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

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Plan No.:865

UIN:512N346V01

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*Har Pal Aapke Saath*

# LIC's Dhan Sanchay (UIN:512N346V01)

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

## 1. Introduction:

LIC's Dhan Sanchay is a Non-Linked, Non-Participating, Individual, Savings, Life Insurance Plan which offers a combination of protection and savings. This plan provides financial support to the family in case of unfortunate death of the life assured during the policy term. It also provides guaranteed income stream during the Payout Period from the date of maturity.

This plan can be purchased Offline through agents/other intermediaries including Point of Sales Persons-Life Insurance (POSP-LI)/Common Public Service Centers (CPSC-SPV) as well as Online directly through website [www.licindia.in](http://www.licindia.in).

## 2. Benefit Options:

**Following benefit options are available at inception:**

**In case of Regular/ Limited premium payment:**

**Option A:** Level Income Benefit

**Option B:** Increasing Income Benefit

**In case of Single premium payment:**

**Option C:** Single Premium Level Income Benefit

**Option D:** Single Premium enhanced cover with Level Income Benefit

The benefit option once chosen at inception cannot be altered.

## 3. Eligibility Conditions and Other Restrictions:

i.	Minimum Entry Age	3 years (completed)
ii.	Maximum Entry Age	Option A & Option B : 50 Years (nearer birthday) Option C: 65 Years (nearer birthday) Option D: 40 Years (nearer birthday)
iii.	Minimum Maturity Age	18 years (completed)
iv.	Maximum Maturity Age	Option A & Option B :65 Years (nearer birthday) Option C: 80 Years (nearer birthday) Option D: 55 Years (nearer birthday)
v.	Policy Term	Option A & Option B :10 & 15 years Option C & Option D : 5, 10 & 15 years
vi.	Premium Paying Term (For Regular/ Limited premium)	5 & 10 years for 10 Year Policy Term. 5, 10 & 15 years for 15 Year Policy Term.
vii.	Payout Period	Option A & Option B : Equal to Premium Paying Term Option C & Option D : Equal to Policy Term
viii.	Minimum Annualized / Single Premium*	Option A & Option B : ₹30,000 Option C & Option D : ₹2,00,000
ix.	Maximum Premium**	No limit
x.	Minimum Sum Assured on Death	Option A & Option B : ₹3,30,000 Option C: ₹2,50,000 Option D: ₹22,00,000

\***Annualized Premium** shall be the premium amount payable in a year chosen by the policyholder excluding the taxes, rider premiums, underwriting extra premiums and loadings for modal premiums, if any.

**Single Premium** shall be the premium amount chosen by the policyholder excluding the taxes, rider premiums, underwriting extra premiums, if any.

\*\*Policyholder can choose the Annualized Premium / Single Premium in multiples of ₹ 1,000.

**Date of commencement of risk:**

In case, the age at entry of the Life Assured is less than 8 years, the risk under this plan will commence either 2 years from the date of commencement or from the policy anniversary coinciding with or immediately following the attainment of 8 years of age, whichever is earlier. For those aged 8 years or more, risk will commence immediately from the date of issuance of policy.

**Date of vesting:**

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

## 4. Benefits:

Benefits payable under an in-force policy shall be as under:

**A. Death Benefit:**

Death benefit payable on death of Life Assured during the policy term after the date of commencement of risk but before the stipulated date of maturity shall be **“Sum Assured on Death”**; where **“Sum Assured on Death”** for various options is defined as under:

Option	Sum Assured on Death
<b>Option A &amp; Option B</b>	“Sum Assured on Death” shall be higher of 11 times of “Annualized Premium”; or “Sum Assured on Maturity”; or 105% of total premiums paid upto the date of death. Total premiums paid means total of all the premiums received, excluding any extra premium, any rider premium and taxes.
<b>Option C</b>	“Sum Assured on Death” shall be higher of 1.25 times of “Single Premium” or “Sum Assured on Maturity”.
<b>Option D</b>	“Sum Assured on Death” shall be 11 times of “Single Premium”.

**Sum Assured on Maturity** shall be equal to Annualized Premium or Single Premium, as applicable, multiplied by Maturity Benefit Multiplier, as specified in Para 5.III.

However, in case of minor Life Assured, whose age at entry is below 8 years, on death before the commencement of Risk, the death benefit payable shall be refund of premium(s) paid (excluding taxes, any extra premium and rider premium(s), if any,) without interest.

The Death Benefit shall be paid in lumpsum and/or in instalments over a period of 5 years, as per the option exercised by the Policyholder/ Life Assured.

On payment of Death Benefit, the policy shall terminate and no further benefits shall be payable.

