LIFE INSURANCE CORPORATION OF INDIA
CENTRAL OFFICE

Dept.: Product Development

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

Ref: CO/PD/146

31st January 2020

To
All HODs of Central Office
All Zonal Offices
All Divisional Offices
All Micro Insurance Units
All P & GS Units
All Branch Offices & Satellite Offices
Audit & Inspection Depts, MDC, ZTCs, STCs.

Re: INTRODUCTION OF MODIFIED VERSION OF "LIC's NEW JEEVAN MANGAL PLAN" (Plan No. 940)

1. **INTRODUCTION:**
In view of the new Product Regulations, 2019, issued by IRDAI, it has been decided to modify LIC's New Jeevan Mangal Plan (Plan No. 840), Unique Identification Number (UIN) **512N287V02**.

The modifications are as under:

i) **In case of Regular Premium policy, definition of "Sum Assured on Death" has been modified from "*higher of Sum Assured or 10 times of annualised premium*" to "*higher of Sum Assured or 7 times of annualised premium*".**

ii) **Revival period has been extended from 2 years to 5 years.**

iii) **Guaranteed Surrender Value factors have been modified.**

iv) **Special Surrender Value factors have been annexed to this Circular.**

v) **Grace Period has been modified from "two calendar months but not less than 60 days for all modes of payments" to "60 days for yearly, half-yearly, quarterly modes of premium payment and 30 days for monthly mode of premium payment"**

vi) **The relaxation of claim payment under discontinued policy as mentioned in Para 9 shall not be applicable for the death due to Suicide and same is mentioned under Suicide Clause.**

vii) **Condition for Accident Benefit payable is modified from "if the policy is inforce as on date of accident" to "if the policy is inforce as on date of death". The same has also been incorporated in policy document.**

viii) **Minimum instalment premium is modified from "Rs. 60 under monthly mode" to "Rs. 100 under all modes of premium payment"**

ix) **New distribution channels Insurance Marketing Firm (IMF) and Common Public Service Center (CPSC) have been added and Commission rates for Brokers have been changed.**

The new Unique Identification Number (UIN) for LIC's New Jeevan Mangal Plan is **512N287V03**. This number has to be quoted in all relevant documents furnished to the policyholders and other users (public, distribution channels etc.).

The modified version of this plan shall be launched from **1st February 2020** . The new Plan Number for this modified LIC's New Jeevan Mangal Plan shall be **940.**

LIC's New Jeevan Mangal Plan is a Non-Linked, Non-Participating, Individual, Life, Micro Insurance Term Plan (with Return of Premiums on Maturity). **This plan shall be available only for standard healthy lives without any medical examination and the total Sum Assured under all the policies issued to an individual under this plan and under all policies issued in the earlier versions of this Plan (Plan 819 and 840) shall not exceed Rs 50,000 (i.e. The combined Sum Assured under all the policies issued to an individual in all the plans 819, 840 & 940 shall not exceed Rs 50,000).** These wordings have to appear in the First Premium Receipt (FPR) for every policy under this plan.

The benefits and other details of the plan with above mentioned modifications are given below.

2. ELIGIBILITY CONDITIONS AND RESTRICTIONS FOR BASE PLAN:

(a)	Minimum Age at entry	:18 years (completed)
(b)	Maximum Age at entry	:55 years (Nearer birthday)
(c)	Minimum Policy Term	:5 years under Single Premium :10 years under Regular Premium
(d)	Maximum Policy Term	:10 years under Single Premium :15 years under Regular Premium
(e)	Premium Paying Term (PPT)	: Same as Policy Term for Regular Premium
(f)	Minimum Sum Assured	:Rs 10,000
(g)	Maximum Sum Assured per life	:Rs 50,000
(h)	Maximum Maturity Age	:65 years (nearer birthday)
(i)	Minimum Instalment Premium	:Rs 100

The Sum Assured shall be in multiples of Rs. 1,000/-.

Age at entry for the Policyholder is to be taken as age nearer birthday except for the minimum age at entry i.e. 18 years (completed).

Date of Commencement of Risk: Under this plan the risk will commence immediately from the Date of issuance of policy.

Date of issuance of policy is a date when a proposal after underwriting is accepted as a policy and the contract gets effected.

