

"In this policy, the investment risk in the investment portfolio is borne by the policyholder"

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Plan No: 852 UIN 512L334V01

A Unit Linked, Non-Participating,  
Individual Life Insurance Plan

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भारतीय जीवन बीमा निगम  
LIFE INSURANCE CORPORATION OF INDIA

*Har Pal Aapke Saath*

# LIC's SIIP (UIN: 512L 334 V01)

## (A Unit Linked, Non-Participating, Individual Life Insurance Plan)

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

**THE UNIT LINKED INSURANCE PRODUCTS DO NOT OFFER ANY LIQUIDITY DURING THE FIRST FIVE YEARS OF THE CONTRACT. THE POLICYHOLDERS WILL NOT BE ABLE TO SURRENDER OR WITHDRAW THE MONIES INVESTED IN UNIT LINKED INSURANCE PRODUCTS COMPLETELY OR PARTIALLY TILL THE END OF FIFTH YEAR.**

LIC's SIIP is a Unit Linked, Non-Participating, Regular Premium,, Individual Life Insurance plan which offers insurance cum investment cover throughout the term of the policy.

You can buy this plan offline (through an intermediary) as well as online. To purchase this plan online, kindly log on to [www.licindia.in](http://www.licindia.in)

You have a choice of investing premiums in one of the four types of investment funds available. Each premium paid, after deduction of Premium 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 Net Asset Value (NAV).

### **1. A) Payment of premiums:**

1. You may pay premiums regularly at yearly, half-yearly, quarterly or monthly (through NACH only) intervals over the term of the policy.

The mode of premium payment has to be chosen at commencement although the same can be changed (between various regular premium payment modes) at any subsequent policy anniversary during the term of the policy.

- B) Grace Period:** A grace period of 30 days will be allowed for payment of yearly or half-yearly or quarterly premiums and 15 days for monthly (NACH) premiums.

### **2. Benefits payable under an in-force policy(where all due premiums have been paid):**

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

On death before the Date of Commencement of Risk:

An amount equal to the Unit Fund Value shall be payable.

On death after the Date of Commencement of Risk:

An amount equal to the highest of the following shall be payable

- Basic Sum Assured reduced by Partial Withdrawals, if any, made during the two years period immediately preceding the date of death; or,
- Unit Fund Value; or
- 105% of the total premiums received upto the date of death reduced by Partial Withdrawals, if any, made during the two years period immediately preceding the date of death.

Where Basic Sum Assured and Partial Withdrawal are as specified in Para 5 (i) and Para 4(II)(iv) respectively.

Mortality charge, Accident Benefit charge, and Tax charges thereon recovered subsequently to the date of death shall be paid back to the nominee or beneficiary along with death benefit.

Any Guaranteed Addition added subsequent to the date of death ( in case of delay in intimation of death claim) shall be recovered from the Unit Fund.

The death benefit shall be paid either in lump sum as specified above or in instalments, if Settlement Option is opted for, as mentioned in Para 4.IV below as per option exercised by the Policyholder/Life Assured

**B) Maturity Benefit:**

On Life Assured surviving the date of maturity provided all due premiums under the policy have been paid, an amount equal to Unit Fund Value shall be payable.

**C) Refund of Mortality Charges:**

On Life Assured surviving the date of maturity provided all due premiums under the policy have been paid, an amount equal to the total amount of mortality charges deducted in respect of life insurance cover shall be payable along with the Maturity Benefit. These charges shall not include any extra amount chargeable under the policy due to underwriting decision and tax charges levied on the mortality charges, if any.

Refund of Mortality Charge shall not be payable in case of surrendered or discontinued policy.

**3. Guaranteed Additions:**

Guaranteed Additions as a percentage of one Annualized Premium, as mentioned in the table below shall be added to the Unit fund on completion of specific duration of policy years provided all due premiums have been paid and the policy is in-force.

End of Policy Year	Guaranteed Additions (as percentage of one Annualized Premium)
6	5%
10	10%
15	15%
20	20%
25	25%

The allocated Guaranteed Addition shall be converted to units based on NAV of the underlying Fund type as on the date of such addition and shall be credited to the Unit Fund. For policies which are not in-force but revived subsequently, Guaranteed Addition shall be credited on the date of revival of the policy, provided all due premiums have been paid.

Any Guaranteed Addition added to the date of death (in case of delay in intimation of death claim) shall be recovered from the Unit Fund.

## 4. Optional benefits:

### I. Rider Benefits:

You have an option of availing LIC's Linked Accidental Death Benefit Rider (UIN: 512A211V02).