**B. Maturity Benefit:**

On Life Assured surviving the stipulated Date of Maturity, maturity benefit shall be payable in the form of Guaranteed Income Benefit and Guaranteed Terminal Benefit.

**i. Guaranteed Income Benefit (GIB):**

Guaranteed Income Benefit shall be payable in advance during the Payout Period from the date of maturity i.e. the first installment of Guaranteed Income Benefit will be made on the Date of Maturity and thereafter, based on the Payout Mode opted for by the Policyholder, every month or three months or six months or annually from the Date of Maturity, as the case may be.

Payout Period shall be equal to Premium Paying Term in case of Regular/ Limited premium payment and equal to the Policy Term in case of Single premium payment.

Guaranteed Income Benefit depends on the Benefit Option chosen by the policyholder, Policy Term and Premium Paying Term and shall be as below:

- a) **Under Regular/ Limited Premium payment (Option A & Option B):**  
Guaranteed Income Benefit amount shall be calculated as under:

**Guaranteed Income Benefit = Annualised Premium x GIB Multiple x Modal factor for GIB**

GIB Multiples applicable for Option A & Option B are as under:

Option	Policy Term	Premium Paying Term	Payout Period	GIB Multiple
<b>Option A - Level Income Benefit</b>	10	5	5	1.10
	10	10	10	1.30
	15	5	5	1.40
	15	10	10	1.60
	15	15	15	1.65
<b>Option B - Increasing Income Benefit</b>	10	5	5	1.00
	10	10	10	1.05
	15	5	5	1.25
	15	10	10	1.30
	15	15	15	1.30

Under **Option-A** Guaranteed Income Benefit shall remain constant during the Payout Period.

Under **Option-B** Guaranteed Income Benefit shall be increased yearly by a simple rate of 5% per annum on completion of each year of Payout Period and shall remain same during the year. GIB Multiples as mentioned in Option B above are applicable for the First Year of the Payout Period.

- b) **Under Single Premium payment (Option C & Option D):**  
Guaranteed Income Benefit amount shall be calculated as under:

**Guaranteed Income Benefit = Single Premium x GIB Multiple x Modal factor for GIB**

GIB Multiples applicable for Option C & Option D are as under:

Option	Policy Term	Payout Period	GIB Multiple
<b>Option C: Single Premium Level Income Benefit</b>	5	5	0.25
	10	10	0.18
	15	15	0.16
<b>Option D: Single Premium enhanced cover with Level Income Benefit</b>	5	5	0.20
	10	10	0.15
	15	15	0.10

Under **Option-C & Option-D** Guaranteed Income Benefit shall remain constant during the Payout Period.

The applicable **Modal Factor for GIB** shall be as under:

Payout Mode	Modal factor for GIB
Yearly	1.0000
Half-yearly	0.5050
Quarterly	0.2537
Monthly	0.0850

ii. **Guaranteed Terminal Benefit (GTB):**

Guaranteed Terminal Benefit (GTB) as a lumpsum payment shall be payable along with the last installment of Guaranteed Income Benefit (GIB). On such payment policy shall terminate.

Guaranteed Terminal Benefit depends on the Option chosen by the policy holder, Policy Term, Premium Paying Term & Age at Entry of life assured and shall be as under:

- a) **Under Regular/Limited Premium payment (Option A & Option B):**  
**Guaranteed Terminal Benefit amount shall be calculated as under:**

**Guaranteed Terminal Benefit= Annualized Premium x GTB Multiple x Modal factor for GTB**

Sample GTB Multiples applicable under Regular/ Limited premium payment are as under:

Option	Age at Entry	GTB Multiple for Policy Term (Payout Period)				
		10 (5)	10(10)	15 (5)	15 (10)	15 (15)
Option A - Level Income Benefit	20	1.9659	2.0372	2.7260	3.7996	5.1431
	40	1.7459	1.8202	2.2881	3.2762	4.0068
Option B - Increasing Income Benefit	20	1.9986	2.5316	2.9028	4.2653	4.2260
	40	1.7787	2.3151	2.4649	3.7447	3.0958

- b) **Under Single Premium payment (Option C & Option D):**

Guaranteed Terminal Benefit amount shall be calculated as under:

**Guaranteed Terminal Benefit = Single Premium x GTB Multiple x Modal factor for GTB**

Sample GTB multiples applicable under Single Premium payment are as under:

Option	Age at Entry	GTB Multiple for Policy Term (Payout Period)		
		5 (5)	10 (10)	15 (15)
Option C: Single Premium Level Income Benefit	20	0.1627	0.3724	0.9277
	40	0.1615	0.3606	0.8707
Option D: Single Premium enhanced cover with Level Income Benefit	20	0.3568	0.5014	1.6821
	40	0.2572	0.0469	0.2216