3. **BENEFITS:**
The benefits payable under an inforce policy are as under:

(a) Death Benefit:

Death due to any reason other than accident:

For Single Premium policies: "**Sum Assured on Death**" shall be payable; where "**Sum Assured on Death**" is defined as higher of:

- 125% of Single Premium; or
- Sum Assured

For Regular Premium policies: "**Sum Assured on Death**" shall be payable; where "**Sum Assured on Death**" is defined as higher of:

- 7 times of annualised premium; or
- Sum Assured

The Death Benefit (as defined above) shall not be less than 105% of all the premiums paid upto the date of death.

The premium referred above exclude any taxes, extra premium, if any.

Death due to accident:
In addition to the Death Benefit (as defined above), an additional sum equal to Sum Assured shall be payable.

An 'Accident' for the purpose of this policy is defined as "An Accident is a sudden, unforeseen and involuntary event caused by external, violent and visible means."

For this additional Sum Assured to be payable, the policy should be inforce as on date of death.

(b) Maturity Benefit:
On the Life Assured surviving to the stipulated date of maturity, provided all due premium have been paid, "**Sum Assured on Maturity**" shall be payable; where "**Sum Assured on Maturity**" is equal to the total amount of premiums paid during the term of the contract.

The premium referred above shall not include any taxes and extra premium, if any.

4. **MODES OF PREMIUM PAYMENT:**
The modes of premium payment allowable are Single Premium and Yearly, Half Yearly, Quarterly, Monthly for Regular Premium policies.

5. **PREMIUM RATES:**
The Tabular Single Premium and Regular Premium rates per thousand Sum Assured are enclosed in **Annexure I** and **Annexure II** respectively.

The above premium rates are exclusive of taxes.

6. **GRACE PERIOD FOR PAYMENT OF PREMIUM(Applicable for Regular Premium policies):**
A grace period of 60 days will be allowed for yearly, half-yearly, quarterly modes of premium payment and 30 days for monthly mode of premium payment. If the premium is not paid before the expiry of the days of grace period, the Policy lapses.

If death of Life Assured occurs within the grace period but before the payment of the premium then due, the Policy will be treated as inforce and the benefits shall be paid after deduction of the said unpaid premium(s) and also the balance premium(s), if any, falling due from the date of death and before the next policy anniversary.

In case of death of Life Assured under an inforce policy where in all the premiums due till the date of death have been paid and where the mode of payment of premium is other than yearly, balance premium(s), if any, falling due from the date of death and before the next policy anniversary shall be deducted from the claim amount.

7. REBATES:

The rebates are as under:

Mode Rebate	:Nil
High Sum Assured Rebate	:Nil

8. COMMISSION / REMUNERATION PAYABLE TO THE AGENTS AND OTHER INSURANCE INTERMEDIARIES & CREDIT TO DEVELOPMENT OFFICERS:

(a) Commission payable to Micro-Insurance Agents (as percentage of premium excluding taxes, if any) during the premium paying term are as under:

	1st Year	Subsequent Years
Single Premium	5%	-
Regular Premium	10%	10%

Commission payable to Insurance Agents, Corporate Agents, Brokers, Insurance Marketing Firms (IMFs), and Common Public Service Centers (CPSCs) (as percentage of premium excluding taxes, if any) during the premium paying term are as under:

	1st Year	2nd and 3rd Year	Subsequent Years
Single Premium	2%	-	-
Regular Premium	10%	7.5%	5%

No bonus commission shall be payable for the business procured under this plan.

(b) Development Officer's (DO's) Credit: No Credit is allowed to Development Officers under this plan.

9. PAID-UP VALUE (For Regular Premium policies):

If at least one full policy year's premiums have been paid and any subsequent premium be not duly paid, this policy shall not be wholly void, but shall subsist as a paid-up policy.

The **Sum Assured on Death** under a paid-up policy shall be reduced to such a sum, called '**Death Paid-up Sum Assured**' and shall be equal to **Sum Assured on Death** *multiplied* by the *ratio* of the total period for which premiums have already been paid *bears* to the maximum period for which premiums were originally payable i.e. **Sum Assured on Death** * (Total period for which premiums have already been paid / Maximum period for which premiums were originally payable).