This rider can be opted for at any policy anniversary provided the outstanding policy term is at least 5 years but on or before the policy anniversary on which the age nearer birthday of the Life Assured is 65 years. The benefit cover under this rider shall be available till the Date of Maturity or till the policy anniversary on which the age nearer birthday of the Life Assured is 70 years, whichever is earlier, provided the Policy is in force as on date of accident. If this rider is opted for, in case of accidental death, the Accident Benefit Sum Assured will be payable in lumpsum. This Rider will not be available under the policy on the life of minor, during minority of the Life Assured. The Accident Benefit Sum Assured cannot exceed the Basic Sum Assured.

For more details on the above Rider, refer to the Rider Brochure or contact LIC's nearest Branch Office.

### II. Partial Withdrawals:

You may partially withdraw the units at any time after the fifth policy anniversary and provided all due premiums till date of Partial Withdrawal have been paid, subject to the following:

- i. In case of minors, partial withdrawals shall be allowed only after Life Assured is aged 18 years or above.
- ii. Partial withdrawals may be in the form of fixed amount or in the form of fixed number of units.
- iii. The Maximum amount of Partial Withdrawal as a percentage of fund during each policy year shall be as under:

Policy Year	Percent of Unit Fund
6 <sup>th</sup> to 10 <sup>th</sup>	20%
11 <sup>th</sup> to 15 <sup>th</sup>	25%
16 <sup>th</sup> to 20 <sup>th</sup>	30%
21 <sup>st</sup> to 25 <sup>th</sup>	35%

The above Partial withdrawal shall be allowed subject to minimum balance remaining after allowing for partial withdrawal is not less than 3 annualized premiums. The partial withdrawals which would result in termination of a contract shall not be allowed.

- iv. Partial withdrawal charge as specified in Para 8(D)(iii) shall be deducted from the Unit Fund Value.

If partial withdrawal has been made then for two years' period immediately from the date of withdrawal, the Basic Sum Assured or Paid-up Sum Assured, whichever is applicable, shall be reduced to the extent of Partial Withdrawals made. On completion of two years' period from the date of withdrawal the original Basic Sum Assured/Paid-up Sum Assured shall be restored.

### III. Switching:

You have an option to switch between the four fund types during the policy term. On switching the entire Fund Value shall be switched to the new Fund opted for. Switching shall be subject to Switching Charges as specified in Para 8(D)(ii).

#### IV. Settlement Option:

This is the option to receive the Death Benefit in instalments. This option can be exercised during the lifetime while in currency of the policy, specifying the mode of instalment and period in years (not more than 5 years). The death claim amount shall then be paid to the nominee as per the option exercised and no alteration whatsoever shall be allowed to be made by the nominee.

The Unit Fund under such policy will continue to be invested as per the fund type existing as on the date of intimation of death

The instalment shall be the total number of units as on the date of intimation of death divided by total number of instalments. The number of units arrived at in respect of each instalment will be multiplied by the NAV of the applicable fund type as on the date of instalment payment. The first payment will be made corresponding to the date of intimation of death and thereafter based on the mode opted..

During the Settlement Option period no charges other than the Fund Management Charge shall be deducted. The value of instalment 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.

On death of the nominee after the commencement of the Settlement Option period, the value of the outstanding units held in the Unit Fund shall become payable to the legal heir in lump sum.

No partial withdrawal or switching of fund shall be allowed by the nominee.

#### 5. Eligibility conditions and other restrictions:

##### I. (Minimum/Maximum) Basic Sum Assured:

Age below 55 Years	10 times of Annualized Premiums
Age 55 years and above	7 times Annualized Premiums

- ii. Minimum Age at entry : [90] Days (completed)
- iii. Maximum Age at entry : [65] years (nearer birthday)
- iv. Minimum Maturity Age : [18] years (Completed)
- v. Maximum Maturity Age : [85] years (nearer birthday)
- vi. Policy Term : 10 to 25 years
- vii. Premium Paying Term : Same as Policy Term
- viii. Premium :

Mode	Minimum	Maximum
Yearly	Rs. 40,000	No Limits
Half-Yearly	Rs. 22,000	
Quarterly	Rs. 12,000	
Monthly(NACH)	Rs. 4,000	

Annualized Premiums shall be payable in multiples of Rs. 1,000 for all modes other than monthly. For monthly (NACH), the premium shall be in multiples of Rs. 250/-.

