

## INFORMATION TO BE PROVIDED IN SALES BROCHURE

### LIC's NEW ONE YEAR RENEWABLE GROUP TERM ASSURANCE PLAN-I(UIN:512N275V02)

*LIC's New One Year Renewal Group Term Assurance Plan - I* is a Non – Linked, Non-Participating, Group Life Insurance, Pure Risk Premium Product. It provides valuable life cover to the employees/members of a homogeneous group at attractive premium rates.

The amount of life cover in respect of each member shall be guided by the scheme rules of the group. The total premium payable at commencement and subsequent renewals shall be equal to the sum of premium in respect of individual members of the group.

#### **1. SALIENT FEATURES**

- Ensures financial security for member's family at very attractive rates.
- Premium rates dependant on the size and risk profile of the group.
- Scope of reviewability of premium rates at each Annual Renewal Date (ARD).

#### **2. BENEFITS**

In case of unfortunate death of a member, a lump sum (Sum Assured) shall be paid.

#### **3. ELIGIBILITY CONDITIONS AND OTHER RESTRICTIONS**

- a) Minimum Entry Age : 8 years (completed)
- b) Maximum Entry Age : 75 years (nearest birthday)
- c) Maximum Age at renewal : 80 years (nearest birthday)
- d) Minimum Sum Assured : Rs.5000/-
- e) Maximum Sum Assured : No limit
- f) Policy Term : Annually Renewable
- g) Minimum group size for employer-employee group: 25
- h) Minimum group size for non employer-employee group: 50

#### **4. MODE OF PAYMENT OF PREMIUMS :**

The Policyholder may pay the premium in yearly, half-yearly, quarterly and monthly mode. If a member joins in between, the Policyholder would need to pay the proportionate amount of premium based on the yearly premium for the unexpired period in respect of that member.

Where the mode of payment of premium is other than yearly, the tabular premium for a year shall be multiplied by the factor given below to arrive at the corresponding instalment premium:

<u>Mode of payment</u>	<u>Factor</u>
Half yearly	0.5108
Quarterly	0.2582
Monthly	0.0867

#### **5. LOAN:**

No loan is available under this plan.

#### **6. SURRENDER VALUE:**

A policy under this plan will not acquire any surrender value or paid-up value. In case of surrender of the group policy by the Master Policyholder, the insurance cover of an individual Member shall be continued for the period towards which premiums have already been paid before date of surrender for the Member who expressly convey to continue the policy/ cover in writing.

**7. TAXES: .**

Statutory Taxes, if any, imposed on such insurance plans by the Govt. of India or any other constitutional Tax Authority of India shall be as per the Tax laws and the rate of tax as applicable from time to time.

The amount of applicable taxes as per the prevailing rates shall be payable by the Master policyholder on premiums payable under the policy, 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.

**8. GRACE PERIOD FOR PREMIUM PAYMENT:**

A grace period of 30 days from due date of premium will be allowed for payment of premiums for yearly, half-yearly and quarterly mode of premium payment. For monthly mode of premium payment, the grace period shall be 15 days. Upon non-payment of premium within the grace period the Policy shall be treated as lapsed and nothing shall be payable in the event of death. If any death occurs during the grace period, the Sum Assured shall be payable after deduction of due but unpaid premium.

**9. REVIVAL OF POLICY:**

If the policy has lapsed, it may be revived within a period of 3 months from the date of first unpaid premium or the next Annual Renewal Date whichever is earlier, on payment of arrears of premium together with interest (compounding half-yearly) at such rate as may be prevailing at the time of the payment.

The Corporation reserves the right to accept 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

**10. REVIEWABILITY OF PREMIUM:**

Under this plan, the premium at each Annual Renewal Date will be reviewed based on the past mortality experience of the policy. The premium rates may be adjusted upward or downward based on past experience.

**11. WAITING PERIOD:**

For employer-employee groups there will be no waiting period. However, for non employer-employee groups waiting period will be 45 days from the date of commencement. During this waiting period no death benefit shall be payable.

**12. SUICIDE EXCLUSION:**

In case of death of a member due to suicide, within 12 months from the date of commencement or date of revival of the policy or date of entry of the member into the

scheme whichever is later, claim payable shall be 80% of the total premiums paid during that policy year in respect of that member provided the policy is in force. However, in case of employer-employee groups where the participation is compulsory, this clause shall not be applicable.

