

## FEATURES:

### “IN THIS POLICY, THE INVESTMENT RISK IN INVESTMENT PORTFOLIO IS BORNE BY THE POLICYHOLDER”

It is a unit linked Endowment plan where the premium payment term (PPT) is limited to single lump sum, or uniformly over 3, 4 or 5 years. You can choose the level of cover within the limits, which will depend on whether the policy is a Single premium or Limited premium contract, term chosen and 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 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 premium paying term of 3, 4 or 5 years. Alternatively, a Single premium can be paid .

#### 2 . Eligibility Conditions and Other Restrictions:

- (a) Minimum Age at entry - 0 (age last birthday)
- (b) Maximum Age at entry - 65 years (age nearer birthday)
- (c) Minimum Maturity Age - 18 years (completed)
- (d) Maximum Maturity Age - 75 years nearest birthday
- (e) Policy Term -
  - For premium paying term 3 and 4 yrs: [10 to 20] years
  - For premium paying term 5 yrs: [10, 15 to 20] years
  - For single premium: [5 to 20] years

- (f) Minimum Premium -
  - Rs. [15,000] p.a. for Limited premium Paying policies (other than monthly (ECS) mode.
  - Rs. [1,500] p.m. for monthly (ECS) mode
  - Rs. [40,000] p.a. for Single premium policies

- (g) Sum Assured under the Basic Plan -
  - Regular premium : 5 times the annualized premium
  - Single Premium :
  - Minimum Sum assured :

1.25 times the single premium.

Maximum Sum assured :

If Critical Illness Benefit Rider is opted for:

5 times the Single premium if age at maturity is upto 55 years.

3 times the Single premium if age at maturity is 56 to 60 years.

If Critical Illness Benefit Rider is not opted for:

5 times the Single premium if age at maturity is upto 65 years.

3 times the Single premium if age at maturity is 66 to 70 years.

2.5 times the Single premium if age at maturity is 71 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. 250/-.

**Commencement of risk in case of minor:** Risk will commence either after 2 years from the date of commencement of policy or from the policy anniversary coinciding with or immediately following the completion of 7 years of age, whichever is later in case the age at entry of the life assured is less than or equal to 10 years. Where the age at entry is more than 10 years but less than 12 years, the risk shall commence from the policy anniversary coinciding with or next following 12th birthday of the Life Assured. In case of minors aged 12 years or more risk will commence immediately.

### **3. Other Features:**

**i) Partial Withdrawals:** You may encash the units partially after the third policy anniversary subject to the following:

1. 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 18th birthday).
2. Partial withdrawals may be in the form of fixed amount or in the form of fixed number of units.
3. 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.
4. Under Limited 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.
5. Under Limited Premium Paying Term policies where at least 3 years' premiums have been paid, partial withdrawal will be allowed subject to Policyholder's Fund Value being at least Rs. 10000/-.
6. Under Single Premium policies, the partial withdrawal will be allowed subject to a minimum balance of Rs. 5000/- in the Policyholder's Fund Value.

**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 at least 3 years' premiums have been paid, the Life Cover, Accident Benefit and Critical Illness Benefit riders, if any, shall continue during the revival period.

During this period, the charges for Mortality, Accident Benefit and / or Critical Illness 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:

1. two years from the due date of first unpaid premium, or
2. till the date of maturity, or
3. 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. **In case of Critical Illness claim:** Critical Illness Rider Sum Assured, if opted for.
- D. **On maturity:** The Policyholder's Fund Value.
- E. **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.
- F. **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, Accident Benefit and/or Critical Illness Benefit rider covers, 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:

- G. **In case of Death:** The Policyholder's Fund Value.
- H. **In case of death due to accident:** Only, the amount as under G above.
- I. **In case of Critical Illness claim:** Nil
- J. **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.
- K. **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.

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.

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 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.

#### **4.Reinstatement:**

A policy once surrendered cannot be reinstated.