**Date of commencement of risk under the plan:**

*In case the age at entry of the Life Assured is less than 8 years, the risk under this plan will commence either on the completion of 2 years from the date of commencement of policy or on policy anniversary coinciding with or immediately following the completion of 8 years of age, whichever is earlier. In case the age at entry of Life Assured is 8 years or more, risk will commence immediately from the date of underwriting acceptance of risk i.e. date of commencement of policy.*

**Date of vesting:**

If the policy is issued on the life of a minor, the policy shall automatically vest in the Life Assured on such vesting date i.e. on the policy anniversary coinciding with or immediately following the completion of 18 years of age and shall on such date of vesting be deemed to be a contract between the Corporation and the Life Assured.

**6. Investment of Funds:**

Unit Fund: The allocated premiums will be utilized to buy units as per the fund type opted by the Policyholder out of the four fund types options available. Various types of fund options and broadly their investment patterns are as under:

Fund Type	Investment in Government / Government Guaranteed Securities / Corporate Debt	Short-term investments such as money market instruments	Investment in Listed Equity Shares	Objective	Risk Profile	SFIN
<b>Bond Fund</b>	Not less than 60%	Not more than 40%	Nil	To provide relatively safe and less volatile investment option mainly through accumulation of income through investment in fixed income securities.	<b>Low risk</b>	ULI F0012 4/12/ 18LIC ULIPB ND512
<b>Secured Fund</b>	Not less than 45% & Not more than 85%	Not more than 40%	Not less than 15% & Not more than 55%	To provide steady income through investment in both equities and fixed income securities.	<b>Lower to Medium risk</b>	ULIF0022 4/12/18L ICULIPSE C512

<b>Balanced Fund</b>	Not less than 30% & Not more than 70%	Not more than 40%	Not less than 30% & Not more than 70%	To provide balanced income and growth through similar proportion investment in both equities and fixed income securities	<b>Medium risk</b>	ULIF003 24/12/1 8LICULI PBAL51 2
<b>Growth Fund</b>	Not less than 20% & Not more than 60%	Not more than 40%	Not less than 40% & Not more than 80%	To provide long term capital growth through investment primarily in equities	<b>High risk</b>	ULIF004 24/12/1 8LICULI PGRW5 12

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

**Discontinued Policy Fund (SFIN:ULIF001201114LICDPFNLI512):** The investment pattern of the Discontinued Policy Fund shall be a unit fund with the following asset categories:

- i) Money market instruments: 0% to 40%
- ii) Government securities: 60% to 100%

### 7. 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 and Fund Management Charge of each type of fund and shall be computed as:

Market Value of investment held by the fund + Value of Current Assets – Value of Current Liabilities & Provisions, if any

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Number of Units existing on Valuation Date (before creation / redemption of Units)

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

- I. The allocation and redemption of units for various transaction will be at the NAV as described below:

Type of Transaction	Applicable NAV (Where transaction is received before cut off Time)
First Premium received a. In case of Offline sale : by way of a local cheque or a demand draft payable at par at the place where premium is received. b. In case of Online sale : by any digital Payment mode.	NAV of Date of underwriting acceptance of risk i.e. Date of commencement of policy.
Renewal premium received through NACH or by any digital payment mode.	NAV of the date of our receipt of instruction or transaction realization date or the due date of premium whichever is later.

Renewal premium received by way of a local cheque or a demand draft payable at par at the place where the premium is received.	NAV of the date of our receipt of instrument or the due date of premium, whichever is later.
Partial withdrawal, Switching between available Fund types, or Free-look cancellation	NAV of the date of our receipt of the request in writing.
Surrender	NAV of the date of our receipt of surrender request in writing
Death claim	NAV of the date of our receipt of the intimation of death in writing along with death certificate.
Revival	NAV as on date of revival, where date of revival is the date of adjustment of all due premiums after underwriting acceptance has been received.
Settlement Option	NAV of date of installment payment under settlement option.
Maturity Benefit	NAV of the date of maturity.
Discontinuance	NAV as on the date of discontinuance.
Termination	NAV of date of termination.
Policy Alteration	NAV of date of alteration in the policy.
Guaranteed Addition	NAV of the date of allocation

- ii. Currently, the cut-off time is 3.00 p.m. as per the existing IRDAI guidelines and changes in this regard shall be as per the instructions from IRDAI. In case of new business the cut- off time of 3 p.m. for determination of NAV shall be in reference to the date of acceptance of risk i.e. date of commencement of Policy.
- iii. If the transaction request is received before the cut-off time in respect of:
- Premium Payments, at any branch office of the Corporation or other authorized office for premium collection or by any digital payment mode or through NACH;
  - Other transaction, by servicing branch of the Corporation;
  - Successful Registration of Service Requests as and when made available on LIC's Customer Portal  
the closing NAV of that day shall be applicable.
- iv. If the transaction request is received after the cut-off time in respect of:
- Premium Payments, at any branch office of the Corporation or other authorized office for premium collection or by any digital payment mode or through NACH;
  - Other transaction, by servicing branch of the Corporation;
  - Successful Registration of Service Requests as and when made available on LIC's Customer Portal  
the closing NAV of the next business day shall be applicable.

