

INFORMATION TO BE PROVIDED IN SALES BROCHURE

LIC's ONE YEAR RENEWABLE GROUP MICRO TERM ASSURANCE PLAN (UIN: 512N335V01) (A Non-Linked, Non-Participating Group Micro Life Term Insurance Plan)

This is a non-linked, non-participating, yearly renewable group micro term insurance plan. It provides financial support for the family in case of unfortunate death of the members of the group covered under the policy. This plan aims to cover the target group, which mainly comprise of the people from the weaker sections of the society. These groups include Self Help Groups, Groups covered by Non-Government Organisations (NGOs), Lender-Borrower group and other Social Organizations.

The Plan covers the Lender-Borrower groups which are administered by any of the following Regulated entities:

1. Reserve Bank of India (RBI) Regulated Scheduled Commercial Banks.
2. NBFCs having Certificate of Registration from RBI
3. National Housing Bank (NHB) Regulated Housing Finance Companies.
4. National Minority Development Finance Corporation (NMDFC) and its State Channelizing Agencies.
5. Small Finance Banks regulated by RBI
6. Mutually Aided Cooperative Societies formed and registered under the applicable State Act concerning such Societies.
7. Microfinance companies registered under section 8 of Companies Act,2013
8. Any other category as approved by the Authority

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 premiums in respect of individual members of the group.

1. SALIENT FEATURES

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

2. DEATH BENEFIT:

On death of the Member during the policy term provided the policy is in-force by payment of all due premiums, **Sum Assured on Death** shall be payable as per the Scheme Rules.

Where "**Sum Assured on Death**" is defined as higher of Basic Sum Assured or 7 times of Annualised Premium (excluding taxes, extra premium, rider premiums, and loadings for modal premiums, if any).

This death benefit shall not be less than 105% of Total Premiums Paid upto the date of death.

However, in case of death (other than Accidental death) of a Member within 45 days 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, 80% of the total premiums paid during the current policy year in respect of that Member shall be payable.

The “**Sum Assured on Death**” as specified in the Certificate of Insurance, shall become payable to the nominee (s)/ beneficiaries through Master Policyholder. In case the insurance is effected to cover the outstanding loan balance amount provided by the Regulated entities, the part of the claim proceeds will be utilized to repay the loan to the Master policyholder and the balance amount, if any, shall be paid to the nominee(s)/ beneficiary.

Apart from the Benefits mentioned above, the Corporation shall not pay any other Benefits.

3. ELIGIBILITY CONDITIONS AND OTHER RESTRICTIONS

- a) Minimum Entry Age : 18 years (completed)
- b) Maximum Entry Age : 64 years (nearest birthday)
- c) Maximum Age at renewal : 64 years (nearest birthday)
- d) Minimum Basic Sum Assured : Rs. 5000/- per member.
- e) Maximum Basic Sum Assured : Rs. 200,000/- per member.
- f) Policy Term : Annually Renewable
- g) Minimum group size : 25

The Basic Sum Assured shall be allowed in the multiple of Rs. 1000/-

4. PAYMENT OF PREMIUMS :

The Policyholder may pay the premiums 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 premiums is other than yearly, the tabular premium which is applicable for annual mode 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

“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 of a member.

However, in case of failure of the Master Policyholder to account for the business to the insurer, if premium was paid by the member and proper receipt is produced, the risk cover shall be available in respect of that Member.”

5. GRACE PERIOD:

A grace period of 30 days from due date of premium will be allowed for payment of premiums for 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. For annual modes of policies, there will be no grace period.

In case if death of any Member occurs during the grace period, the **Sum Assured on Death** in respect of that Member shall be payable after deduction of due but unpaid premium.

6. RENEWAL OF POLICY:

This being an annually renewable plan, the same is to be renewed on or before each Annual Renewal Date. The premium at each Annual Renewal Date will be reviewed based on the past experience of the policy. The premium rates may be adjusted upward or downward

based on past experience in accordance with the Board Approved Underwriting Policy of the Corporation.

7. 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 within the Grace Period 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.

8. POLICY LOAN:

No loan is available under this plan.

9. SURRENDER:

A policy under this plan will not acquire any surrender value. In case of surrender of the group policy by the Master Policyholder, the life 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.

10. TAXES:

Statutory Taxes, if any, imposed on such insurance products 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.

This applicable tax shall payable by the Master policyholder and the same shall not be considered for the calculation of benefits payable under the product.

11. FREE LOOK PERIOD:

During the Free Look period of 15 days from the date of receipt of the Policy Document/ Certificate of Insurance by the Master Policyholder, if the Master Policyholder is not satisfied with the Terms and Conditions of the policy, he/she may return the policy to the Corporation stating the reason of objections. On receipt of the same the Corporation shall cancel the policy and return the amount of premium deposited after deducting the proportionate risk premium for the period of cover and charges for stamp duty.

12. EXCLUSION:

Suicide Claim provisions: In case of death of a Member (whether sane or insane) due to suicide, at any time 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, the Corporation will not entertain any claim except to the extent of 80% of the total premiums paid during that policy year in respect of that member, provided the policy is in-force. If the member due to any reason exits from the scheme and re-enters the scheme at a later date, the suicide claim provisions shall apply from the date of re-entry into the scheme.

SECTION 45 OF INSURANCE ACT, 1938:

The provision of Section 45 of the Insurance Act, 1938 shall be 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. Policyholders are advised to refer to Section 45 of the Insurance Act, 1938, for complete and accurate details.]

UNDER SECTION 41 of INSURANCE ACT, 1938(as amended)

Prohibition of Rebates (Section 41 of the 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 or contact our nearest P&GS units.

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 alongwith details of phone call and number.

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Registration Number: 512