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

1. LIC's Profit Plus is a Unit Linked Life Insurance products which is different from the traditional insurance products and are subject to the risk factors.
2. 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.
3. Life Insurance Corporation of India is only the name of the Insurance Company and LIC's Profit 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.
4. Please know the associated risks and the applicable charges, from your Insurance agent or the Intermediary or policy document of the insurer.
5. 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.

6. All benefits under the policy are also subject to the Tax Laws and other financial enactments as they exist from time to time.

**6.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.

**7.Loan:**

No loan will be available under this plan.

**8.Assignment:**

Assignment will be allowed under this plan.

**9.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 Fund Value of the units held in the Policyholder’s Fund Value on death.

**BENEFITS:**

**A) Death Benefit:**

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

\*For the Life Assured of age less than 12 years before the commencement of risk, the Policyholder’s Fund Value shall be paid in case of death.

**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.

**1. Options:**

**A) 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.

**B) Critical Illness Benefit Rider:**

If you are between 18 and 50 years of age, you may opt for Critical Illness Benefit equal to the life cover subject to a minimum of Rs. 50,000 and maximum of Rs. 5 lakh (including other policies with LIC of India) provided the policy term is 10 years and above. In case of diagnosis of defined categories of Critical Illness subject to certain terms and conditions, an additional sum equal to the Critical Illness Benefit shall be payable.

**2.Investment of Funds:** The plan offers following four funds detailed below:

<b>Fund Type</b>	<b>Investment in Government / Government Guaranteed Securities / Corporate Debt</b>	<b>Short-term investments such as money market instruments (including Govt. Securities &amp; Corporate Debt)</b>	<b>Investment in Listed Equity Shares</b>	<b>Details and objective of the fund for risk / return</b>
<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 out of the above 4 funds.

**3. 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 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, 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.

**4. 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:**

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

**Limited Premium Paying Term policies:**

**Premium Paying Term - 3 or 4 years:**

<b>Premium Band (per annum)</b>	<b>Allocation charge</b>	
	<b>First year</b>	<b>thereafter</b>
15,000 to 1,50,000	10.50%	2.50%
1,50,001 to 3,00,000	10.00%	2.50%
3,00,001 to 4,50,000	9.50%	2.50%
4,50,001 and above	9.00%	2.50%

**Premium Paying Term - 5 years:**

	<b>Allocation charge</b>

<b>Premium Band (per annum)</b>	<b>First year</b>	<b>thereafter</b>
15,000 to 1,50,000	24.00%	4.00%
1,50,001 to 3,00,000	23.50%	4.00%
3,00,001 to 4,50,000	23.00%	4.00%
4,50,001 and above	22.50%	4.00%

**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:

<b>Age</b>	25	35	45	55
<b>Rs.</b>	1.42	1.73	3.89	10.76

Critical Illness Benefit rider Charge – This is the cost of Critical Illness Benefit rider (if opted for). These are age specific and will be taken every month.

The charges per Rs. 1000/- Critical Illness Rider Sum Assured per annum for some of the ages in respect of a healthy life are as under:

<b>Age</b>	25	35	45	55
<b>Rs.</b>	0.91	1.80	5.31	14.44

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:

0.50% p.a. of Unit Fund for “Bond” Fund

0.60% p.a. of Unit Fund for “Secured” Fund

0.70% p.a. of Unit Fund for “Balanced” Fund

0.80% 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, if any, shall be levied on the following charges

a) Policy Administration, Mortality, Accident Benefit and Critical Illness 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, Accident Benefit and Critical Illness 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) Switching - at the time of effecting switch and

e) Alteration (as provided under Miscellaneous charge) - on the date of 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%

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:

- Bond Fund: 1.00% p.a. of Unit Fund
- Secured Fund: 1.10% p.a. of Unit Fund
- Balanced Fund: 1.20% p.a. of Unit Fund
- Growth Fund: 1.30% p.a. of Unit Fund

- Critical Illness Benefit charges shall not exceed by more than 200% of the current rate.
- Switching Charge shall not exceed Rs. 200/- per switch.
- Miscellaneous Charge shall not exceed Rs. 100/- each time when an alteration is requested.

### **5. 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.