In case of offline sale, Premium paid by CTS 2010 cheque/demand draft drawn on a bank which is participating in local/CTS/speed clearing house shall only be accepted. Cheques /demand draft not coming under above category shall not be accepted.

## 8. Charges under the Plan:

### A) Premium Allocation Charge:

This is the percentage of the premium appropriated towards charges from the premium received. The balance known as allocation rate constitutes that part of the premium which is utilized to purchase units for the policy.

The Premium Allocation Charges are as below:

Premiums	Off line sale	Online sale
1st Year	8.00%	3%
2nd to 5th Year	5.50%	2%
6th Year and Thereafter	3.00%	1%

### B) Mortality Charge:

Mortality Charge is the cost of life insurance cover, which is age specific and this will be taken at the beginning of each policy month by canceling appropriate number of units out of the Unit Fund Value appropriately. The monthly charges will be one twelfth of the annual Mortality Charges. This charge shall depend upon the Sum at Risk.

The Sum at risk during the policy term=

Highest of

- Basic Sum Assured in case of in-force policies or Paid-up Sum Assured in case of reduced paid-up policies
- Unit Fund Value
- 105% of total Premium Received

Less

Unit Fund Value

The Unit Fund value shall be taken as on the date of deduction of charge, after deduction of Accident Benefit charges and Tax charge on Accident Benefit Charges and shall be deducted only if, the Basic Sum Assured/Paid-up Sum Assured, whichever is applicable, is more than the Unit Fund Value as on the date of deduction. The total premiums received shall be reckoned as on date of deduction of Mortality Charge.

In case of partial withdrawals, the Basic Sum assured or Paid up Sum Assured, whichever is applicable and 105% of the total premiums received, shall be reduced to the extent of all Partial Withdrawals made during the two years period immediately preceding the date of deduction of Mortality Charges .

The rate of Mortality Charge per annum per Rs. 1000/- Sum at Risk for some of the ages in respect of a healthy life are as under:

Age	25	35	45	50	60
Rs.	1.23	1.60	3.59	6.18	14.42

In case where the Policy is converted into a reduced paid-up policy, the Mortality Charge in respect of Sum at Risk under a paid-up Policy shall be deducted from the policy month following the due date of first unpaid premium. On revival of policy, the risk cover under the policy shall be restored immediately and the Mortality Charge in respect of Sum at Risk under an in-force policy shall be deducted from the policy month following the date of revival along with proportionate mortality charge for the period from the date of revival to the following policy month.

**C) Accident Benefit Charges ( if LIC's Linked Accidental Death Benefit Rider( is opted for):**

Accident Benefit Charge is the cost of LIC's Linked Accidental Death Benefit Rider if opted for. This charge will be taken at the beginning of each month by canceling appropriate number of units out of Unit Fund while the policy is in-force (i.e. all due premiums have been paid) and shall be at the rate of Rs. 0.40 per thousand Accident Benefit Sum Assured per policy year. If the Life Assured is engaged in police duty in any police organization other than paramilitary forces and opted for this cover while engaged in police duty, then the level annual charge shall be at the rate of Rs 0.80 per thousand Accident Benefit Sum Assured per policy year. The monthly charges will be one-twelfth of the annual Accident Benefit Charge.

**D) Other Charges:**

The following charges shall be deducted during the term of the policy:

i) Fund Management Charge – This is a charge levied as a percentage of the value of the assets and shall be appropriated by adjusting the Net Asset Value. Fund Management Charge (FMC) shall be as under:

- 1.35% p.a. of Unit Fund for all the four fund types available under an inforce policy i.e. Bond Fund, Secured Fund, Balanced Fund and Growth Fund
- 0.50% p.a. of Unit Fund for “Discontinued Policy Fund”

This is a charge levied at the time of computation of NAV, which will be done on daily basis. The NAV thus declared will be net of FMC.

ii) Switching Charge – This is a charge levied on switching of monies from one segregated fund to another available within the product. The charge per switch, if any, shall be levied at the time of effecting a switch. 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. This charge will be recovered by canceling appropriate number of units out of the Unit Fund.