The **Sum Assured on Maturity** under a paid-up policy shall be reduced to such a sum, called '**Maturity Paid-up Sum Assured**' and shall be equal to **Sum Assured on Maturity** *multiplied* by the *ratio* of the total period for which premiums have already been paid *bears* to the maximum period for which premiums were originally payable i.e. **Sum Assured on Maturity *** (Total period for which premiums have already been paid / Maximum period for which premiums were originally payable).
In any case, the Death Paid-up Sum Assured or Maturity Paid-up Sum Assured mentioned above shall not be less than the total premiums paid under the policy.

Notwithstanding what is stated above, if after at least three full years' premiums have been paid in respect of this policy and any subsequent premium be not duly paid, in the event of death of the Life Assured within six months from the due date of first unpaid premium, the "**Sum Assured on Death**" will be paid after deduction of (a) the unpaid premium(s) for the policy with interest thereon upto the date of death on the same terms as for revival of the policy during such period, and (b) the balance premium(s) for the policy falling due from the date of death and before the next policy anniversary. This provision shall not apply to Accident Benefit Cover and also in case of death due to Suicide.

Notwithstanding what is stated above, if after at least five full years' premiums have been paid in respect of this policy and any subsequent premium be not duly paid, in the event of death of the Life Assured within 12 months from the due date of first unpaid premium, the "**Sum Assured on Death**" will be paid after deduction of (a) the unpaid premium(s) for the policy with interest thereon upto the date of death on the same terms as for revival of the policy during such period, and (b) the balance premium(s) for the policy falling due from the date of death and before the next policy anniversary. This provision shall not apply to Accident Benefit Cover and also in case of death due to Suicide.

Accident Benefit cover will be payable only if the policy is inforce as on the date of death and shall cease to apply if the policy is in lapsed condition.

10. SURRENDER VALUE:

The Single Premium policy may be surrendered at any time during the Policy Term. Regular Premium policy may be surrendered at any time provided premiums have been paid for at least one full year. **On surrender of policy, the Corporation shall pay the surrender value equal to higher of Guaranteed Surrender Value or Special Surrender Value.**

Guaranteed Surrender Value:
The Guaranteed Surrender Value payable during the policy term shall be as under:

Single Premium policies
- Within three policy years from Date of Commencement of policy: 75% of the Single premium paid.
- Thereafter: 90% of the Single premium paid.

The premium referred above shall not include any taxes and extra premium, if any.

Regular Premium policies: The Guaranteed Surrender Value shall be equal to total premiums paid (excluding taxes and extra premium, if any) multiplied by Guaranteed Surrender Value factor applicable to total premiums paid. These Guaranteed Surrender Value factors expressed as percentages will depend on the policy term and policy year in which the policy is surrendered and are specified as below:

Guaranteed Surrender Value factor applicable to total premiums paid						
Policy year	Policy Term					
	10	11	12	13	14	15
1	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
2	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
3	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
4	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
5	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
6	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
7	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
8	65.00%	60.00%	57.50%	56.00%	55.00%	54.29%
9	90.00%	70.00%	65.00%	62.00%	60.00%	58.57%
10	90.00%	90.00%	72.50%	68.00%	65.00%	62.86%
11		90.00%	90.00%	74.00%	70.00%	67.14%
12			90.00%	90.00%	75.00%	71.43%
13				90.00%	90.00%	75.71%
14					90.00%	90.00%
15						90.00%

Special Surrender Value:

Special Surrender Value is as under:

Single Premium policies:
Single Premium paid multiplied by Special Surrender Value factor.

Regular Premium policies:
Maturity Paid-up Sum Assured (as defined in Para 9 above) multiplied by Special Surrender Value factor.

Special Surrender Value factors will depend on the Policy Term and the duration elapsed since commencement of the policy and are enclosed as **Annexure III**.

Further, if the policy is surrendered during the last policy year the same shall be treated as discounting of Maturity Claim; where the Maturity Claim shall be:

- In case of in-force policy: **"Sum Assured on Maturity"**
- In case of paid-up policy: **"Maturity Paid-up Sum Assured"** (as mentioned in Para. 9)

Instructions regarding discounting of maturity claims along with applicable interest rate shall be issued by Actuarial Department, Central Office.

