



LIFE INSURANCE CORPORATION OF INDIA
(Established by the Life Insurance Corporation Act, 1956)

Registration Number: 512

Pension and Group Schemes Department

Divisional Office, _____

LIC's NEW GROUP SUPERANNUATION CASH ACCUMULATION PLAN (WITHOUT PROFIT)
(UIN: 512N274V02)

Ref: NB

Unit Code / Unit Name:

Date:

Dear Policyholder,

Re: Policy No. _____

We have pleasure to forward herewith the above policy document which please find in order.

As per IRDA (Protection of Policyholder's Interest) Regulations, 2002 we would request you to go through the terms and conditions of the policy and in case you disagree to any of the terms and conditions, you may return the policy within a period of 15 days stating the reasons of your objections. On receipt of the policy, the Master Policy shall be cancelled and the total contributions paid after deduction of stamp duty expenses and charges towards Risk Premium, wherever applicable, shall be refunded.

We would also like to draw your kind attention to the information (including special provisions, if any) mentioned in the Schedules and General Conditions of the policy given including the options available, if any, stated therein.

It is important that the conditions mentioned in the policy are noted carefully as it will be helpful to you.

Thanking you,

Yours faithfully,

p. Manager (P&GS)



**Life Insurance Corporation of India
Pension and Group Schemes Department
Divisional Office, _____**

LIC's NEW GROUP SUPERANNUATION CASH ACCUMULATION PLAN
(UIN: 512N274V02)

Master Policy No. GS / CA /

GRANTED TO TRUSTEES

The **Life Insurance Corporation Of India** (hereinafter called "the Corporation") has received a Proposal from the Trustees/ Employer of _____ **Superannuation scheme** (hereinafter called "the Grantees"), being the policyholder for the group Superannuation policy for providing pension benefits as described in the Rules of the aforesaid Superannuation scheme, which Rules together with the aforesaid proposal are hereby declared to be the basis of this policy and WHEREAS the Corporation has received an amount of **Rs. _____** being the contribution due on the date of commencement of this Policy.

NOW THIS POLICY WITNESSES:

1. Subject to the terms and provisions hereof, the Corporation hereby agrees to pay to the Grantees the benefits in respect of the Members calculated as herein prescribed after the Grantees shall have supplied the Corporation with proof to the satisfaction of the Corporation of the happening of the events upon which benefits are expressed to be payable .
2. Any amendment to the terms and conditions of this policy shall be given effect to by an endorsement to the policy signed by an authorized Officer of the Corporation.
3. The provisions hereinafter contained i.e. the 'General Conditions' and various 'Schedules' (Schedule I to IV) attached herewith and every endorsement placed on the Policy by the Corporation shall be deemed part of this Policy as full as if recited over the signature affixed hereto .

Dated at _____ this ___ day of _____, 20__

**For and on behalf of the
LIFE INSURANCE CORPORATION OF INDIA**

MANAGER (P&GS)

GENERAL CONDITIONS

1. In this policy, where the context so admits, the masculine shall include the feminine, the singular shall include the plural and expressions referred to in the Schedules of this policy shall, unless otherwise defined, have the meaning therein specified.
2. Evidence of age of the Members, satisfactory to the Corporation must be furnished to the Corporation before payment of any benefits hereunder.
3. The Grantees shall pay to the Corporation on the _____ day of _____ i.e. the date of commencement of the policy and the _____ day of _____ every year thereafter (i.e. the Annual Renewal Date) the contribution in respect of each member according to the Schedule II, provided that if the Grantees desire and the Corporation agrees, the contributions thereunder shall be paid in monthly or quarterly or half- yearly instalments commencing from the said date of commencement.
4. The Grantees shall provide the list of members covered under the policy at the time of inception of the policy and at each Annual Renewal date. Such list which should be in soft copy in the format prescribed by the Corporation from time to time shall form part of the policy document.
5. The Grantees shall furnish the Corporation with all particulars relevant to the Scheme and for the operation of this policy and the particulars so furnished may be accepted by the Corporation as conclusive.
6. Any amendment/s or modification/s to the scheme shall have the effect for the purpose of this policy only to such extent as the Corporation shall in writing agree and the consequential changes to the relevant provisions hereof shall be given effect to by endorsements to the Policy.
7. Based on the experience the Corporation reserves right to revise from time to time the annuity rates (upward/downward) with prior approval from IRDAI after giving the Grantees a notice of one month. The right to revise equally applies to any revision previously made.
8. As soon as a member or a beneficiary becomes entitled to receive the benefits under the scheme, the Grantees shall send the relevant particulars to the Corporation whereupon the Corporation shall pay to the Grantees appropriate benefits.
9. Proof of Existence, identity and Evidence of age of the member and of the beneficiary whenever required to the satisfaction of the Corporation must be furnished to the Corporation before claiming any benefits hereunder.
10. All monies payable by the Corporation hereunder shall be paid to the Grantees through the Divisional Office at _____ and a _____ discharge receipt given by the Grantees or on their behalf by any person duly authorised in writing by the Grantees shall be a valid discharge to the Corporation in respect of any such payment.
11. The Corporation shall issue the Grantees as the policyholder at the end of each financial year a statement of Policy Account showing various transactions during the financial year.
12. In any case where the Corporation is liable to the revenue authorities for Income-tax or any other Tax or duties on the benefits to be made under this policy or on any account in respect to this policy, the Corporation shall be entitled to deduct the appropriate amounts for that purpose from the respective payments and shall not be liable to the Grantees for the sums so deducted.