The applicable **Modal Factor for GTB** shall be as under:

Payout Mode	Modal factor for GTB
Yearly	1.000
Half-yearly	1.020
Quarterly	1.035
Monthly	1.045

### **Benefits payable on Death of Life Assured during the Payout Period:**

On death of the Life Assured during the Payout Period (i.e. on or after the date of maturity but before the payment of last installment of Guaranteed Income Benefit), the Guaranteed Income Benefit shall continue to be paid to the nominee as per the applicable Payout Mode for the outstanding Payout Period and Guaranteed Terminal Benefit shall also be payable along with the last instalment of Guaranteed Income Benefit.

## **5. Options available:**

### **I. Rider Benefits:**

Riders are available under this plan as detailed below on payment of additional premium:

#### **a) Single Premium payment (Option C & Option D):**

Under Single Premium payment (Option C & Option D), LIC's **Accidental Death and Disability Benefit Rider (UIN: 512B209V02)** and LIC's **New Term Assurance Rider (UIN: 512B210V01)** shall be available and the policyholder can opt for these riders at the inception only.

#### **b) Regular/Limited Premium payment (Option A & Option B):**

Under Regular/Limited premium payment (Option A & Option B), the following five optional riders shall be available. However, the policyholder can opt between either of the LIC's Accidental Death and Disability Benefit Rider or LIC's Accident Benefit Rider and/or the remaining three riders subject to the eligibility conditions as detailed below:

##### **(i) LIC's Accidental Death and Disability Benefit Rider (UIN: 512B209V02)**

This rider can be opted for under an in-force policy at any time within the premium paying term of the Base plan provided the outstanding premium paying term of the Base plan as well as the Rider is at least 5 years. If this rider is opted for, in case of accidental death during Rider term, the Accident Benefit Sum Assured will be payable in lumpsum along with the death benefit under the base plan. In case of accidental disability arising due to accident (within 180 days from the date of accident), an amount equal to the Accident Benefit Sum Assured will be paid in equal monthly instalments spread over 10 years and future premiums for Accident Benefit Sum Assured as well as premiums for the portion of Sum Assured on Death under the Base Policy which is equal to Accident Benefit Sum Assured under the policy, shall be waived. Under the policy on the life of minors, this rider will be available from the policy anniversary following completion of age 18 years on receipt of specific request.

##### **(ii) LIC's Accident Benefit Rider (UIN:512B203V03)**

This rider can be opted for at any time under an in-force policy within the premium paying term of the Base plan provided the outstanding premium paying term of the Base plan as well as the Rider is at least 5 years. The benefit cover under this rider shall be available only during the premium paying term. If this rider is opted for, in case of accidental death during Rider term, the Accident Benefit Sum Assured will be payable in lumpsum along with the death benefit under the base plan.

##### **(iii) LIC's New Term Assurance Rider (UIN: 512B210V01)**

This rider is available at inception of the policy only. The benefit cover under this rider shall be available during the Rider term. If this rider is opted for, an amount equal to Term Assurance Rider Sum Assured shall be payable on death of the Life Assured.

#### (iv) LIC's New Critical Illness Benefit Rider (UIN: 512A212V02)

This rider is available at the inception of the policy only. The cover under this rider shall be available during the Rider term. If this rider is opted for, on first diagnosis of any one of the specified 15 Critical Illnesses covered under this rider, the Critical Illness Sum Assured shall be payable.

#### (v) LIC's Premium Waiver Benefit Rider (UIN: 512B204V03)

Under an in-force policy, this rider can be opted for on the life of Proposer of the policy, at any time coinciding with the policy anniversary but within the premium paying term of the Base Policy provided the outstanding premium paying term of the Base Policy and the rider is at least five years. Further, this rider shall be allowed under the policy wherein the Life Assured is Minor at the time of opting this rider. The Rider term shall be outstanding premium paying term of the base plan as on date of opting this rider or (25 minus age of the minor Life Assured at the time of opting this rider), whichever is lower. If the rider term plus proposer's age is more than 70 years, the rider shall not be allowed.

If this rider is opted for, on death of proposer, payment of premiums in respect of base policy falling due on and after the date of death till the expiry of Rider term shall be waived. However, in such case, if the premium paying term of the base policy exceeds the rider term, all the further premiums due under the base policy from the date of expiry of this Premium Waiver Benefit Rider term shall be payable by the Life Assured. On non-payment of such premiums the policy would become paid-up.

The premium for LIC's Accident Benefit Rider or LIC's Accidental Death and Disability Benefit Rider and LIC's New Critical Illness Benefit Rider as applicable shall not exceed 100% of premium under the base plan and the premiums under all other life insurance riders put together shall not exceed 30% of premiums under the base plan.