11. REVIVALS:

In case of regular premium policies, if the premium is not paid within the days of grace period, the Policy lapses. The lapsed policy may be revived during the life time of the Life Assured, but within a period of 5 consecutive years from the date of the first unpaid premium and before the date of maturity, as the case may be.

The revival shall be effected on payment of all the arrears of premium(s) together with interest (compounding half-yearly) at such rate as may be fixed by the Corporation from time to time

and on submission of proof of Continued Insurability of the Life Assured on the basis of information, documents and reports that are already available and any additional information in this regard if required in accordance with the Underwriting Policy of the Corporation at the time of revival, being furnished by the Policyholder/Life Assured.

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

Instructions regarding the applicable interest rate shall be issued by Actuarial Department, Central Office.

12. LOAN:

No loan will be available under this plan.

13. ALTERATIONS:

The following alterations shall be allowed:

- Any change not involving change in Base premium rates and corresponding benefit structure.
- Reduction in Term of the policy subject to restrictions mentioned in Para 2(c) above.

Conditions regarding alterations shall be as per the instructions issued by CRM Department, Central Office from time to time.

14. TERMINATION OF POLICY:

The policy shall immediately and automatically terminate on the earliest occurrence of any of the following events:

a) The date on which lump sum death benefit is paid; or
b) The date on which surrender benefits are settled under the policy; or
c) The date of maturity; or
d) On expiry of Revival Period if the policy, which has not acquired paid up status, has not been revived within the revival period; or
e) On payment of free look cancellation amount; or
f) In the event of forfeiture as specified in **Para 17** below.

15. UNDERWRITING, AGE PROOF AND MEDICAL REQUIREMENTS:

NB & R Department will issue instructions in this regard.

16. EXCLUSIONS:

(a) <u>Suicide Clause</u>:

Notwithstanding the provision of benefits payable on death mentioned anywhere in this circular, the provisions related to claim payment in case of death due to suicide shall be subject to the conditions as specified herein below:

<u>Under Single Premium policies</u>:

If the Life Assured (whether sane or insane) commits suicide at any time within 12 months from the date of commencement of risk, the Corporation will not entertain any claim under this policy except to the extent of 90% of the single premium paid.

Under Regular Premium policies:

i. If the Life Assured (whether sane or insane) commits suicide at any time within 12 months from the date of commencement of risk, the Corporation will not entertain any claim under this policy except for 80% of the total premiums paid, provided the policy is in-force.

ii. If the Life Assured (whether sane or insane) commits suicide within 12 months from date of revival, an amount which is higher of 80% of the total premiums paid till the date of death or the surrender value applicable as on the date of death, shall be payable. The Corporation will not entertain any other claim under this policy.

This clause shall not be applicable for a policy lapsed without acquiring paid up value and nothing shall be payable under such policy.

The relaxation (claim concession) mentioned above under Para 9 shall not be applicable in case of death due to suicide.

The premiums paid mentioned above shall exclude any taxes, extra premium, if any.

(b) Accident Benefit:

The Corporation will not be liable to pay the additional Sum Assured due to accidental death if the death of the Life Assured shall:

i. be caused by intentional self injury, attempted suicide, insanity or immorality or whilst the Life Assured is under the influence or consumption of intoxicating liquor, narcotic or drug (unless prescribed by doctor as a part of treatment); or

ii. be caused by injuries resulting from taking any part in riots, civil commotion, rebellion, war (whether war be declared or not), invasion, hunting, mountaineering, steeple chasing, racing of any kind, paragliding or parachuting, taking part in adventurous sports; or

iii. result from the Life Assured committing any breach of law with criminal intent; or

iv. occur after 180 days from the date of accident of the Life Assured; or

v. occur after the policy term (even if within 180 days from date of accident).

17. FORFEITURE IN CERTAIN EVENTS:

In case it is found that any untrue or incorrect statement is contained in the proposal, personal statement, declaration and connected documents or any material information is withheld, then and in every such case the policy shall be void and all claims to any benefit by virtue thereof shall be subject to the provisions of Section 45 of the Insurance Act, 1938 as amended from time to time.

18. TAXES:

Statutory Taxes, if any, imposed on such insurance plans by the Government of India or any other constitutional tax Authority of India shall be as per the tax laws and the rate of tax as applicable from time to time.