**13. FREE LOOK PERIOD:**

If policyholder is not satisfied with the "Terms and Conditions" of the policy, he/ she may return the policy to the Corporation within 15 days from the date of receipt of the policy stating the reasons of objection. On receipt of the same the Corporation shall cancel the policy and return the amount of premium deposited after deduction in respect of the following:

- a. Recovery of proportionate charges towards risk premium.
- b. Stamp duty charges.

**SECTION 45 OF INSURANCE ACT, 1938:**

The provision of Section 45 of the Insurance Act, 1938 shall be applicable as amended from time to time. The simplified version of this provision is as under:

Provisions regarding policy not being called into question in terms of Section 45 of the Insurance Act, 1938 are as follows:

1. No Policy of Life Insurance shall be called in question on any ground whatsoever after expiry of 3 yrs from
  - a. the date of issuance of policy or
  - b. the date of commencement of risk or
  - c. the date of revival of policy or
  - d. the date of rider to the policywhichever is later.
2. On the ground of fraud, a policy of Life Insurance may be called in question within 3 years from
  - a. the date of issuance of policy or
  - b. the date of commencement of risk or
  - c. the date of revival of policy or
  - d. the date of rider to the policywhichever is later.

For this, the insurer should communicate in writing to the insured or legal representative or nominee or assignees of insured, as applicable, mentioning the ground and materials on which such decision is based.

3. Fraud means any of the following acts committed by insured or by his agent, with the intent to deceive the insurer or to induce the insurer to issue a life insurance policy:
  - a. The suggestion, as a fact of that which is not true and which the insured does not believe to be true;
  - b. The active concealment of a fact by the insured having knowledge or belief of the fact;
  - c. Any other act fitted to deceive; and

- d. Any such act or omission as the law specifically declares to be fraudulent.
4. Mere silence is not fraud unless, depending on circumstances of the case, it is the duty of the insured or his agent keeping silence to speak or silence is in itself equivalent to speak.
  5. No Insurer shall repudiate a life insurance Policy on the ground of Fraud, if the Insured / beneficiary can prove that the misstatement was true to the best of his knowledge and there was no deliberate intention to suppress the fact or that such mis-statement of or suppression of material fact are within the knowledge of the insurer. Onus of disproving is upon the policyholder, if alive, or beneficiaries.
  6. Life insurance Policy can be called in question within 3 years on the ground that any statement of or suppression of a fact material to expectancy of life of the insured was incorrectly made in the proposal or other document basis which policy was issued or revived or rider issued. For this, the insurer should communicate in writing to the insured or legal representative or nominee or assignees of insured, as applicable, mentioning the ground and materials on which decision to repudiate the policy of life insurance is based.
  7. In case repudiation is on ground of mis-statement and not on fraud, the premium collected on policy till the date of repudiation shall be paid to the insured or legal representative or nominee or assignees of insured, within a period of 90 days from the date of repudiation.
  8. Fact shall not be considered material unless it has a direct bearing on the risk undertaken by the insurer. The onus is on insurer to show that if the insurer had been aware of the said fact, no life insurance policy would have been issued to the insured.
  9. The insurer can call for proof of age at any time if he is entitled to do so and no policy shall be deemed to be called in question merely because the terms of the policy are adjusted on subsequent proof of age of life insured. So, this Section will not be applicable for questioning age or adjustment based on proof of age submitted subsequently.

*[Disclaimer: This is not a comprehensive list of Section 45 of the Insurance Act, 1938 and only a simplified version prepared for general information. Policy Holders are advised to refer to Section 45 of the Insurance Act, 1938, for complete and accurate details.]*

#### **SECTION 41 OF INSURANCE ACT 1938**

- 1) No person shall allow or offer to allow, either directly or indirectly, as an inducement to any person to take out or renew or continue an insurance in respect of any kind of risk relating to lives or property in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the policy, nor shall any person taking out or renewing or continuing a policy accept any rebate, except such rebate as may be allowed in accordance with the published prospectuses or tables of the insurer.
- 2) Any person making default in complying with the provisions of this section shall be liable for a penalty which may extend to ten lakh rupees.

This product brochure gives only salient features of the plan. For further details please refer to

the Policy document on our website [www.licindia.in](http://www.licindia.in) or contact our nearest Branch Office.

**BEWARE OF SPURIOUS PHONE CALLS AND FICTITIOUS / FRAUDULENT OFFERS**

IRDAI is not involved in activities like selling insurance policies, announcing bonus or investment of premiums. Public receiving such phone calls are requested to lodge a police complaint.

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