund' shown above is interest income on the fund  
 2) Rider Charges are not taken into account in this illustration.

I .....(Name), having received the information with respect to the above, have understood the above statement before entering into the contract.

Marketing officials' Signature: \_\_\_\_\_ Policyholders' Signature: \_\_\_\_\_  
 Company Seal: \_\_\_\_\_

Place: \_\_\_\_\_  
 Date: \_\_\_\_\_

(This shall form a part of policy document)

PRODUCT FEATURES :

Proposal No.  
Policy No.

1 Name of the Product: LIC's WEALTH Plus  
2 Unique Identification No. 512L259V01  
3 Amount of Instalment Premium: 20000  
4 Policy Term : 8 Years  
5 Age : 30  
6 Premium Paying Term: 3 Years  
7 Extended term cover 2 Years  
8 Funds opted for: WEALTH PLUS FUND  
9 Mode of Premium Payment : Yearly  
10 Service Tax rate 10.30%p.a  
11 Sum Assured : 100000

Statement of Various charges alongwith growth of the fund expected over the duration of the policy with assumed rate of interest as mentioned

Gross Yield	10.00%
Net Yield	7.29%

(All charges are in Rupees)

Policy Year	Annualised Premium	Premium Allocation Charge	Amount Available for investment (out of premium)	Mortality Charge	Service tax	Policy Admin Charge	Guarantee Charge	Other Charges	Addition to Fund (if any)	Fund before FMC	FMC	Fund at End	Surrender Value	Death Benefit
1	20000	2400	17600	195	366	720	61	0	1670	17927	175	17752	0	117752
2	20000	500	19500	195	156	300	135	0	3665	40132	384	39748	0	139748
3	20000	500	19500	195	189	309	215	0	5849	64189	613	63575	63575	163575
4				195	145	318	231	0	6284	68970	659	68311	68311	168311
5				195	152	328	249	0	6753	74141	708	73433	73433	173433
6				195	161	338	267	0	7261	79733	761	78972	78972	178972
7				195	170	348	288	0	7811	85783	819	84964	84964	184964
8				195	180	358	309	0	8405	92327	881	91445	91445	191445
9								0		0		0	0	100000
								0		0		0	0	100000

Gross Yield	6%
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(All charges are in Rupees)

Policy Year	Annualised Premium	Premium Allocation Charge	Amount Available for investment (out of premium)	Mortality Charge	Service tax	Policy Admin Charge	Guarantee Charge	Other Charges	Addition to Fund (if any)	Fund before FMC	FMC	Fund at End	Surrender Value	Death Benefit
1	20000	2400	17600	195	365	720	60	0	1002	17261	172	17090	0	117090
2	20000	500	19500	195	154	300	130	0	2160	37971	370	37601	0	137601
3	20000	500	19500	195	184	309	203	0	3382	59591	579	59012	59012	159012
4				195	136	318	210	0	3498	61651	599	61051	61051	161051
5				195	140	328	218	0	3620	63790	620	63171	63171	163171
6				195	144	338	225	0	3745	66014	641	65373	65373	165373
7				195	148	348	233	0	3876	68325	664	67661	67661	167661
8				195	153	358	241	0	4012	70726	687	70039	70039	170039
9								0		0		0	0	100000
10								0		0		0	0	100000

IN THIS POLICY, THE INVESTMENT RISK IS BORNE BY THE POLICY HOLDER AND THE ABOVE INTEREST RATES ARE ONLY FOR ILLUSTRATION PURPOSE.

Note: 1) 'Addition to fund' shown above is interest income on the fund

Rider Charges are not taken into account in this illustration.

I .....(Name), having received the information with respect to the above, have understood the above statement before entering into the contract.

Marketing officials' Signature: Policyholders' Signature:  
Company Seal:

Place:  
Date:

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 in the illustration are calculated so that they are consistent with the Projected Investment Rate of Return assumption of 6% p.a. and 10% p.a. 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 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.