

**LIFE INSURANCE CORPORATION OF INDIA  
CENTRAL OFFICE**

Dept: Product Development

"Yogakshema"  
Jeevan Bima Marg  
Mumbai – 400 021

Ref: CO/PD/37

14<sup>th</sup> November, 2013

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

**Re: INTRODUCTION OF MODIFIED PLAN – 'LIC's JEEVAN AROGYA' - (Plan No. 904)**

**1. INTRODUCTION:**

In view of Guidelines on Standardization in Health Insurance and IRDA (Health Insurance) Regulations, 2013, it has been decided to modify LIC's Jeevan Arogya. The modifications are as under:

- Standard definitions have been incorporated in Policy Document for all standard terms defined in the new guidelines.
- Only yearly and half-yearly modes of premium payment shall be available.
- Children covered under the policy shall be provided the option to take a new policy on renewal of the policy after completion of 18 years of age or at the end of the maximum cover ceasing age (i.e. 25 years) under the current policy.
- Service tax will be separately collected along with the premium.

The new Unique Identification Number (UIN) for LIC's Jeevan Arogya plan is 512N266V02. This number has to be quoted in all relevant documents furnished to the policyholders and other users (public, distribution channels). The modified version of this plan shall be launched from 16<sup>th</sup> November, 2013.

Kindly note that the Plan Number for this modified LIC's Jeevan Arogya shall be **904**.

The plan features and other term and conditions with the abovementioned modifications are given below.

An individual can take the health cover under this plan for himself / herself. This individual will be addressed as **Principal Insured (PI)** for the purpose of insurance under this plan. The Spouse, Children, Parents and Parents-in-law can also be covered under the same policy.

This is non-linked health plan which provides fixed benefits for hospitalization and almost all types of surgical procedures irrespective of actual cost incurred and the benefit is in addition to any other health insurance cover that insured lives may have, subject to certain terms and conditions.

The benefits offered under the plan are:

- i) Hospital Cash Benefit (HCB)
- ii) Major Surgical Benefit (MSB)



- iii) Day Care Procedure Benefit (DCPB)
- iv) Other Surgical Benefit (OSB)

Two riders viz. Term Assurance Rider and Accident Benefit Rider shall also be available under the plan for PI and Insured Spouse only.

If Spouse of Principal Insured is also proposed to be covered in the policy (initially or at a later date on marriage/ remarriage during the term of the policy), at the time of filling up the proposal form for inclusion of the Spouse, PI and Spouse (if insured) have to exercise an option whether to continue the policy in case of exit of PI from the policy, as per Annexure C enclosed with the proposal form. If option for continuation of policy is exercised, in case of death or expiry of cover of PI, the surviving Insured Spouse will become the Principal Insured and the Policy will continue. In such case, the premium for the Insured Spouse will change from the coinciding or following instalment premium due date and the new premium would be based on tabular premium rates applicable for PIs and the age for calculation of revised premium rate will be the age at entry of the spouse.

Other details of the plan are as follows.

## 2. PREMIUM:

Under this plan multiple lives can be covered under one policy.

For each insured life, the installment premium shall be based on the age at entry, the Initial Daily Hospital Cash Benefit chosen, gender and whether insured life is PI or other than PI.

The tabular premium rates applicable for PI (males/females) will be different from those applicable for other lives (males/females) as given in **Annexure I**. Thus, the level of premium for PI and other insured lives shall be different for same age, same gender and same level of cover.

The instalment premium payable during the cover period in respect of each Insured will be the sum of:

- (i) Instalment premium for the Basic Plan
- (ii) Instalment premium for Accident Benefit Rider (if opted for)
- (iii) Instalment premium for Term Assurance Rider (if opted for)

The total instalment premium payable in respect of each policy shall be the sum of instalment premiums payable in respect of each insured life covered under the policy.

For example, if there are 3 lives covered under a policy- PI (male), Spouse (female) and child (for children premium does not vary with gender). PI has opted for both Term Assurance Rider & Accident Benefit Rider, Spouse has not opted for any rider benefit and the optional riders are not available for child.