iii) Partial Withdrawal Charge - This is a charge levied on the Unit Fund at the time of partial withdrawal of the fund during the contract period. A flat amount of Rs. 100/- shall be deducted by canceling appropriate number of units out of the Unit Fund Value on the date on which partial withdrawal takes place.

iv) Discontinuance Charge – This is a Charge levied by cancelling appropriate number of units out of the Unit Fund value as on the date of discontinuance of Policy. The Discontinuance charge applicable is as under:

Where the policy is discontinued during the policy year	Discontinuance Charges for the policies having Annualized Premium up to Rs 50,000	Discontinuance Charges for the policies having Annualized Premium above Rs 50,000
1	Lower of 20% * (AP or FV) subject to maximum of Rs. 3,000/-	Lower of 6% * (AP or FV) subject to maximum of Rs. 6000/-

2	Lower of 15% * (AP or FV) subject to maximum of Rs. 2,000/-	Lower of 4% * (AP or FV) subject to maximum of Rs. 5000/-
3	Lower of 10% * (AP or FV) subject to maximum of Rs. 1,500/-	Lower of 3% * (AP or FV) subject to maximum of Rs. 4000/-
4	Lower of 5% * (AP or FV) subject to maximum of Rs. 1,000/-	Lower of 2% * (AP or FV) subject to maximum of Rs. 2000/-
5 and onwards	NIL	NIL

Where

AP – Annualised Premium

FV – Unit Fund Value on the date of discontinuance of policy

“**Date of discontinuance of the policy**” shall be the date on which the intimation is received from the Life Assured / Policyholder about the surrender of the policy or on the expiry of the Grace Period (in case of non-payment of contractual premium due during the Grace period), whichever is earlier.

v) Tax Charge – Tax Charge, if any, will be as per the prevailing Tax laws and rate of tax as applicable from time to time.

Tax Charge shall be levied on all or any of the charges applicable to this plan as per the prevailing Tax laws/notification etc. as issued by Government of India or any other Constitutional tax Authority of India from time to time in this regard without any reference to the policyholder.

vi) Miscellaneous Charge – This is a charge levied for an alteration during the contract, such as change in premium mode and Grant of Accident Benefit Rider after the issue of the policy, and shall be a flat amount of Rs. 100/- which will be deducted by cancelling appropriate number of units out of Unit Fund Value and the deduction shall be made on the date of alteration in the policy.

E) **Right to revise charges:** The Corporation reserves the right to revise all or any of the above charges except the Mortality Charge and Accident Benefit Charge. The modification in charges will be done with prospective effect with the prior approval of IRDAI after giving the policyholders a notice of 3 months which shall be notified through our website.

Although the charges are reviewable, they will be subject to the maximum charges as declared by IRDAI from time to time. The current cap on charges is as under:

- Premium Allocation charges shall not exceed 12.5% of Annualized Premium in any year
- Partial withdrawal charge shall not exceed Rs. 500/- on each withdrawal.
- Switching Charge shall not exceed Rs. 500/- per switch.
- Discontinuance charges shall not exceed the limits specified by IRDAI, which are currently same as specified under Para 8.D.iv above
- Miscellaneous Charge shall not exceed Rs500/- each time when an alteration is requested.

In case you do not agree with the revision of charges you shall have the option to withdraw the Unit Fund Value. If such revision in charges is made during the lock-in period of 5 years, withdrawal shall be allowed only after the expiry of 5 years' lock-in period.

### **9. Surrender:**

An inforce policy can be surrendered anytime during the policy term, The surrender value, if any, shall be payable as under:

#### **If the policy is Surrendered during the 5 years' lock-in-period:**

If you apply for surrender of the policy during the 5 years' lock-in-period, then the Unit Fund Value after deducting the Discontinuance Charge shall be converted in to monetary terms as specified in Para 11.A below. This monetary amount shall be transferred to the Discontinued Policy Fund as specified in Para 11B below. The Proceeds of the Discontinued Policy Fund in respect of the Policy, shall be payable at the end of lock-in-period.

In case of death of the Life Assured after the date of surrender but before the expiry of the 5 years' lock-in-period, the Proceeds of the Discontinued Policy Fund in respect of the Policy shall be payable to the nominee/ legal heir immediately.

**If the policy is Surrendered after the 5 years' lock-in-period:** If you apply for surrender of the policy after lock-in-period, then the Unit Fund Value as on the date of surrender shall be payable. There will be no Discontinuance Charge under the policy.

