

**LIFE INSURANCE CORPORATION OF INDIA**  
**CENTRAL OFFICE**

Dept.: Product Development

"Yogakshema",  
Jeevan Bima Marg,  
Mumbai – 400 021

Ref: CO/PD/47

4<sup>th</sup> January, 2014

All HODs of Central Office  
All Zonal Offices  
All Divisional Offices  
All Branch Offices (through DOs)  
MDC, ZTCs, STCs, NIA and  
Audit & Inspection Depts. of Zonal Offices.

**RE: INTRODUCTION OF LIC's NEW BIMA BACHAT (PLAN No. 816)**

It has been decided to introduce **LIC's NEW BIMA BACHAT** (Plan No. 816), with effect from 7<sup>th</sup> January 2014.

The Unique Identification Number (UIN) for LIC's New Bima Bachat plan is 512N284V01. This number has to be quoted in all relevant documents furnished to the Policyholders and other users (public, distribution channels, etc.).

**1. Introduction:**

LIC's New Bima Bachat is a Single Premium participating money back type plan.

The benefits and other details of this plan are given below.

**2. Benefits:**

**a) Death Benefit:**

On death during the first five policy year: Sum Assured shall be payable.

On death after completion of five policy year: Sum Assured along with Loyalty Addition, if any, shall be payable.

**b) Survival Benefit:** On the Life Assured surviving to the end of the specified durations, the following benefits shall be payable:

**For policy term 9 years:**

15% of the Sum Assured at the end of each of 3<sup>rd</sup> & 6<sup>th</sup> policy year.

**For policy term 12 years:**

15% of the Sum Assured at the end of each of 3<sup>rd</sup>, 6<sup>th</sup> & 9<sup>th</sup> policy year.

**For policy term 15 years:**

15% of the Sum Assured at the end of each of 3<sup>rd</sup>, 6<sup>th</sup>, 9<sup>th</sup> & 12<sup>th</sup> policy year.

**c) Maturity Benefit:**

On the life assured surviving to the end of the policy term, Single Premium paid along with Loyalty Addition, if any, less taxes and extra premium, if any, shall be payable.

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**d) Loyalty Addition:**

Depending upon the Corporation's experience the policies shall be participate in the profits and shall be eligible for Loyalty Addition. The Loyalty Addition, if any, shall be payable on death after completion of five policy years and on policyholder surviving to maturity, at such rate and on such terms as may be declared by the Corporation.

**3. Eligibility Conditions and Restrictions:**

- a) Minimum Entry Age : 15 years (completed)
- b) Maximum Entry Age : 66 years (nearest birthday) for term 9 years  
: 63 years (nearest birthday) for term 12 Years  
: 60 years (nearest birthday) for term 15 years
- c) Maximum Maturity Age : 75 years (nearest birthday)
- d) Mode of premium payment : Single Premium only
- e) Minimum Sum Assured : Rs.35,000 for term 9 years  
: Rs.50,000 for term 12 years  
: Rs.70,000 for term 15 years
- f) Maximum Sum Assured : No Limit

Sum Assured shall be in multiple of Rs. 5000/-

- g) Policy Term : 9, 12 or 15 years.

Age at entry of policyholder is to be taken as age nearest birthday except for minimum age at entry i.e. 15 years (completed).

**4. Premium Rates :**

The tabular premium rates per thousand Sum Assured are given in **Annexure 1**.

The class – I extra premium rates per thousand Sum Assured are given in **Annexure 2**.

The above premium rates are exclusive of taxes.

**5. Rebates:**

**High Sum Assured Rebates (As percentage of Tabular Premium):**

**Term = 9 years**

Less than Rs. 75,000	: NIL
Rs. 75,000 and Less than Rs.150,000	: 6%
Rs. 150,000 and above	: 8%

**Term = 12 years**

Less than Rs. 100,000	: NIL
Rs. 100,000 and Less than Rs.200,000	: 4%
Rs. 200,000 and above	: 6%

**Term = 15 years**

Less than Rs. 150,000	: NIL
Rs. 150,000 and Less than Rs.300, 000	: 3%
Rs. 300,000 and above	: 5%



6. **Corporation's Employees Insurance Scheme (CEIS) Rebate:**

An employee of the Corporation shall be eligible for a rebate on tabular premium under Corporation's Employee Insurance Scheme. The rebate shall be 2% of the tabular premium provided policy is not taken through any Agent/ Corporate Agent/ Broker/ Direct Sales Executive etc.

7. **Commission payable to intermediaries & Credit to Development Officer's:**

Commission to Agents, Corporate Agents and brokers is payable @ 2% of the Single Premium received (net of taxes).

Credit to Development Officers will be @ 5% of the Single Premium (net of taxes).

No Bonus Commission will be payable.

8. **Surrender Value:**

The policy can be surrendered at any time during the policy term **subject to realization of the premium cheque.**

**Guaranteed Surrender Value:**

The Guaranteed Surrender Value allowable shall be as under:

- First year: 70% of the Single Premium excluding taxes and extra premium, if any.
- Thereafter: 90% of the Single Premium excluding taxes, extra premium, if any and all survival benefits paid earlier.

**Special Surrender Value:**

The Corporation may, however, pay Special Surrender Value as applicable as on date of surrender provided the same is higher than Guaranteed Surrender Value.