Thus,

Instalment premium for PI is = Instalment premium for PI under the Basic Plan + Instalment premium for Accident Benefit Rider + Instalment premium for Term Assurance Rider \_\_\_\_\_ (A)

Instalment premium for Spouse = Instalment premium for Spouse under the Basic Plan \_\_\_\_\_ (B)

Instalment premium for Child = Instalment premium for Child under the Basic Plan \_\_\_\_\_ (C)

Therefore, **Total Instalment Premium** to be paid for this policy shall be [(A) + (B) + (C)]



In respect of each insured life covered under a policy, the installment premium for Basic Plan will be guaranteed for a period of 3 (three) years from the Date of Commencement of the policy. The installment premiums for Basic Plan are reviewable on every third policy anniversary (defined as Automatic Renewal Date in Para 5 a) below) starting from the date of commencement of policy. The premium rates for the basic plan applicable on renewal, i.e. from Automatic Renewal Date, shall be guaranteed for a further period of 3 years i.e. till next Automatic Renewal Date.

If any additional member is included in the policy after the date of commencement, the premium charged in respect of that member will also be guaranteed till the next Automatic Renewal Date and hence may change even before completion of 3 years from his/her joining the policy.

On any Automatic Renewal Date in the future, the installment premium in respect of each insured will be based on the entry age of that Insured (i.e. age as on the date of commencement of policy/ age at the time of inclusion into the policy, as the case may be) and the Corporation's premium rates then prevailing for this product. The Instalment premium for both the optional riders is, however, guaranteed throughout the term for which cover is provided.

The tabular premium rates per annum for PI and Other Insured for standard lives are given in the **Annexure - I**. Also the rates of Class I extra premium per annum are enclosed as **Annexure - II** to this circular.

Kindly note that the maximum age at entry for PI is 65 years. However, tabular premium rates and Class-I extra for PI have been given upto age 79 years to cover the possibilities mentioned in Para 4b) of this circular.

### 3. ELIGIBILITY CONDITIONS AND FEATURES:

#### FOR BASIC PLAN

a) Minimum / Maximum Premium Amount	There is no specific minimum and maximum premium payable. The total premium payable will be the sum of premiums in respect of each individual member covered under the policy. The premium in respect of each individual will be payable from the date of entry into the policy till the date of exit from the policy.
b) Minimum entry age	Principal Insured, Insured Spouse, Parents & Parents-in-law - [18] years last birthday Insured Dependent Children - [3] months (completed)
c) Maximum entry age	Principal Insured and Insured Spouse - [65] years last birthday Insured Parents and Parents-in-law - [75] years last birthday Insured Dependent Children - [17] years last birthday
d) Maximum cover ceasing age	Principal Insured, Insured Spouse, Insured Parents & Parents-in-law - [80] years last birthday Insured Dependent Children - [25] years last birthday
e) Date of cover expiry in respect of each Insured covered under the plan	Policy anniversary on which the Insured life attains Maximum cover ceasing age or as per other conditions as specified in Para 5(g).
f) Premium Rate Guarantee	Rates will be guaranteed for first 3 years of the policy i.e. for 3 years from the date of commencement of policy. At the end of every 3 years, i.e. on each



	Automatic Renewal Date (defined in Para 5 a)) the premium rates may change i.e. the policy may be treated as if it is renewed every 3 years. The rates applicable on renewal after every 3 years shall be guaranteed for a further period of 3 years i.e. till next renewal.
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**(i) For Hospital Cash Benefit (HCB) (under Basic Plan)**

Feature	Principal Insured (PI)	Insured Spouse (if any), Insured Parents & Parents-in-law (if any)	Insured Dependent Children (if any)
a) Minimum Initial Daily Benefit (in a ward other than Intensive Care Unit)	Rs.1,000/-	Rs.1,000/-	Rs.1,000/-
b) Maximum Initial Daily Benefit	Rs.4,000/-	<u>Insured Spouse</u> - Less than or equal to that of PI <u>Insured Parents/ Parents-in-law</u> - Less than or equal to that of Insured Spouse (PI, if there is no Insured Spouse). Further, included parents shall be covered for equal benefits.	Less than or equal to that of Insured Spouse (PI, if there is no Insured Spouse). Further, included children shall be covered for equal benefits.
c) Maximum annual benefit period, applicable to each insured	30 days in year 1, 90 days per year thereafter, inclusive of stay in ICU. Maximum number of days in ICU is restricted to 15 days in year 1 and to 45 days thereafter.		
d) Maximum Lifetime Benefit period, applicable to each insured	720 days inclusive of stay in ICU. Maximum number of days in ICU is restricted to 360 days in respect of each Insured.		