### **10. Discontinuance of premiums:**

If you fail to pay premiums under the policy within the days of Grace Period, then the policy shall be in a state of discontinuance.

During the Grace Period the policy shall be treated as in-force and the charges for Mortality and Accident Benefit cover, if any, shall be deducted in addition to other charges by cancelling appropriate number of units out of the Unit Fund. Partial Withdrawal shall not be allowed if due premiums have not been paid.

The benefits payable during the grace period shall be same as that under an inforce policy, except Partial Withdrawal, which shall not be allowed if all due premiums have not been paid.

**The treatment of discontinued policy shall be as under:**

#### **1) If the policy is discontinued during the 5 years' lock-in-period:**

Upon expiry of the grace period, the Unit Fund Value after deducting the Discontinuance Charge as specified in Para 8. D (iv) shall be converted into monetary terms as specified in Para 11.A. This monetary amount shall be transferred to the Discontinued Policy Fund as specified in Para 11.B below and the risk cover and rider cover, if any, shall cease.

On such discontinuance, a communication shall be sent to you within three months of the date of first unpaid premium, communicating the status of the policy and the option of revival available during the revival period of three years from the date of First Unpaid Premium.

Under such cases

A. If you exercises the option to revive the policy at any time during the revival period of 3 years, then the policy shall be revived as specified in para 13 iii below .

- B. In case you opt to revive but do not revive the policy during the revival period of 3 years, then the proceeds of the Discontinued Policy Fund in respect of the policy, as specified in Para 11.C, shall be payable to you at the end of the revival period or lock-in period, whichever is later and the policy shall terminate. .
- C. In case you do not exercise the option to revive the policy as set out below, the policy shall continue without any risk cover and rider cover, if any, and the policy fund shall remain invested in the Discontinued Policy Fund. The Proceeds of the Discontinued Policy Fund in respect of the policy as specified in Para 11C below shall be paid to you at the end of lock-in period and the policy shall terminate.
- D. However, you have an option to surrender the policy anytime and Proceeds of the Discontinued Policy Fund in respect of the policy shall be payable at the end of lock-in period or date of surrender whichever is later.

Irrespective of what is stated above, in case of death of the Life Assured during the revival period or 5 years' lock-in-period, as the case may be, the Proceeds of the Discontinued Policy Fund of the Policy, as per in Para 11C below, shall be payable immediately.

**II) If the policy is discontinued after the expiry of 5 years' lock-in- period:**

Upon expiry of the grace period, in case of discontinuance of policy due to non payment of premium, the policy shall be converted into a reduced paid-up policy. The Basic Sum Assured under the policy shall be reduced to such a sum called Paid-Up Sum Assured and shall be equal to { Basic Sum Assured multiplied by the ratio of total number of premiums paid to the original number of premiums payable as per the terms and conditions of the Policy}. The policy shall continue to be in reduced paid up status without rider cover, if any i.e. no Accident Benefit cover shall be available under reduced paid up policy. The reduced risk cover and hence the mortality charges in respect of the paid up policy shall be applicable from the next policy month following the date of first unpaid premium. Further, all other charges (except Accident Benefit Charge) as specified in Para 8.D above shall also continue to be deducted.

Under a paid-up policy, in case of death of the Life Assured, highest of the following shall be payable

- Paid up Sum Assured reduced by Partial Withdrawal made during the two year period immediately preceding the death of the Life Assured; or
- Unit Fund Value ; or
- 105% of total premiums received excluding Partial Withdrawals made during the two year period immediately preceding the death of the Life Assured.

On such discontinuance, a communication shall be sent to you within three months of the date of first unpaid premium, communicating the status of the policy and the options available during the revival period of three years.

You have the following options available to exercise during the revival period..

Option	Description
1	Revive the policy (alongwith the rider ,if opted for) within the revival period of three years from the date of first unpaid premium or upto the date of maturity, whichever is earlier
2	Surrender the policy
No option selected	Policy shall continue to be reduced paid up status till the end of the revival period or upto the date of maturity, whichever is earlier.

- A. If you exercise Option (1) i.e. revive the policy during the revival period of 3 years from the date of first unpaid premium or upto the date of maturity, whichever is earlier, then during this revival period the policy shall continue to be as a reduced paid up policy.

In case you revive the policy during this revival period then the policy shall be revived as per Para 13 (iii) below and if you do not revive the policy within this revival period, then the policy shall be terminated on the completion of this revival period or date of maturity, whichever is earlier and the balance amount in the Unit Fund shall be refunded to you.