For calculation of Special Surrender Value, the amount of Single Premium paid excluding taxes and extra premium, if any, shall be taken as paid-up value and Surrender Value Factors for completed quarterly durations are given in **Annexure 3**.

9. **Loan:**

Loan facility is available under this plan at any time after completion of one policy year subject to the following conditions:

- a) Loan can be granted to a maximum of 60% of Surrender Value as on the date of sanction of Loan.
- b) The rate of interest to be charged on loans granted under this plan would be determined from time to time by the Corporation.
- c) No foreclosure action should be taken under this plan even if there is a default in payment of loan interest. However, any loan outstanding along with interest shall be recovered from the claim proceeds at the time of exit.
- d) In case the policy shall mature or whenever any survival benefit falls due or becomes a claim by death, the Corporation shall become entitled to deduct the amount of the loan or any portion thereof which is outstanding, together with all outstanding interest from the policy moneys.

10. **Underwriting, Age proof and Medical Requirements :**

U & R Department will issue instructions in this regard.





**11. Suicide Clause:**

The policy shall be void if the Life Assured (whether sane or insane) commits suicide at any time within 12 months from the date of commencement of risk and the Corporation will not entertain any claim under this policy except to the extent of 90% of the Single Premium paid excluding taxes and any extra premium paid.

**12. Forfeiture in Certain Events:**

In case of fraud or misrepresentation, the policy shall be cancelled immediately by paying the Surrender Value, subject to the fraud or misrepresentation being established by the Corporation in accordance with Section 45 of the Insurance Act, 1938.

**13. Taxes:**

Taxes including Service Tax, if any, shall be as per the Tax laws and the rate of tax as applicable from time to time.

The amount of tax as per the prevailing rates shall be payable by the Life Assured on the Single Premium including extra premium, if any. The amount of Tax paid shall not be considered for the calculation of benefits payable under the plan.

The instructions regarding issues related to taxes will be issued by Finance & Accounts Department, Central office, separately.

**14. Normal requirements for claim:**

The normal documents which the claimant shall submit while lodging the claim in case of death of the Life Assured shall be the claim forms as prescribed by the Corporation accompanied with original policy document, NEFT mandate from the claimant for direct credit of the claim amount to the bank account, proof of title, proof of death, medical treatment prior to death, school / college / employer's certificate, whichever is applicable, to the satisfaction of the Corporation. If the age is not admitted under the policy, the proof of age of the Life Assured shall also be submitted.

When maturity benefit or survival benefits falls due or on earlier surrender, the Life Assured shall submit the discharge form along with the original policy document, NEFT mandate form from the claimant for direct credit of the claim amount to the bank account besides proof of age, if the age is not admitted earlier.

**15. Cooling-off period:**

If a 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.

The refund of premium to the policyholder shall be subject to the following deductions:

1. Stamp duty on policy;
2. Actual cost of medical examination and special reports, if any;
3. Proportionate risk premium for the period on cover as per C.O. Circular Ref: CO/PD/39 dated 31<sup>st</sup> December, 2013.

**16. Back-dating interest :**

The policies can be dated back within the same financial year. Back dating interest will be charged at the rate as fixed by the Corporation from time to time. No waiver of interest for back-dating will be allowed. Interest will be charged for the exact period for which the policy is back dated i.e. from the date of commencement of policy to the date of payment of premium.

Any further instructions would be issued by Actuarial Department, Central Office, as application from time to time.

**17. Policy stamping :**

Policy stamping charges will be 20 paise per thousand Sum Assured under this Plan.

**18. Reinsurance:**

Normal procedure for Reinsurance will apply.

**19. Assignments/Nominations:**

It should be ensured that a nomination is made in the policy at the proposal stage as per Section 39 of Insurance Act, 1938. Further efforts should be made at the underwriting stage as well as on subsequent registration so as to eliminate the possibility of presence/involvement of moral hazard to a maximum extent. It should generally be insisted that the nominee should be spouse, children or very close relative of the Life Assured.

On subsequent Assignment as per Section 38 of Insurance Act, 1938 or change of nomination, the notice of assignment or change of nomination should be submitted for registration to the office of the Corporation, where the policy is serviced.

**20. Accounting of Income and Outgo:**

Instructions regarding the accounting procedure to be followed under the plan shall be issued separately by Finance & Accounts Department, Central office.

**21. Proposal Form:**

Proposal Form No. 300 or 340 as the case may be shall be used under this plan.

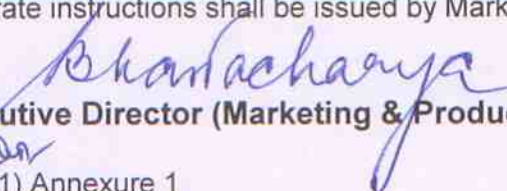
**22. Policy Document:**

The specimen Policy Document will be sent by the Corporate Communications Department, Central Office.

**23. Disclosures:**

At the time of sale, a client specific Benefit Illustration shall be provided to the Policyholder. Such Benefit Illustration shall be signed by both the prospective policyholder and intermediary and shall form part of the policy document.

Separate instructions shall be issued by Marketing Department, Central Office in this regard.

  
**Executive Director (Marketing & Product Development)**

Encl: 1) Annexure 1  
2) Annexure 2  
3) Annexure 3