The amount of applicable taxes as per the prevailing rates shall be payable by the policyholder on premiums including extra premium, which shall be collected separately over and above in addition to the premiums payable by the policyholder. 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, as applicable from time to time.

19. FREE LOOK PERIOD:

If a policyholder is not satisfied with the "Terms and Conditions" of the policy, he/she may return the policy to the Corporation stating the reasons of objection within 15 days from the date of receipt of the policy.

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

a. Stamp duty on policy.
b. Proportionate risk premium for the period of cover as per C.O Circular Ref: CO/PD/39 dated 31.12.2013. Since this plan has an in-built Accident Benefit, the risk premium charge for accidental death of Rs. 0.00137 per day per Rs. 1000/- Sum Assured shall also be deducted along with the applicable risk premium charges.

20. BACK-DATING INTEREST:

Dating back will not be allowed under the policy.

21. POLICY STAMPING:

Policy stamping charges will be at the rate of 20 paisa per thousand Sum Assured on Death under this Plan.

22. REINSURANCE:

There will be no reinsurance under this plan.

23. ASSIGNMENTS/NOMINATIONS:

(a) Assignments: Assignment is allowed under this plan as per Section 38 of the Insurance Act, 1938 as amended from time to time. The notice of assignment should be submitted for registration to the office of the Corporation, where the policy is serviced

(b) Nominations: Nomination by the holder of the policy on his/her own life is required as per Section 39 of the Insurance Act, 1938 as amended from time to time. The notice of nomination or change of nomination should be submitted for registration to the office of the Corporation, where the policy is serviced. In registering nomination the Corporation does not accept any responsibility or express any opinion as to its validity or legal effect.

24. NORMAL REQUIREMENTS FOR CLAIM:

(a) Death Claim: The normal documents which the claimant shall submit while lodging the claim in case of death of the Life Assured shall be 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 the death (if any), 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.

Within 90 days from the date of death, intimation of death along with death certificate must

be notified in writing to the office of the Corporation where the policy is serviced for any claim to be admissible. However delay in intimation of the genuine claim by the claimant, if any, may be condoned by the Corporation on merit and where delay is proved to be for reasons beyond his/her control.

(b) Accidental Death claim: For considering accidental death claim, the applicable statements from the following list may be called to ascertain circumstances under which death took place:

(i) A certified copy of first information report (FIR).
(ii) A certified copy of police inquest report.
(iii) Copy of panchanama.
(iv) Post mortem report to know the probable cause of death. If viscera is preserved in post mortem, then chemical analyzer report to know the contents i.e. whether life assured has consumed liquor, drugs, narcotics or poison.
(v) News paper cuttings where accident is reported.
(vi) If death is due to vehicle accident, then copy of driving licence, if life assured was driving the vehicle.
(vii) Sub-divisional magistrate final verdict about death- this will give classification of death as 'natural/suicide/accidental'
(viii) When accident is not reported to police authorities, like death due to dog or snake bite, then alternate proofs such as statement of eye witness, affidavit of gramsevak or Government officials, our own enquiry report, attending physician or hospital reports may be sufficient.
(ix) Hospital treatment records, etc.

(c) Maturity / Surrender Claim: In case of maturity/surrender of the policy, the Life Assured shall submit the discharge form along with the original policy document, NEFT mandate 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.

In addition to the above, any requirement mandated under any statutory provision or as may be required as per law or any instructions issued by CRM Department, Central Office in this regard shall also be required to be submitted.

25. 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.

26. PROPOSAL FORM:

Proposal Form for Micro Insurance policy (Rev 2020) shall be used under this plan and the same is enclosed as **Annexure IV**.

27. POLICY DOCUMENT AND SALES BROCHURE:

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

This Circular has to be read in conjunction with the Policy Document and Sales Brochure.

28. ADDRESS OF OMBUDSMAN:

At the stage of issuance of the policy the address of the nearest Ombudsman is to be mentioned in the Policy Document. In case of any change in address by policyholder, the address of the nearest Ombudsman from the transferring in Micro-Insurance unit/Branch Office has to be informed to the policyholder along with confirmation of change in address.

Further instructions in this regard shall be issued by CRM Department, Central Office.

Executive Director (Marketing/Product Development/SBA)

Encl: Annexure I, II, ~~and~~ III. and IV

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