Each of above Rider Sum Assured cannot exceed the Sum Assured on Death under the Base plan.

For more details on the above riders, refer to the rider brochure or contact LIC's nearest Branch Office.

No rider shall be available in case of the policies procured through POSP-LI / CPSC-SPV.

## II. Option to take Death Benefit in instalments:

This is an option to receive Death Benefit in instalments over a period of 5 years instead of lump sum amount under an in-force as well as paid-up policy. This option can be exercised by the Policyholder during minority of the Life Assured or by Life Assured aged 18 years and above, during his/her life time; for full or part of the Death benefits payable under the policy. The amount opted by the Policyholder/Life Assured (i.e. Net Claim Amount) can be either in absolute value or as a percentage of the total claim proceeds payable.

The instalments shall be paid in advance at yearly or half-yearly or quarterly or monthly intervals, as opted for, subject to minimum instalment amount for different modes of payments being as under:

Mode of Instalment payment	Minimum instalment amount
Monthly	₹ 5,000/-
Quarterly	₹ 15,000/-
Half-Yearly	₹ 25,000/-
Yearly	₹ 50,000/-

If the net claim amount is less than the required amount to provide the minimum instalment amount as per the option exercised by the Policyholder / Life Assured, the claim proceed shall be paid in lump sum only.

For all the instalment payment options commencing during the 12 months' period from 1st May to 30th April, the interest rate used to arrive at the amount of each instalment shall be annual effective rate not lower than the 5 year semi-annual G-Sec rate minus 2%; where, the 5 year G-Sec rate shall be as at last trading day of previous financial year.

Accordingly, for the 12 months' period commencing from 1st May, 2021 to 30th April, 2022, the applicable interest rate for the calculation of the instalment amount shall be 3.96% p.a. effective.

For exercising option to take Death Benefit in instalments, the Policyholder during minority of the Life Assured or the Life Assured, if major, can exercise this option during his/her lifetime while in currency of the policy, specifying the net claim amount for which the option is to be exercised. The death claim amount shall then be paid to the nominee as per the option exercised by the Policyholder/Life Assured and no alteration whatsoever shall be allowed to be made by the nominee.

### III. Option to receive Maturity Benefit in Lumpsum:

This option can be exercised by the Policyholder during minority of the Life Assured or by Life Assured aged 18 years and above, at least 3 months before the due date of maturity under an inforce as well as paid-up policy.

If the Life Assured / Policyholder exercises this option under an in-force policy, the lump sum amount equal to the "**Sum Assured on Maturity**" shall be payable; where- Sum Assured on Maturity shall be equal to Annualized Premium or Single Premium, as applicable, multiplied by Maturity Benefit Multiplier.

Sample Maturity Benefit Multiplier applicable for the options are as under:

Option	Age	Maturity Benefit Multiplier for Policy Term (Payout Period)				
		10 (5)	10(10)	15 (5)	15 (10)	15 (15)
Option A - Level Income Benefit	20	6.4688	11.3480	8.4104	14.7317	19.2615
	40	6.2945	11.2196	8.0635	14.4219	18.7589
Option B - Increasing Income Benefit	20	6.4687	11.3376	8.4063	14.7064	19.2182
	40	6.2945	11.2095	8.0595	14.3983	18.7183

Option	Age	Maturity Benefit Multiplier for Policy Term (Payout Period)		
		5(5)	10(10)	15(15)
Option C: Single Premium Level Income Benefit				
	20	1.2452	1.6247	2.0575
	40	1.2442	1.6177	2.0323
Option D: Single Premium enhanced cover with Level Income Benefit	20	1.1756	1.4670	1.7735
	40	1.0967	1.1980	1.1275



In case of a Paid-up policy, if the Life Assured / Policyholder exercises this option, the lumpsum amount equal to the **“Maturity Paid-up Sum Assured”** (as defined in Para 11) shall be payable.

On payment of the “Sum Assured on Maturity” or “Maturity Paid-up Sum Assured”, as applicable, policy shall terminate and no other benefits shall be payable under the policy.

In case, if the loan and the loan interest if any, subsists as on the date of Maturity, then the same shall be recovered from “Sum Assured on Maturity” or from “Maturity Paid-up Sum Assured”, as applicable.