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13. Any dispute which may arise in connection with this policy shall be submitted to the appropriate Court having jurisdiction over the city/town of _____.
14. The Grantees and the Corporation reserve the right to terminate the scheme by giving three months notice to either party. In that event, the benefit available under this policy shall be as per Schedule III.
15. The Group Superannuation Cash Accumulation Plan is a Non Participating Variable Insurance Plan and will not participate in the profits of the Corporation.
16. No loan is payable under this policy.
17. The benefits payable under this policy are strictly personal and cannot be assigned, charged or alienated in any way by the member or the beneficiaries.
18. **Cooling Off Period:** The Grantees may review the terms and conditions of the Master Policy and choose to return the Master Policy within 15 days to the Corporation in case of any objection with a written communication stating the reasons of their objection. The period of 15 days shall be reckoned from the date of receipt of Master Policy by the Grantees.
On receipt of such a communication, the Master Policy shall be cancelled and the total contributions paid after deduction of stamp duty expenses shall be refunded
19. In case of Schemes which are cancelled during the cooling off period, no interest will be credited to their Policy Account.
20. The Scheme Rules shall form part of the policy document.

SCHEDULE-I

1.	Proposal No.	
2.	Date of Commencement	
3.	Name of Grantees	
4.	Registered Address of Grantees	
5.	Name of the scheme	
6.	Term	Annually Renewable
7.	Member	A Member of the Scheme who is admitted to the benefits of this Policy
8.	Annual Renewal Date	In relation to the scheme shall mean the-----and the----- every year.
9.	Beneficiary	The person nominated by the member to receive the benefits under the scheme in the event of death
10.	Eligibility	All permanent employees who are aged not less than 18 years and not more than ----- years as per scheme rules.
11.	Normal Retirement Date	The date on which member attains the age of ----- years.
12.	Death Benefit	As per scheme rules but limited to the Policy Account Value.
13.	Resignation / Retirement Benefit	As per scheme rules but limited to the Policy Account Value.
14.	Policy Account	For a new scheme, Policy Account will be created in respect of a scheme as soon as the Grantees pay the first contribution. In case of a Defined Contribution Scheme, individual member-wise Policy Account will also be maintained.
15.	Interest Payable	As per Para 4 of Schedule -II
16.	Charges	As per Para 5 of Schedule -II
17.	Bulk Exit	As per Para 10 of Schedule -III
18.	Surrender	As per Para 11 of Schedule -III
19.	Market Value Adjustment	Market Value Adjustment (MVA) is a reduction in the Policy Account Value to cover the market losses of underlying investment. It shall be calculated as per Para 5(iii) of Schedule II.

SCHEDULE II- CONTRIBUTIONS AND BENEFITS

1. The Grantees shall pay to the Corporation in respect of each member an annual contribution in respect of current service benefit as per Accounting Standard 15 (Revised).
2. The Grantees may also pay to the Corporation by the way of initial contribution in respect of a member who, on the date of entry into scheme, has past service to his credit, such amount as they may decide as per Accounting Standard 15(Revised). The initial contribution may be paid wholly on the entry date or partly any time thereafter.
3. **Management of Policy Account:** All the contributions paid by the Grantees will be credited to the maintained Policy Account.