- B. If you exercise Option (2) i.e. surrender the policy, then the policy shall be terminated on the date of intimation of surrender and the balance amount in the Unit Fund shall be refunded to you.
- C. If you do not exercise any of the options then the policy shall continue as a reduced paid up policy till the end of the revival period or upto the date of maturity, whichever is earlier. At the end of the revival period or on the date of maturity, whichever is earlier, the policy shall be terminated and the balance amount in the Unit Fund shall be refunded to you

### **11. Treatment of the policy while the policy money is in Discontinued Policy Fund:**

If the policy is surrendered or discontinued on or before 5 years' lock-in-period, then the policy money shall undergo following procedure:

#### **A. Conversion of Unit Fund Value into monetary amount:**

The NAV as on the date of application for surrender ( if surrendered during the 5 years' lock-in period) or as on the date of expiry of grace period as the case may be, multiplied by the number of units in the Unit Fund (i.e. after deduction of Discontinuance Charge, if any) as on that date, will be the monetary amount.

#### **B. Transferring the monetary amount into the Discontinued Policy Fund:**

The monetary amount as calculated under (A) above shall be transferred to the Discontinued Policy Fund by converting the monetary amount into the units. The number of units transferred to the Discontinued Policy Fund shall be the monetary amount divided by the NAV of the Discontinued Policy Fund as on the date of transfer.

#### **C. Calculation of Proceeds of the Discontinued Policy Fund:**

The Proceeds of the Discontinued Policy Fund of the Policy shall be higher of Discontinued Policy Fund Value or the Guaranteed Monetary Amount. The Guaranteed Monetary Amount is the accumulation of monetary amount transferred into the Discontinued Policy Fund at the guaranteed interest rate. The guaranteed interest rate shall accrue from the date when the monetary amount is transferred to the Discontinued Policy Fund to the date when the policy exits from

the Discontinued Policy Fund either by death, surrender, revival, complete withdrawal at the end of 5 years' lock-in-period or on completion of 3 years revival period (if revival period extends beyond the 5 years lock-in- period) whichever is applicable.

Currently this guaranteed interest rate is 4% p.a. and shall be subject to change from time to time as declared by IRDAI.

## 12. Compulsory termination:

If the policy has run for at least 5 years provided 5 full years' premiums have been paid and the balance in the Unit Fund is not sufficient to recover the relevant charges, the policy shall be compulsorily terminated and the balance amount in the Unit Fund, if any, shall be refunded to the Policyholder. This shall be applicable irrespective of whether the policy is in-force or paid-up during the revival period.

## 13. Other features:

- i) **Top-up:** No Top-up shall be allowed under the plan.
- ii) **Increase/Decrease of risk covers:** No increase/decrease of benefits will be allowed under the plan. Under an in-force policy, the policyholder can, however, cancel the LIC's Linked Accidental Death Benefit Rider at anytime during the policy term. However, once the rider is cancelled, the same cannot be subsequently restored.
- iii) **Revival of discontinued policies:**

A discontinued policy shall be revived within a revival period of three years from the date of first unpaid premium or upto the date of maturity, whichever is earlier.

If you exercise option to revive the policy at any time within a period of 3 years from the date of First unpaid Premium, then the policy shall be revived subject to the following.

- **On payment of all** due and unpaid **premiums without interest.**
- On satisfaction of Continued Insurability of the Life Assured on the basis of the information, documents and reports that are already available and any additional information in this regard if and as may be required in accordance with the Underwriting Policy of the Corporation at the time of revival, being furnished by the Policyholder/ Proposer/ Life Assured.
- If policy was discontinued during the 5 years' lock-in period ,the Discontinuance Charge deducted from the Unit Fund, if any, at the time of discontinuance of the policy, along with the proceeds of the Discontinued Policy Fund in respect of the Policy shall be added back to the Unit Fund.
- All outstanding applicable Premium Allocation Charges and Tax charges due since the date of discontinuance shall be deducted from the Unit Fund.
- Units of the segregated fund originally chosen by you or as chosen in the last switch, or the fund chosen at the time of revival, as the case may be, shall be allotted based on the NAV as on the date of revival.

The Corporation reserves the right to accept at original terms, accept with modified terms or decline the revival of a discontinued policy as per the Underwriting policy of the Corporation. The revival of a discontinued policy shall take effect only after the same is approved, accepted and revival receipt is issued by the Corporation.