#### **IV. Option to commute the outstanding installments during the Payout Period:**

During Payout Period, the Policyholder shall have an option to commute the outstanding Guaranteed Income Benefit and Guaranteed Terminal Benefit. In such case, the lumpsum amount as mentioned below shall be paid and thereafter the policy shall terminate:

- i. Under an in-force policy, the lumpsum amount payable shall be higher of:
  - (a) Sum Assured on Maturity minus sum total of Guaranteed Income Benefit already paid; or
  - (b) The discounted value of outstanding payouts i.e. unpaid Guaranteed Income Benefit and Guaranteed Terminal Benefit.
- ii. Under a paid-up policy, the lump sum amount payable shall be higher of:
  - (a) Maturity Paid-up Sum Assured minus sum total of Reduced Guaranteed Income Benefit already paid; or
  - (b) The discounted value of outstanding payouts i.e. unpaid Reduced Guaranteed Income Benefit and Reduced Guaranteed Terminal Benefit.

Reduced Guaranteed Income Benefit and Reduced Guaranteed Terminal Benefit shall be as specified in Para 11.

## **6. Payment of Premiums (Applicable in case of Option A & Option B only):**

Premiums can be paid regularly at yearly, half-yearly, quarterly or monthly intervals (monthly premiums through NACH only) or through salary deductions.

## **7. Grace Period (Applicable in case of Option A & Option B only):**

A grace period of 30 days shall be allowed for payment of yearly or half-yearly or quarterly premiums and 15 days for monthly premiums from the date of First Unpaid Premium. During this period, the policy shall be considered in-force with the risk cover without any interruption as per the terms of the policy. If the premium is not paid before the expiry of the days of grace, the policy lapses.

The above grace period will also apply to rider premiums which are payable along with premium for Base Policy.

## **8. Modal Loading & Incentives:**

### **a) Modal Loading (Applicable for Option A & Option B):**

<b>Mode</b>	<b>Loading (as a % of Annualised Premium)</b>
Yearly Mode	Nil
Half-yearly Mode	1.5%
Quarterly Mode	2.5%
Monthly (NACH) & SSS Mode	3.0%

**b) Incentive for High Premium:**

In case of Annualised Premium of Rs 50,000 and above or Single Premium of ₹ 3,00,000 and above , the GIB Multiple, GTB Multiple and Maturity Benefit Multiplier shall be increased by a fixed percentage as detailed in the following tables.

**i. Regular/Limited Premium payment (Option A & Option B):**

Premium Paying Term	Incentive for High Annualised Premium				
	Upto ₹49,000	₹50,000 to ₹74,000	₹75,000 to ₹99,000	₹1,00,000 to 1,99,000	₹2,00,000 and above
5	Nil	0.70%	1.40%	1.70%	2.20%
10	Nil	0.30%	1.40%	1.70%	2.20%
15	Nil	0.20%	1.20%	1.70%	2.20%

**ii. Single Premium payment (Option C & Option D):**

Incentive for High Single Premium					
Premium Band	Up to ₹2,99,000	₹3,00,000 to ₹4,99,000	₹5,00,000 to ₹9,99,000	₹10,00,000 to ₹24,99,000	₹25,00,000 and above
Incentive	Nil	0.50%	1.25%	2.00%	2.25%

**c) Incentive for Online sale**

Proposal to be completed under online sales without any assistance of Agent/intermediary shall be eligible for Online incentive. In such cases the GIB Multiple, GTB Multiple and Maturity Benefit Multiplier shall be increased by a fixed percentage as detailed in the following Table depending on the Premium Paying Term.

Premium Paying Term	Incentive for Online sale
Single Premium	2.0%
5 years	7.0%
10 years	7.5%
15 years	10.0%

**9. Revival (Applicable in case of Option A & Option B only)**

If the premiums are not paid within the grace period, then the policy will lapse. A lapsed policy can be revived within a period of 5 consecutive years from the date of First Unpaid Premium but before the date of maturity. 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 satisfaction of Continued Insurability of the Life Assured and/or Proposer (if LIC's Premium Waiver Benefit Rider is opted for) on the basis of 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/Life Assured/Proposer.

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

The rate of interest applicable for revival under this plan for every 12 months' period from 1st May to 30th April shall not exceed 10 year G-Sec Rate p.a. compounding half-yearly as at the last trading day of previous financial year plus 3% or the yield earned on the Corporation's Non-Linked fund plus 1%, whichever is higher. For the 12 months period commencing from 1st May, 2021 to 30th April, 2022, the applicable interest rate shall be 9.5% p.a. compounding half yearly.

Revival of rider(s), if opted for, will be considered along with revival of the Base Policy, and not in isolation.

## 10. Plan purchased through POSP-LI and CPSC- SPV:

This plan can also be purchased through Point of Sales Persons-Life Insurance (POSP-LI) and Common Public Service Centers (CPSC-SPV). However, in such cases the eligibility conditions and other terms and conditions shall be as per the Guidelines, Circulars and Regulations etc. issued by the IRDAI applicable to POS Plans and POSP-LI. Currently, the following further restrictions are applicable for proposal procured through POSP-LI and CPSC-SPV:

- Option not allowed: 'Option D – Single Premium enhanced cover with Level Income Benefit'.
- Maximum Age at Entry shall be 65 years (Age Nearer Birthday) minus Policy Term.
- Maximum Age at Maturity shall be 65 Years (Age Nearer Birthday).
- Maximum Sum Assured on Death (per life): ₹ 25 Lakhs.

LIC's Dhan Sanchay plan falls under the category of Non Linked, Non Participating, Endowment category of POS-Life products if the same is purchased through POSP-LI or CPSC-SPV. The maximum allowable Sum Assured on Death to each individual in respect of all policies under all plans in this category of Non-Linked, Non-Participating, Endowment products, if purchased through POSP-LI and CPSC-SPV channel (both inclusive) shall be ₹ 25 lakhs.

However, the maximum allowable Sum Assured on Death to each individual will be decided as per the non-medical limits under this plan in accordance with the Underwriting policy of the Corporation.

- No rider shall be available in case of the policies procured through POSP-LI & CPSC- SPV.

Key Features Document (KFD) cum Proposal Form applicable for LIC's Dhan Sanchay shall be used if the sale is initiated by Point of Sale Persons-LI & CPSC-SPV.

Death Benefit payable in lumpsum as specified in para 4 (subject to waiting period as specified in para 17) and Maturity Benefit payable in instalments as specified in para 4 shall be applicable to policies purchased through POSP-LI and CPSC-SPV also.

Option to take Death Benefit in instalments, Option to receive Maturity Benefit in lumpsum & Option to commute the outstanding instalments during the Payout Period shall also be available.

## 11. Paid-up value (Applicable in case of Option A & Option B only):

If less than two full years' premiums have been paid and any subsequent premium be not duly paid, all the benefits under this policy shall cease after the expiry of grace period from the date of First Unpaid Premium and nothing shall be payable.

If, after at least two full years' premiums have been paid and any subsequent premiums be not duly paid, the policy shall not be wholly void, but shall subsist as a paid-up policy till the end of policy term.

**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.

In case of Death of Life Assured during the policy term under a paid-up policy, '**Death Paid-up Sum Assured**' shall be payable in lump sum and thereafter no further benefits shall be payable.

The Maturity Benefit payable under a paid-up policy, during the Payout Period, shall be in the form of Reduced Guaranteed Income Benefit & Reduced Guaranteed Terminal Benefit and the same shall be as under.

- The Reduced Guaranteed Income Benefit shall be equal to Guaranteed Income Benefit multiplied by the ratio of "**Maturity Paid-up Sum Assured**" bears to "Sum Assured on Maturity".
- Reduced Guaranteed Terminal Benefit shall be equal to Guaranteed Terminal Benefit multiplied by the ratio of "**Maturity Paid-up Sum Assured**" bears to "Sum Assured on Maturity".

Where '**Maturity Paid-up Sum Assured**' under a paid-up policy 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.

However, if the Reduced Guaranteed Income Benefit is less than ₹ 12,000/- p.a., the "Maturity Paid-up Sum Assured" shall be payable to the policyholder as lump sum and policy shall terminate. In such case, no further benefits shall be payable under the policy.

In case of death of the Life Assured during the Payout Period, the Reduced Guaranteed Income Benefit shall continue to be paid to the nominee as per the applicable Payout mode for the outstanding Payout Period and Reduced Guaranteed Terminal Benefit shall also be payable along with the last instalment of Reduced Guaranteed Income Benefit.

Rider shall not acquire any paid-up value and the rider benefits cease to apply, if policy is in lapsed condition.

## 12. Surrender:

Regular/Limited Premium payment (Option A & Option B) can be surrendered by the policyholder at any time during the policy term provided at least two full years' premiums have been paid. Single Premium payment (Option C & Option D) can be surrendered by the Policyholder at any time during the policy term.

On surrender of the policy, the Corporation shall pay the Surrender Value equal to higher of Guaranteed Surrender Value or Special Surrender Value.

The Special Surrender Value is reviewable and shall be determined by the Corporation from time to time subject to prior approval of IRDAI.

The Guaranteed Surrender Value payable under the policy shall be;

**Under Regular/ Limited Premium payment (Option A & Option B):**

The Guaranteed Surrender Value payable during the policy term shall be equal to the total premiums paid (excluding any extra premium, any premiums for rider(s), if opted for and taxes), multiplied by the Guaranteed Surrender Value factor.

The Guaranteed Surrender Value factors expressed as percentages will depend on the policy term and policy year in which the policy is surrendered and are given below:

Guaranteed Surrender Value factors for Option A & Option B		
Policy Year	Policy Term	
	10	15
1	0.00%	0.00%
2	30.00%	30.00%
3	35.00%	35.00%
4	50.00%	50.00%
5	50.00%	50.00%
6	50.00%	50.00%
7	50.00%	50.00%
8	65.00%	54.29%
9	90.00%	58.57%
10	90.00%	62.86%
11	-	67.14%
12	-	71.43%
13	-	75.71%
14	-	90.00%
15	-	90.00%

**Under Single Premium payment (Option C & Option D):**

During the first three policy years: 75% of the Single Premium

After the third policy year: 90% of the Single Premium

Single Premium referred above shall not include taxes, rider premium(s) and extra premium, if any.

No surrender value will be available on Rider(s), if any.

**13. Policy Loan:**

Loan shall be available during the policy term (i.e. before the start of the Payout Period under the Policy) subject to the following terms and conditions, within the surrender value of the policy for such amounts and on such further terms and conditions as the Corporation may fix from time to time:

- (i) Under Regular/Limited premium payment (Option A & Option B), loan can be availed provided at least two full years' premiums have been paid. Under Single Premium payment (Option C & Option D), loan can be availed at any time after three months from completion of the policy (i.e. 3 months from the Date of issuance of policy) or after expiry of the Free-Look Period, whichever is later.
- (ii) No Loan facility shall be available to the policyholder during the Payout Period.
- (iii) The maximum Loan that can be granted shall be as under:
- Option A & Option B:
    - For in-force policies: upto 90% of Surrender Value
    - For paid-up policies: upto 80% of Surrender Value
  - Option C & Option D: upto 75% of Surrender Value
- (iv) The rate of loan interest applicable for full loan term, for the loan to be availed under this policy for every 12 months' period from 1<sup>st</sup> May to 30<sup>th</sup> April shall not exceed 10 year G-Sec Rate p.a. compounding half-yearly as at the last trading date of previous financial year plus 3% or the yield earned on the Corporation's Non-Linked Fund plus 1%, whichever is higher. For loan sanctioned during 12 months' period commencing from 1st May, 2021 to 30th April, 2022 the applicable interest rate shall be 9.50% p.a. compounding half-yearly for entire term of the loan.
- (v) During the policy term, in the event of default in payment of loan interest (as mentioned above) on the due dates, and when the outstanding loan along with interest is to exceed the surrender value, the Corporation would be entitled to foreclose such policies. Such policies when being foreclosed shall be entitled to payment of the difference of surrender value and the outstanding loan amount along with interest, if any.
- (vi) In case, if the loan and the loan interest if any, subsists as on the date of Maturity, then the outstanding loan and loan interest, if any, shall be recovered from the "Sum Assured on Maturity" in respect of in-force policy or from "Maturity Paid-up Sum Assured" in respect of paid-up policy.

Subsequent to the recovery of loan along with loan interest, if any, if the difference between the "Sum Assured on Maturity" / "Maturity Paid-up Sum Assured", as applicable, and the outstanding loan amount along with interest, if any, is not sufficient to provide a Reduced Guaranteed Income Benefit of at least Rs. 12,000/- p.a., then this difference shall be payable as lumpsum and policy shall terminate.

If the difference between the "Sum Assured on Maturity" / "Maturity Paid-up Sum Assured", as applicable, and the outstanding loan amount along with interest, if any, is sufficient to provide a Reduced Guaranteed Income Benefit of at least Rs. 12,000/- p.a., then Reduced Guaranteed Income Benefit and Reduced Guaranteed Terminal Benefit shall be payable as under:

a. Under an in-force policy:

The Reduced Guaranteed Income Benefit shall be equal to Guaranteed Income Benefit multiplied by ratio of the difference between the Sum Assured on Maturity and the outstanding loan amount along with interest, if any, bears to Sum Assured on Maturity.

The Reduced Guaranteed Terminal Benefit shall be equal to Guaranteed Terminal Benefit multiplied by ratio of the difference between the Sum Assured on Maturity and the outstanding loan amount along with interest, if any, bears to Sum Assured on Maturity.

b. Under a paid-up policy

The Reduced Guaranteed Income Benefit shall be equal to Guaranteed Income Benefit multiplied by ratio of the difference between the Maturity Paid-up Sum Assured and the outstanding loan amount along with interest, if any, bears to Sum Assured on Maturity.

The Reduced Guaranteed Terminal Benefit shall be equal to Guaranteed Terminal Benefit multiplied by ratio of the difference between the Maturity paid-up Sum Assured and the outstanding loan amount along with interest, if any, bears to Sum Assured on Maturity.

(vii) On death of the Life Assured during the Payout Period, the Reduced Guaranteed Income Benefit shall continue to be paid to the nominee as per the applicable Payout Mode for the outstanding Payout Period and Reduced Guaranteed Terminal Benefit shall also be payable along with the last installment of Guaranteed Income Benefit.

(viii) During Payout Period, the Policyholder shall have an option to commute the outstanding Reduced Guaranteed Income Benefit and Reduced Guaranteed Terminal Benefit. In such case, the lumpsum amount as mentioned below shall be paid and thereafter the policy shall terminate:-

In case of inforce policy the lumpsum amount payable shall be higher of:

- (a) Sum Assured on Maturity minus recovered loan along with loan interest, if any, minus sum total of Reduced Guaranteed Income Benefit already paid; or
- (b) The discounted value of outstanding payouts i.e. unpaid Reduced Guaranteed Income Benefit and Reduced Guaranteed Terminal Benefit. Reduced Guaranteed Income Benefit and Reduced Guaranteed Terminal Benefit shall be as defined under Para (vi) (a) above.

In case of paid-up policy the lumpsum amount payable shall be higher of:

- a) Maturity Paid-up Sum Assured minus recovered loan along with loan interest, if any, minus sum total of Reduced Guaranteed Income Benefit already paid; or
  - (b) The discounted value of outstanding payouts i.e. unpaid Reduced Guaranteed Income Benefit and Reduced Guaranteed Terminal Benefit. Reduced Guaranteed Income Benefit and Reduced Guaranteed Terminal Benefit shall be as defined under Para (vi) (b) above.
- (ix) Any outstanding loan and loan interest shall be recovered from the claim proceeds at the time of exit.

## 14. 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 (for Base Policy and Rider(s), if any) including extra premiums, if any, which shall be collected separately over and above 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.

Regarding Income tax benefits/implications on premium(s) paid and benefits payable under this plan, please consult your tax advisor for details.

## 15. Free Look period:

If the Policyholder is not satisfied with the “Terms and Conditions” of the policy, the policy may be returned to the Corporation within 30 days from the date of receipt of the policy bond (from receipt of first of the electronic/physical mode) stating the reasons of objections. On receipt of the same, the Corporation shall cancel the policy and return the amount of premium deposited after deducting the proportionate risk premium (for Base Policy and Rider(s), if any) for the period of cover, charges for medical examination, special reports, if any and stamp duty charges.

## 16. Suicide Exclusion:

### a) Under Single Premium payment (Option C & Option D):

If the Life Assured (whether sane or insane) commits suicide at any time within 12 months from the date of commencement of risk, the nominee or beneficiary of the Life Assured shall be entitled to 80% of the Single Premium paid excluding any taxes, extra premium and rider premiums other than Term Assurance Rider, if any. This clause shall not be applicable in case age at entry of the Life Assured is below 8 years.

### b) Under Regular/ Limited Premium payment (Option A & Option B):

- 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 nominee or beneficiary of the Life Assured shall be entitled to 80% of the total premiums paid excluding any taxes, extra premium and rider premiums other than Term Assurance Rider, if any, provided the policy is in-force. This clause shall not be applicable in case age at entry of the Life Assured is below 8 years.
- 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 (excluding any taxes, extra premium and rider premiums other than term assurance rider, if any), or the surrender value available as on the date of death, shall be payable. The nominee or beneficiary of the Life Assured shall not be entitled to any other claim under this policy.

This clause shall not be applicable:

- In case the age of the life assured is below 8 years at the time of revival; or
- For a policy lapsed without acquiring paid-up value and nothing shall be payable under such policies.

## 17. Waiting Period:

In case the Plan is purchased through Point of Sales Persons-Life Insurance (POSP-LI) or CPSC-SPV, on death of the Life Assured within the first 90 days from the date of commencement of risk, the Corporation shall refund the total premiums paid, provided the policy is in force and death is not on account of an accident. However, in case of death due to accident during the waiting period “**Sum Assured on Death**” shall be payable. This clause shall not be applicable in case age at entry of the Life Assured is below 8 years.



## SECTION 45 OF 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 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 policywhichever 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 policywhichever 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. Policyholders are advised to refer to Section 45 of the Insurance Act, 1938, for complete and accurate details.]**

#### **Prohibition of Rebates (Section 41 of the Insurance Act, 1938)**

- 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.

Various Sections of the Insurance Act, 1938, applicable to LIC to apply as amended from time to time.

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.





भारतीय जीवन बीमा निगम  
LIFE INSURANCE CORPORATION OF INDIA

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Registration Number: 512