- **For Defined Contribution Superannuation Scheme:** The Corporation will also maintain individual member-wise Policy Account.

In case of exit of a member due to death or resignation or retirement (including normal retirement, voluntary retirement and retirement on medical grounds as per company policy), the amount available shall be equal to the member's Policy Account Value on the day of exit.

The individual member's Policy Account shall cease once the benefit is paid.

Sum of all individual Policy Account Value shall form the Policy Account Value for the scheme.

- **For Defined Benefit Superannuation Scheme:** A single Policy Account shall be maintained in respect of all contributions received from Grantees.

In case of exit of a member due to death or resignation or retirement (including normal retirement, voluntary retirement and retirement on medical grounds as per company policy), the amount shall be the corpus required to purchase the benefits as defined in the scheme rules.

The Corporation's liability towards the Grantees shall be limited to the Policy Account Value remaining in the Policy Account of the scheme. In case the balance in the Policy Account of the scheme is insufficient to pay out the benefits as per the scheme rules, it will be the responsibility of the Grantees to make good such amounts to the Corporation so as to enable the Corporation to pay such benefits.

4. **Interest payable on Policy Account:**

The following types of interest rates shall be provided on the Policy Account Value:

- (a) **Minimum Floor Rate (MFR):** MFR is a guaranteed interest rate that Policy Account shall earn during the entire policy term. This plan offers a Minimum Floor Rate (MFR) of 0.5% p.a.
- (b) **Additional Interest Rate (AIR):** In addition to MFR, the Corporation shall also declare a non zero-positive Additional Interest Rate (AIR) at the beginning of every financial quarter on the Policy Account and AIR shall remain guaranteed for that financial quarter. This AIR shall remain guaranteed for that quarter.

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- (c) **Residual Addition (RA):** Starting from the fifth policy anniversary, in addition to MFR and AIR, the Corporation may also declare a non zero-positive Residual Addition (RA) on Policy Account at the end of each policy year.

The Residual Addition shall be determined as below:

- 1) Gross Investment Yield earned in the shadow policy account at the end of each policy year less
- 2) Actual yield earned in the policy account, at the end of each policy year less
- 3) Yield referred in the maximum reduction in yield at that duration (stipulated by the regulator, IRDAI) in accordance with the table below:

Number of years elapsed since inception	Maximum Reduction in Yield (Difference between Gross and Net Yield (% p.a.))
5	4.00 %
6	3.75 %
7	3.50 %
8	3.30 %
9	3.15 %
10	3.00 %
11 and 12	2.75 %
13 and 14	2.50 %
15 and thereafter	2.25 %

Note: The yield earned on each of the policy account shall be calculated using the money weighted rate of return method at end of each policy year.

The interest amount earned by way of MFR and AIR will be credited to the Policy Account at the end of each quarter/at the time of exit. The interest amount earned by way of RA, if any, will be credited to the Policy Account at the end of each policy year starting from policy year 5. The Fund Management Charge (FMC) shall also be deducted from Policy Account Value at the end of each quarter/at the time of exit.

Glossary:

Gross Investment Yield: The yield on an investment earned by the Corporation on the entire Group Superannuation pooled fund. Gross yield is expressed in percentage terms.

Actual Investment Yield: The yield earned (through MFR and AIR) by the policyholder on his Policy Account Value after the deduction of all charges.

Money weighted rate of return: It is the rate of return for a portfolio that will set the present values of all cash flows and terminal values equal to the value of the initial investment, i.e. it is the discount rate on which the Net Present Value (NPV) = 0, or the present value of inflows = present value of outflows. A money-weighted approach can be used as a measure of the rate of return for an asset (or portfolio of assets) where the schedule of cash flows is not necessarily periodic, i.e. where transactions can occur irregularly.

Shadow Policy Account: A Shadow Policy Account shall be maintained on a daily basis and shall be computed based on the actual accruals of all income elements for the Corporation like contributions, income from investments as and when received and all actual debits i.e. partial withdrawals to the

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policy account value as and when debited, to arrive at the actual gross investment return and reduction in yield to the policy account value, at the end of each year starting from policy year 5.