Irrespective of what is stated above, if the Unit Fund Value is not sufficient to recover the charges during the revival period, the policy shall terminate and thereafter revival will not be allowed LIC's Linked Accidental Death Benefit Rider, if opted for, can be revived along with the Base Policy and not in isolation

#### **14. Reinstatement:**

Reinstatement of a surrendered policy shall not be allowed.

#### **15. Risks factors and Disclaimers :**

- i) LIC's SIIP is a Unit Linked Life Insurance product, which is different from the traditional insurance products.
- ii) The premiums 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 SIIP 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 fund types 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 applicable from time to time.
- vii) The actual value of units under your policy in the IRDAI prescribed FORM D02 can be viewed through a secured login on the Corporation's website ([www.licindia.in](http://www.licindia.in))

#### **16. Free look period:**

If you are not satisfied with the "Terms and Conditions" of the policy, the policy may be returned to us within 15 days (30 days in case of Online sale) from the date of receipt of the policy bond stating the reasons of objections. On receipt of the same the Corporation shall cancel the policy and the amount to be refunded shall be as under:

Value of units in the Unit Fund

- Plus Unallocated Premium (equal to Allocation Charge multiplied by Premium received)
- Plus Proportionate Mortality Charges and Accident Benefit charge, if any, for the balance period from the date of opting for Free-Look to the end of the policy month for which the respective charges have been deducted
- Plus Tax Charges deducted
- Less Actual cost of medical examination and special reports, if any,
- Less Stamp duty@ Rs.0.20 per thousand Basic Sum Assured and Accident Benefit Sum Assured, if any.

#### **17. Loan:**

No loan shall be allowed under this plan.

#### **18. Nomination and Assignment:**

Nomination shall be as per Section 39 of the Insurance Act, 1938, as amended from time to time.

Assignment shall be as per Section 38 of the Insurance Act, 1938, as amended from time to time.

## 19. Exclusions:

**Suicide Clause:** If Life Assured commits suicide, within 12 months from the date of commencement of policy or from the date of revival of the policy, the nominee or beneficiary of the policyholder shall be entitled to the Unit Fund Value available as on the date of intimation of death alongwith death certificate. The Corporation will not entertain any claim under the policy and the policy shall terminate

Any charges other than Fund Management Charges (FMC) recovered subsequent to the date of death shall be added back to the Fund Value as available on the date of intimation of death along with death certificate. Any Guaranteed Additions added subsequently to the date of death ( in case of delay in intimation of death claim) shall be recovered from the Unit fund..This clause shall not be applicable in case age at entry/ age at Revival of the Life Assured is below 8 years.

### Benefit Illustration:

#### Illustration 1:

Age of Life Assured	30
Policy Term	25
Premium paying mode	Quarterly
Premium ( Rs)	30,000
Basic Sum Assured ( Rs)	12,00,000
Mode of purchase	Offline
Type of Fund	Bond

#### Benefits Under plan:

	Benefits @ 4% p.a. (Rs)	Benefits @ 8% p.a. (Rs)
<b>Total Maturity Benefit (Fund Value)</b>	<b>40,04,293</b>	<b>69,17,669</b>
		<b>Net Yield 6.43%</b>

			Benefits @ 4% p.a. (Rs)		Benefits @ 8% p.a. (Rs)	
End of Policy Duration (Year)	Cumulative premium (Rs)	Guaranteed Additions (Rs)	Fund Value (Rs)	Death Benefit (Rs)	Fund Value (Rs)	Death Benefit (Rs)
6	7,20,000	6,000	7,21,223	12,00,000	8,14,046	12,00,000
15	18,00,000	18,000	20,82,359	20,82,359	28,43,445	28,43,445
20	24,00,000	24,000	29,80,302	29,80,302	45,65,888	45,65,888
25	30,00,000	30,000	40,04,293	40,04,293	69,17,669	69,17,669

## Disclaimer

- i) *This illustration is applicable to a non-smoker male/female standard (from medical, life style and occupation point of view) life for a policy purchased offline, wherein LIC's linked Accidental Death Benefit rider is not opted.*
- ii) *In 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 4% p.a. or 8% p.a., as the case may be. The Projected Investment Rate of Return is 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."*
- iii) *The above illustration has been given considering the prevailing Tax Charge (GST) of 18% which is subject to change from time to time.*
- iv) *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.*
- v) *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 4% and 8% growth.*

### **SECTION 45 OF THE 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 policy**whichever 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 policy**whichever 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 the Section 45 of Insurance Act, 1938, for complete and accurate details.]***

**Prohibition of rebates (Section 41 of Insurance Act, 1938) as :**

- 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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