Initial Hospital Cash Benefit shall be in multiples of Rs.1000/-.

**(ii) For Major Surgical Benefit (MSB) (under Basic Plan)**

Feature	Principal Insured (PI)	Insured Spouse (if any), Insured Parents & Parents-in-law (if any)	Insured Dependent Children (if any)
a) Major Surgical Benefit Sum Assured (MSB SA)	100 times of Applicable Daily Benefit (ADB) of PI (as specified in Para 4).	<u>Insured Spouse</u> - 100 times of ADB of Insured Spouse <u>Insured Parents/ Parents-in-law</u> - 100 times of ADB of each parent	100 times of ADB of each child
b) Maximum annual benefit, applicable to each insured	100% of Major Surgical Benefit Sum Assured		
c) Maximum Lifetime Benefit, applicable to each insured	800% of Major Surgical Benefit Sum Assured		

**(iii) For Day Care Procedure Benefit (DCPB) (under Basic Plan)**

Feature	Principal Insured (PI)	Insured Spouse (if any), Insured Parents & Parents-in-law (if any)	Insured Dependent Children (if any)
a) Lump sum benefit payable	5 times of Applicable Daily Benefit (ADB) (described in Para 4) of PI for each Surgical Procedure	Insured Spouse- 5 times of ADB of Insured Spouse Insured Parents/ Parents-in-law - 5 times of ADB of each parent	5 times of ADB of each child
b) Maximum annual benefit, applicable to each insured	3 Surgical Procedures		
c) Maximum Lifetime Benefit, applicable to each insured	24 Surgical Procedures		

**(iv) For Other Surgical Benefit (OSB) (under Basic Plan)**

Feature	Principal Insured (PI)	Insured Spouse (if any), Insured Parents & Parents-in-law (if any)	Insured Dependent Children (if any)
a) Daily benefit amount	2 times of ADB of PI	Insured Spouse- 2 times of ADB of Insured Spouse Insured Parents/Parents-in-law- 2 times of ADB of each parent	2 times of ADB of each child
b) Maximum annual benefit, applicable to each insured	15 days in year 1 and 45 days per year thereafter		
c) Maximum Lifetime Benefit, applicable to each insured	360 days		

**FOR TERM ASSURANCE RIDER OPTION:**

This rider shall be available for PI and Insured Spouse only.

- (a) Minimum Term Assurance Sum Assured: Rs.100,000
- (b) Maximum Term Assurance Sum Assured: An amount equal to the Major Surgical Benefit Sum Assured (MSB SA) at the time of inception/ inclusion into the policy (i.e. 100 times of Initial Daily Hospital Cash Benefit) in respect of the insured, subject to the maximum of Rs.25 lakhs overall limit taking all term assurance riders under all existing policies of the Life Assured and Term Assurance Sum Assured under other proposals into consideration.  
The Term Assurance Sum Assured shall be in multiples of Rs. 25,000/-.
- (c) Minimum / Maximum Premium Amount: There is no specific minimum and maximum premium payable. The premium payable will depend on the Term Assurance Sum Assured

The tabular premium rates per annum for Term Rider benefit are given in the Annexure -III. Also the rates of Class I extra premium per annum are given in the Annexure - IV.



- (d) Minimum Entry Age: [18] years (completed)
- (e) Maximum Entry Age: [50] years (Nearest Birthday)
- (f) Maximum Benefit Ceasing Age: [60] years (Nearest Birthday)
- (g) Maximum Term: [35] years

**FOR ACCIDENT BENEFIT RIDER OPTION:**

This rider shall only be available for PI and Insured Spouse provided Term Assurance Rider has been opted for.

- (a) Minimum Accident Benefit Sum Assured: Rs. 25,000
- (b) Maximum Accident Benefit Sum Assured: An amount equal to the Term Assurance Sum Assured at the time of inception/ inclusion into the policy in respect of the insured, subject to maximum of Rs.50 lakhs overall limit considering the Accident Benefit Sum Assured in respect of all existing policies under individual as well as group policies on the life of the insured including the policies taken from Life Insurance Corporation of India and the Accident Benefit Sum Assured under new proposals into consideration.