5. Charges:

- i) Fund Management Charge (FMC): The Fund Management Charge shall be deducted from Policy Account Value at the end of each quarter/at the time of exit. This percentage of the Fund Management Charge shall vary depending on the size of Policy Account Value and are as under:

Fund Management Charge: (per annum)	
Size of Policy Account Value of the Scheme	Fund Management Charge (FMC)
Initial amount upto 1 crore	0.50%
On subsequent amount above 1 crore but less than or equal to 5 crores	0.45%
On subsequent amount above 5 crores but less than or equal to 25 crores	0.40%
On subsequent amount above 25 crores but less than or equal to 100 crores	0.35%
On subsequent amount above 100 crores but less than or equal to 200 crores	0.30%
On subsequent amount above 200 crores but less than or equal to 400 crores	0.25%
On subsequent amount above 400 crores but less than or equal to 800 crores	0.20%
On subsequent amount above 800 crores but less than or equal to 2000 crores	0.15%
On subsequent amount above 2000 crores	0.10%

- ii) Market Value Adjustment: A Market Value Adjustment (MVA) will be applicable on Bulk Exits and complete surrender of the policy. The MVA will be applicable on withdrawal amount during a policy year which is over and above 25% of the Policy Account Value. The MVA amount shall be derived at the time of exit using the following formula.

MVA amount = [Maximum (0, Policy Account Value – Market Value) / Policy Account Value] * (Net amount which is over and above the amount representing Bulk Exit)

Where, Market Value is derived from the valuation of assets earmarked separately for the product at the time of MVA calculation. The MVA amount, if any, will be deducted from the Policy Account Value.

- iii) Surrender Charges: If this policy is surrendered within three policy years from the date of commencement mentioned in Schedule I of this document a surrender charge will be levied. The applicable surrender charge shall be 0.05% of the Policy Account Value subject to maximum of Rs.500,000/-.
- iv) Service tax Charges: Service tax, if any, shall be as per the Service Tax laws and the rate of service tax as applicable from time to time.

6. Right to revise charges: The Corporation reserves the right to revise the Fund Management Charges. The modification in Fund Management Charges will be done with prospective effect

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with the prior approval from IRDAI after giving the Grantees a notice of 3 months. However the maximum Fund Management Charges shall not exceed 1% p.a.

In case the Grantees do not agree with the revision of charge, they shall have the option to withdraw the Policy. However, such withdrawal shall not be treated as surrender.

7. When pension becomes payable to a member on retirement or cessation of service, the Corporation shall pay to the Grantees the benefits according to scheme rules. In case of a Defined Benefit Scheme, if the balance in the Policy Account is insufficient to pay out the benefits as per the scheme rules, it will be the responsibility of the Grantees to make good such amounts to the Corporation so as to enable the Corporation to pay such benefits.
8. The amount of the pension will depend upon the amount standing to the credit of the member in the Policy Account, the age of the member or the person to whom the pension is payable and the type of pension and will be determined on the basis of the immediate annuity rates of the Corporation in force from time to time. The pension is payable monthly, quarterly, half-yearly or yearly as may be agreed to between the Grantees and the Corporation.
9. The Grantees shall notify to the Corporation the pension option exercised by the members or the beneficiary immediately but not later than thirty days of the member's retirement, cessation of service or death, as the case may be.

SCHEDULE III - DISCONTINUANCE OF CONTRIBUTIONS

10. **Bulk Exits:** All type of exits, excluding complete surrender, which are not in accordance with the scheme rules filed with the Corporation at the outset, will be considered as bulk exits. If during any policy year the withdrawal amount exceeds 25% of the total Policy Account Value of the scheme at the beginning of that policy year then it will be considered as Bulk Exit. Market Value Adjustment (MVA) as defined in Schedule II will be applicable on such Bulk Exit.
11. **Surrender:** The Policy can be surrendered by the Grantees at any time by giving an advance notice of 3 months. The benefit available on surrender shall be Guaranteed Surrender Value. The Corporation may, however, pay Special Surrender Value if it is favourable to the policyholder. The policy will terminate on surrender.

Guaranteed Surrender Value:

The Guaranteed Surrender Value shall be equal to the 90% of the total contributions paid less all the benefits paid since the inception of the policy.

Special Surrender Value:

The Special Surrender Value shall be equal to the Policy Account Value on the day of surrender less the applicable surrender charges, less Market Value Adjustment, if any, as mentioned in Para 5 of Schedule II.

SCHEDULE IV – ANNUITY RATES

12. The annuity rates applicable at the time of vesting of pension shall apply. The Corporation shall furnish separately, the applicable annuity rates to the Grantees at the time of commencement of policy and also at all times in future when the rates are revised as mentioned in Para 7 of "General Conditions".

Section 45 of Insurance Act, 1938:

The provisions of Section 45 of the Insurance Act, 1938 shall be as amended from time to time. The current provisions are contained in Annexure-1 of this policy document.

- All communication in relation to this policy shall be addressed to:

LIFE INSURANCE CORPORATION OF INDIA
..... DIVISIONAL OFFICE
PENSION & GROUP SCHEMES DEPT.

.....
.....

Any change in the above address shall be communicated to the Grantees.

- In case you have any Complaints/Grievance, you may approach Grievance Redressal Officer/ Ombudsman, whose address is as under:

Address of Grievance Redressal officer:

Address of Ombudsman:

Note: In case of dispute in respect of interpretation of these terms and conditions and special provisions/conditions the English version shall stand valid.

THE GRANTEEES ARE REQUESTED TO EXAMINE THIS POLICY AND SATISFY THEMSELVES THAT THE VARIOUS PROVISIONS CONTAINED THEREIN CONFORM TO THEIR REQUIREMENTS. IF ANY AMENDMENT OR MODIFICATION IS FOUND NECESSARY, THE CORPORATION MAY PLEASE BE ADDRESSED IN THE MATTER IMMEDIATELY.

Annexure 1

Section 45 as per the Insurance Act 1938, as amended by the Insurance Laws (Amendment) Act, 2015

(1) No policy of life insurance shall be called in question on any ground whatsoever after the expiry of three years from the date of the policy, i.e. from the date of issuance of the policy or the date of commencement of risk or the date of revival of the policy or the date of the rider to the policy, whichever is later.

(2) A policy of life insurance may be called in question at any time within three years from the date of issuance of the policy or the date of commencement of risk or the date of revival of the policy or the date of the rider to the policy, whichever is later on the ground of fraud:

Provided that the insurer shall have to communicate in writing to the insured or the legal representatives or nominees or assignees of the insured the grounds and materials on which such decision is based.

Explanation I- For the purposes of this sub-section, the expression “fraud” means any of the following acts committed by the 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 specially declares to be fraudulent.

Explanation II- Mere silence as to facts likely to affect the assessment of the risk by the insurer is not fraud, unless the circumstances of the case are such that regard being had to them, it is the duty of the insured or his agent, keeping silence to speak, or unless his silence is, in itself, equivalent to speak.

(3) Notwithstanding anything contained in subsection (2), no insurer shall repudiate a life insurance policy on the ground of fraud if the insured can prove that the misstatement of or suppression of a material fact was true to the best of his knowledge and belief or that there was no deliberate intention to suppress the fact or that such misstatement of or suppression of a material fact are within the knowledge of the insurer:

Provided that in case of fraud, the onus of disproving lies upon the beneficiaries, in case the policyholder is not alive.

Explanation – A person who solicits and negotiates a contract of insurance shall be deemed for the purpose of the formation of the contract, to be the agent of the insurer.

(4) A policy of life insurance may be called in question at any time within three years from the date of issuance of the policy or the date of commencement of risk or the date of revival of the policy or the date of the rider to the policy, whichever is later, on the ground that any statement of or suppression of a fact material to the expectancy of the life of the insured was incorrectly made in the proposal or other document on the basis of which the policy was issued or revived or rider issued:

Provided that the insurer shall have to communicate in writing to the insured or the legal representatives or nominees or assignees of the insured the grounds and materials on which such decision to repudiate the policy of life insurance is based:

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Provided further that in case of repudiation of the policy on the ground of misstatement or suppression of a material fact, and not on the ground of fraud the premiums collected on the policy till the date of repudiation shall be paid to the insured or the legal representatives or nominees or assignees of the insured within a period of ninety days from the date of such repudiation.

Explanation - For the purposes of this sub-section, the misstatement of or suppression of fact shall not be considered material unless it has a direct bearing on the risk undertaken by the insurer, the onus is on the insurer to show that had the insurer been aware of the said fact no life insurance policy would have been issued to the insured.

(5) Nothing in this section shall prevent the insurer from calling 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 that the age of the life insured was incorrectly stated in the proposal.