The Accident Benefit Sum Assured shall be in multiples of Rs. 5,000/-.

- (c) Minimum / Maximum Premium Amount: There is no specific minimum and maximum premium payable. The premium payable will depend on the Accident Benefit Sum Assured. For premium rate refer Para 6 (f) below.

- (d) Minimum Entry Age: [18] years completed
- (e) Maximum Entry Age: [50] years (Nearest Birthday)
- (f) Maximum age for cover: [60] years (Nearest Birthday)
- (g) Maximum Term: [35] years

**4. BENEFITS:**

**Death Benefit under the basic plan:** No death benefits will be payable on the death of any Insured unless Term Assurance Rider Benefit mentioned in Para 6 g) below, along with or without Accident Benefit Rider mentioned in Para 6 f), has been opted for.

On death of the Principal Insured (PI);

- a) The surviving Insured Spouse will become the Principal Insured provided the option is exercised at the beginning of the contract (i.e. initially or whenever the spouse is included for cover in the policy after marriage/ remarriage) and the Policy will continue. In such case, the premium for the Insured Spouse will change from the date coinciding with or following installment premium due date and the new premium would be based on tabular premium rates applicable for PIs and the age for calculation of revised premium rate will be the age at entry of the spouse. If the option is not exercised at the beginning of the contract, the Insured Spouse will not become PI and the policy will terminate.



- b) If the Insured Spouse had predeceased the Principal Insured, or had not given the option to continue the policy as new PI on death of PI, then the other Insured will have the option to take a new policy and the existing Policy will terminate. In respect of these other Insured:
- i. The new policy will be issued without any underwriting if the new policy is bought within 90 days of the termination of the existing Policy. However, the cover available under new policy shall not exceed the amount of cover under the existing policy.
  - ii. The maximum entry age condition for the basic plan will not apply for the new policy.
  - iii. The outstanding Waiting periods and outstanding period of any Exclusion will however apply under the new policy.
  - iv. Other terms and conditions including premium rates will be as applicable for the new policy.

In the event of death of an Insured person other than the Principal Insured, the policy will continue after removal of the Insured and change in premium will apply from the installment premium due date coinciding with or next following the date of intimation of death of the Insured.

**Maturity Benefit:** No benefits are payable at end of the Cover Period.

**Benefit payable on hospitalization:**

If PI or any of the Insured lives covered under the policy is hospitalized due to Accidental Bodily Injury or Sickness and the stay in hospital exceeds a continuous period of 24 hours, then for any continuous period of 24 hours or part thereof, provided any such part stay exceeds a continuous period of 4 hours (after having completed the 24 hours as above) in a non-ICU ward/room of a hospital, an amount equal to the Applicable Daily Benefit (ADB), available under the policy during that policy year, shall be payable subject to terms and conditions mentioned in Para 5 (c) & 5 i) and exclusions mentioned in Para 7.

During the first year of cover commencement in respect of each insured, the **Applicable Daily Benefit (ADB)** shall be the Initial Daily Benefit amount (i.e. the level of HCB chosen by the insured) mentioned in the policy Schedule.

The amount of Applicable Daily Benefit (ADB) for each policy year, after the first policy year, shall consist of 2 parts:

- An arithmetic addition of an amount equal to 5% (five percent) of the Initial Daily Benefit to the Applicable Daily Benefit of the previous Policy Year. Such increase in the Applicable Daily Benefit shall be effected on each Policy anniversary during the Cover Period and shall continue until it attains a maximum amount of 1.5 times the Initial Daily Benefit. Thereafter, this amount in each Policy Year in future shall remain at that maximum level attained.
- Further arithmetic addition of an amount equal to "No Claim Benefit" (as defined below under the heading "No Claim Benefit") provided the policy attracts and is eligible for it. There shall be no maximum limit for such increase which means that if this policy is eligible for "No Claim Benefit", the same shall be granted throughout the Cover Period without any maximum limit.

Consider an example where Initial Daily Benefit is Rs.1000 in respect of each insured life (say, PI and spouse) under a policy. There is no claim admitted under the policy during first 12 years from the policy commencement except in the 5<sup>th</sup> year when a claim is admitted in respect of spouse. In this case, year-wise Applicable Daily Benefit for each insured shall be as follows:

