LIFE INSURANCE CORPORATION OF INDIA
(ESTABLISHED BY THE LIFE INSURANCE CORPORATION ACT, 1956)
Registration Number: 512

LIC'S JEEVAN SHANTI (UIN: 512N328V02)
A Non-Linked, Non-Participating, Single Premium Annuity Plan.

PART - A

Ref: NB

(Branch Office):
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____
____
DATE:

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Dear Policyholder,

Re: Your Policy No. _______________

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

We would also like to draw your kind attention to the information mentioned in the Schedule of the Policy and the benefits available under the Policy.

Some of our plans have certain options available under them. It is important that the options, if any, available under this plan and mentioned in the Policy Document are noted carefully as it will be helpful to you, in case you decide to exercise any of the available options. It is also essential to note that such option, if available and mentioned in the document of this plan has to be exercised in the right manner and during the stipulated time limit as prescribed herein.

Free Look Period
We would request you to go through the terms and conditions of the Policy and in case you disagree with any of the terms and conditions, you may return the Policy within a period of 15 days (30 days if this policy is purchased online) from the date of receipt of policy document stating the reasons of your objections and disagreement. On receipt of the policy we shall cancel the same and the amount of premium deposited by you shall be refunded to you after deducting the charges for stamp duty and Annuity paid (if any).

We would also like to draw your attention to the following aspects:

1) Change of Address: In case you change your residence, kindly ensure that you inform the change in address to the servicing Branch Office.

2) Assignment: Assignment should be in accordance with the provisions of Section 38 of the Insurance Act 1938, as amended from time to time. The current provisions of Section 38 are enclosed as Annexure- I for reference.

3) Nomination: Nomination should be in accordance with provision of Section 39 of the Insurance Act, 1938, as amended from time to time. The current provisions of Section 39 are enclosed in Annexure –II for reference.

4) Section 45 of Insurance Act, 1938: The current provisions of the same are enclosed in Annexure –III.

5) Please avail LIC's e-services. Visit our website: www.licindia.in to enable us to serve you better.

If you find any errors in this document, you may return this Policy for corrections.

Thanking you.

Yours faithfully,

p. Chief/Sr. Branch Manager

PART – A (CONTD.)

Whereas the LIFE INSURANCE CORPORATION OF INDIA (hereinafter called "the Corporation") has received a Proposal and Declaration for the purchase of an Annuity under the "LIC's Jeevan Shanti" and the said Proposal and Declaration with the statements contained and referred to therein, which the Proposer and Annuitant(s) named in the Schedule referred to herein below has agreed shall be and are hereby declared to be the basis of this Annuity Contract and has received the Purchase Price for an Annuity amount and on the terms stated in the said Schedule.

Now this Policy Witnesseth that in consideration of the Purchase Price paid, the Corporation will pay either at its office where this policy is serviced or at some of its other office, the annuity as specified in the said Schedule and Death Benefit (if payable), but without interest, to the person/persons to whom the same is / are therein expressed to be payable upon proof to the satisfaction of the Corporation being furnished, in respect of each annuity payment, that the annuity payment in question has become payable and also in respect of the happening of the event on which the Death Benefit is to become payable as set out in this Policy Document and the title of the person/persons claiming to receive the annuity /Death Benefit.

But where the annuity ceases or determines on the death of the annuitant, no part of the said Annuity shall be payable or paid for such time as may elapse between the date of payment immediately preceding the death of annuitant and the day of his/her death, the subsistence of life of the annuitant at twelve o'clock on the day on which the said annuity falls due being duly certified from time to time in such manner as the Corporation may require.

And it is hereby declared that this policy shall be subject to the Definitions, Benefits, Conditions Related To Servicing Aspects, Other Terms And Conditions and Statutory Provisions printed on the back hereof and that the following Schedule and every endorsement placed on the Policy by the Corporation shall be deemed to be part of the Policy.

SCHEDULE

DIVISIONAL OFFICE: **BRANCH OFFICE:**

Policy No.: Date of Commencement of Policy: Date of Commencement of Risk: Whether Deferred/ Immediate Annuity opted for: For Deferred Annuity: Deferment Period: Date of Vesting:	Plan No.: UIN: Purchase Price: (Rs.) Guaranteed Additions per month: Amount of annuity payment: (Rs.) Mode of payment of annuity: Date of 1st annuity payment: Due date:
Annuity Option chosen:	
Name and Address of Proposer: Name and Address of Annuitant/Primary Annuitant: Name and Address of Secondary Annuitant:	Proposal No.: Date of proposal: Date of issuance of policy: Date of Birth of the Annuitant/Primary Annuitant: Age of the Annuitant/Primary Annuitant: Date of Birth of Secondary Annuitant: Age of Secondary Annuitant: Whether age admitted of Annuitant/Primary Annuitant: Secondary Annuitant:
Name of Nominee(s) under Section 39 of the Insurance Act, 1938 and their percentage share: Age of Nominee(s) and Relationship: If Nominee is a minor/handicapped dependant or If handicapped dependant is Secondary Annuitant, the name of the Appointee:	
Beneficiary to whom Benefits payable	To the Annuitant/Primary Annuitant or surviving named Secondary Annuitant or his Assignee under Section 38 of the Insurance Act, 1938 or Nominees under Section 39 of the Insurance Act 1938 or Proved Executors or Administrators or other legal representatives of the Annuitant who should take out representation to his / her estate or limited to the monies payable under this policy from any court of any State or territory of the Union of India, as applicable.

Signed on behalf of the Corporation at the above-mentioned branch office whose address and e-mail ID are given on the last page and to which all communications relating to the policy should be addressed.

Date:
Examined by:
Form No.:

p. Chief/Sr./Branch Manager

Agency Code	
Agency Name	
Agent's Mobile Number/ Landline Number	

PART – B: DEFINITIONS

The definitions of terms/words used in the Policy Document are as under:

1. **Age** is the age last birthday of the Annuitant(s) on the date of commencement of the policy.
2. **Annuitant(s) being** person(s) on whose life this policy has been taken and who become entitled to receive the annuity benefits as stated in Policy Schedule.
3. **Annuity** means a specified amount payable under this policy at specified regular intervals as mentioned in the schedule and payable as per the specification under the option chosen by the annuitant as evidenced in the schedule of the policy.
4. **Appointee** is the person to whom the proceeds/benefits secured under the Policy are payable on behalf of the nominee if the benefit becomes payable to the nominee and nominee is minor as on the date of claim payment.
5. **Corporation** means the Life Insurance Corporation of India established under Section 3 of the LIC Act, 1956.
6. **Date of commencement of policy** is the start date of this Policy.
7. **Date of commencement of Risk** is the date on which the Corporation accepts the risk for insurance (cover) as evidenced in the schedule of the Policy.
8. **Date of issuance of policy** is a date when a proposal after underwriting is accepted as a policy and this contract gets effected.
9. **Date of Vesting** means the date specified in Policy Schedule on which Deferment Period expires and the annuity becomes payable in arrears as per the mode chosen for annuity payment.
10. **Death Benefit** means the benefit, agreed at the inception of the policy, which is payable on the death of the Annuitant(s) and after which the contract terminates except to the extent of liability towards payment of admissible death benefit as per the term and conditions under the policy.
11. **Deferment Period** is the period, in years, as chosen by the policyholder and as specified in the Schedule, commencing from the Date of commencement of policy to the date of vesting.
12. **Due Date** means a fixed date on which the annuity is due and payable.
13. **Endorsement** means conditions attached/ affixed to this Policy incorporating any amendments or modifications agreed to or issued by the Corporation.
14. **Free Look Period** is the period of 15 days (30 days if this policy is purchased online) from the date of receipt of the Policy Document by the Policyholder to review the terms and conditions of this policy and where the Policyholder disagrees to any of those terms and conditions, he/ she has the option to return this policy as detailed in Condition 6 and 8 of Part D of this policy document.
15. **Guaranteed Period** means the period, beginning from the date of commencement of policy as stated in the annuity option chosen by the annuitant at the inception of the contract, for which the annuity is guaranteed to be payable.
16. **Handicapped dependant** is a Person with Disabilities (Divyangjan) defined under Condition 9 of Part D of this Policy document, who is the beneficiary under this policy and a relative of the Annuitant/ Primary annuitant.
17. **IRDAI** means Insurance Regulatory and Development Authority of India earlier called as Insurance Regulatory and Development Authority (IRDA).
18. **Joint Life annuity** refers to an annuity policy taken jointly on the lives of Primary Annuitant and Secondary Annuitant. The joint life annuity can be taken between any lineal descendant/ascendant of the family (i.e. Grandparent, Parent, Children, Grandchildren) or spouse or siblings.
19. **Minor** is a person who has not completed 18 years of age.
20. **Mode** refers to the frequency of Annuity payment as chosen by the Annuitant.
21. **Monthly tabular annuity rate** for the purpose of calculating Guaranteed Additions means the annuity rate applicable for monthly mode without applying any incentive or reduction in annuity rate.
22. **Nomination** is the process of nominating a person(s) who is (are) named as "Nominee(s)" in the proposal form or

subsequently included/ changed by an endorsement. Nomination should be in accordance with provisions of Section 39 of the Insurance Act, 1938 as amended from time to time.

23. **Nominee(s)** means the person(s) nominated under this policy and who is (are) authorized to receive the benefit/s under this policy, on the death of the Annuitant/ Primary Annuitant/Secondary Annuitant, wherever applicable as per the annuity option chosen.
24. **National Pension Scheme (NPS)** is defined contribution pension scheme administered and regulated by Pension Fund Regulatory and Development Authority (PFRDA).
25. **Policy/ Policy Document** means this document along with endorsements**,** if any, issued by the Corporation which is a legal contract between the Policyholder and the Corporation.
26. **Policyholder** is the legal owner of this policy.
27. **Primary Annuitant (applicable under joint life Annuity Option)** is the primary person on whose life this policy has been taken and who is entitled to receive the annuity benefits as stated in Policy Schedule. For all joint life annuity options under this policy, word "Annuitant" is used for "Primary Annuitant".
28. **Purchase Price/Premium** is an amount payable by the Policyholder as mentioned in the schedule of this Policy Document to secure the benefits under the policy. The term Purchase Price and Premium are used interchangeably in this Policy Document. Purchase Price/Premium does not include any taxes.
29. **Qualifying Recognised Overseas Pension Scheme (QROPS)** is a pension scheme which is administered outside United Kingdom and is registered with and hence meets the requirements set by Her Majesty's Revenue and Customs (HMRC).
30. **Schedule** is the part of policy document that gives the specific details of this policy.
31. **Secondary Annuitant (applicable under joint life Annuity Option)** is the person entitled to receive the annuity payment, in the event of death of the Primary Annuitant.
32. **Surrender** means complete withdrawal / termination of the entire Policy as mentioned in Condition 4 of Part D of this policy document.
33. **Surrender Value** means an amount, if any, that becomes payable in case of surrender in accordance with the terms and conditions of this policy.
34. **UIN** means the Unique Identification Number allotted to this plan by the IRDAI.

PART – C: BENEFITS

The following benefits are payable under the policy:

1. **Benefits payable on Survival or on Death**: The benefits payable are as under:

i. Under Immediate Annuity:

Annuity Option	Annuity Description	Single/ Joint Life	Benefit payable on Survival	Benefit payable on Death
A	Immediate Annuity for life.	Single Life	Annuity payments will be made in arrears for as long as Annuitant is alive, as per the chosen mode of annuity payment.	On the death of the Annuitant, nothing shall be payable. The annuity payment shall cease immediately and the policy will terminate.
B	Immediate Annuity with guaranteed period of 5 years and life thereafter.	Single Life	Annuity payments will be made in arrears for as long as Annuitant is alive, as per the chosen mode of annuity payment.	**On death of the Annuitant during the guaranteed period of 5 years:** The annuity shall be payable to the nominee(s) till the expiry of the guaranteed period. Upon the expiry of this Guaranteed Period, the annuity payments will cease immediately and the policy will terminate. **On death of the Annuitant after the guaranteed period:** The annuity payment shall cease immediately and the policy will terminate.
C	Immediate Annuity with guaranteed period of 10 years and life thereafter.	Single Life	Annuity payments will be made in arrears for as long as Annuitant is alive, as per the chosen mode of annuity payment.	**On death of the Annuitant during the guaranteed period of 10 years:** The annuity shall be payable to the nominee(s) till the expiry of the guaranteed period. Upon the expiry of this Guaranteed Period, the annuity

				payments will cease immediately and the policy will terminate. **On death of the Annuitant after the guaranteed period:** The annuity payment shall cease immediately and the policy will terminate.
D	Immediate Annuity with guaranteed period of 15 years and life thereafter.	Single Life	Annuity payments will be made in arrears for as long as Annuitant is alive, as per the chosen mode of annuity payment.	**On death of the Annuitant during the guaranteed period of 15 years:** The annuity shall be payable to the nominee(s) till the expiry of the guaranteed period. Upon the expiry of this Guaranteed Period, the annuity payments will cease immediately and the policy will terminate. **On death of the Annuitant after the guaranteed period:** The annuity payment shall cease immediately and the policy will terminate.
E	Immediate Annuity with guaranteed period of 20 years and life thereafter.	Single Life	Annuity payments will be made in arrears for as long as Annuitant is alive, as per the chosen mode of annuity payment	**On death of the Annuitant during the guaranteed period of 20 years:** The annuity shall be payable to the nominee(s) till the expiry of the guaranteed period. Upon the expiry of this Guaranteed Period, the annuity payments will cease immediately and the policy will terminate. **On death of the Annuitant after the guaranteed period:** The annuity payment shall cease immediatelyand the policy will terminate.
F	Immediate Annuity for life with return of purchase price.	Single Life	Annuity payments will be made in arrears for as long as Annuitant is alive, as per the chosen mode of annuity payment.	On death of the Annuitant, the annuity payment shall cease immediately. The Purchase Price shall be payable to nominee(s) as per the option exercised by the Annuitant(s) as specified in Condition 3 of Part D of this policy document.
G	Immediate Annuity for life increasing at a simple rate of 3% p.a.	Single Life	Annuity payments will be made in arrears for as long as Annuitant is alive, as per the chosen mode of annuity payment. The annuity payment will be increased by a simple rate of 3% per annum for each completed policy year.	On death of the Annuitant, nothing shall be payable. The annuity payment shall cease immediately and the policy will terminate.
H	Joint Life Immediate Annuity for life with a provision for 50% of the annuity to the Secondary Annuitant on death of the Primary Annuitant.	Joint Life	The applicable annuity will be paid in arrears for as long as the Primary Annuitant and/or Secondary Annuitant is alive, as per the chosen mode of annuity payment.	**On death of the Primary Annuitant:** 50% of the annuity amount shall be payable to the surviving Secondary Annuitant as long as the Secondary Annuitant is alive. The annuity payments will cease on the subsequent death of the Secondary Annuitant and the policy will terminate. **If the Secondary Annuitant predeceases the Primary Annuitant:** The annuity payments shall continue to be paid and will cease upon the death of the Primary Annuitant and the policy will terminate.
I	Joint Life Immediate Annuity for life with a provision	Joint Life	The applicable annuity will be paid in arrears for as long as the Primary Annuitant and/or Secondary Annuitant is alive,	**On first death (of either of the covered lives):** 100% of the annuity amount shall continue to be paid as long as one of the Annuitant is alive.

	for 100% of the annuity payable as long as one of the Annuitant survives		as per the chosen mode of annuity payment.	**On death of the last survivor:** The annuity payments will cease immediately and the policy will terminate.
J	Joint Life Immediate Annuity for life with a provision for 100% of the annuity payable as long as one of the Annuitant survives and return of Purchase Price on death of last survivor	Joint Life	The applicable annuity will be paid in arrears for as long as the Primary Annuitant and/or Secondary Annuitant is alive, as per the chosen mode of annuity payment.	**On first death (of either of the covered lives):** 100% of the annuity amount shall continue to be paid as long as one of the Annuitant is alive. **On death of the last survivor:** The annuity payments will cease immediately. The Purchase Price shall be payable to the Nominee(s) as per the option exercised by the Primary Annuitant as specified in Condition 3 of Part D of this policy document.

ii. <u>Under Deferred Annuity</u>:

Annuity Option	Annuity Description	Single/ Joint Life	Benefit payable on Survival	Benefit payable on Death
1	Deferred annuity for Single Life	Single Life	**During deferment period:** Nothing is payable during the deferment period. **After deferment period**: Annuity payments will be made in arrears as long as the Annuitant is alive, as per the chosen mode of annuity payment.	**Death Benefit shall be Higher of :** • **Purchase Price plus Accrued Guaranteed Additions (as specified in Condition 3 of Part C of this policy document) minus Total annuity amount payable till date of death or** • **110% of Purchase Price** **On death of the Annuitant during the deferment period:** Death Benefit as defined above shall be payable to nominee(s) as per the option exercised by the Annuitant as specified in Condition 3 of Part D of this policy document. **On death of the Annuitant after the deferment period**: The annuity payments shall cease immediately and Death Benefit as defined above shall be payable to nominee(s) as per the option exercised by the Annuitant as specified in Condition 3 of Part D of this policy document.
2	Deferred annuity for Joint life	Joint Life	**During deferment period:** On the survival of the Primary Annuitant and/or Secondary Annuitant during the deferment period, nothing is payable. **After deferment period:** Annuity payments will be made in arrears as long as the Primary Annuitant and/or Secondary Annuitant is alive, as per the chosen mode of annuity payment.	**Death Benefit shall be Higher of** • **Purchase Price plus Accrued Guaranteed Additions (as specified in Condition 3 of Part C of this policy document) minus Total annuity amount payable till date of death or** • **110% of Purchase Price.** **<u>During the Deferment Period:</u>** **On first death (of either of the covered lives):** Nothing shall be payable. **On death of the last survivor:** Death Benefit as defined above shall be payable to nominee(s) as per the option exercised by the Annuitant(s) as specified in Condition 3 of

				Part D of this policy document. **After the Deferment Period:** **On first death (of either of the covered lives):** 100% of the annuity amount shall continue to be paid as long as one of the Annuitant is alive. **On death of the last survivor: Annuity payment will cease and** Death Benefit as defined above shall be payable to nominee(s) as per the option exercised by the Annuitant(s) as specified in Condition 3 of Part D of this policy document.

2. **Maturity Benefit**: There is no maturity benefit under this policy.

3. **Accrued Guaranteed Additions:**
Under Deferred Annuity, Guaranteed Additions shall accrue at the end of each policy month, till the end of Deferment Period only.
The rate of **Guaranteed Additions per month** (as specified in the Schedule) during the deferment Period shall be as under:
Guaranteed Additions per month = (Purchase Price * Annuity rate p.a. payable monthly) / 12
Where Annuity rate p.a. payable monthly shall be equal to monthly tabular annuity rate and shall depend on the age at entry of the annuitant(s) and the deferment period opted for.
In case of death of the annuitant during the deferment period, Guaranteed Additions for the policy year in which the death has occurred shall accrue till the completed policy month as on the date of death.

PART- D: CONDITIONS RELATED TO SERVICING ASPECTS

1. **Proof of Age**:
The purchase price having been calculated on the age of the Annuitant(s) as declared in the Proposal Form, in case the age is found different (lower/higher) than such age, without prejudice to the Corporation's other rights and remedies, including those under the Insurance Act, 1938, as amended from time to time the following action shall be taken:
(i) If the Annuitant's correct age is found to be different from the age declared in the Proposal Form, the Annuity payments payable under the Policy shall be altered corresponding to the correct age of the Annuitant from the next Annuity due date and the total of the excess paid if any due to difference between the original Annuity amounts paid and the corrected Annuity from the up to the date of such excess payment, be paid to the Corporation with interest at such rate as fixed by the Corporation from time to time. The difference arising out of incorrect annuities paid in the past along with interest shall be collected from the Annuitant or would be adjusted from the following Annuity payments.
(ii) If the correct age is such as would have made the Annuitant uninsurable under this Policy, then this policy shall be cancelled and the Purchase Price paid may be refunded after deducting the charges for stamp duty, taxes and Annuity paid (if any)

2. **Forfeiture in certain events** :
In case any condition herein contained or endorsed hereon shall be contravened, or in case it shall hereafter appear that any untrue or incorrect averment is contained in the proposal and declaration herein mentioned, or in the statements referred to therein, have not been truly and fairly stated or that any material information has been withheld, then and in every such case this policy shall be void and all claims to any benefit in virtue of this policy shall be subject to the provisions of Section 45 of the Insurance Act, 1938 as amended from time to time.

3. **Options available for payment of Death Benefit:**
Under the annuity options where there is benefit payable on death i.e. Option F and Option J under Immediate Annuity and both the Options under Deferred Annuity, the Annuitant(s) shall have to choose one of the following options for the payment of the death benefit to the nominee(s). The death claim amount shall then be paid to the nominee as per the option exercised by the Annuitant(s) and no alteration whatsoever shall be allowed to be made by the nominee(s). This option has to be exercised by Annuitant(s) at the proposal stage. However, this option can be subsequently modified by Annuitant(s) during his/her life while in currency of the policy.

- **<u>Lumpsum Death Benefit</u>:**
  Under this option the benefit amount payable on death shall be payable to the nominee(s) in lumpsum.

- **<u>Annuitisation of Death Benefit</u>:**
  Under this option the benefit amount payable on death shall be utilized for purchasing an Immediate Annuity from the Corporation for nominee(s) effective from the date of death of the annuitant. The annuity amount payable to the nominee(s) on the admission of death claim shall be based on the age of nominee(s) and immediate annuity rates prevailing as on the date of death of Annuitant (last survivor in case of Joint Life Annuity). This option can be opted for full or part of the benefit amount payable on death. However, the annuity payments for each nominee(s) shall be subject to the eligibility conditions of the annuity plan available at that time and then prevailing Regulatory provisions on the minimum limits for annuities. Currently applicable regulation is IRDAI (Minimum limits for Annuities and other Benefits) Regulations, 2015. In case the eligibility conditions of the annuity plan available at that time are not met or the benefit amount payable on death is insufficient to purchase the minimum amount of annuity, then the said amount shall be paid as a lump sum to the nominee(s). Any benefits payable to the nominee shall be as per Section 39 of Insurance Act, 1938.

- **<u>In Installment</u>:**
  Under this option the benefit amount payable on death can be received in installments over the chosen period of 5 or 10 or 15 years instead of lumpsum amount. This option can be exercised for full or part of the Death Benefit payable under the policy. The amount opted by the Annuitant (i.e. net claim amount) can be either in absolute value or as a percentage of the total claim proceeds payable.

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

Mode of Installment payment	Minimum installment amount
Monthly	Rs. 5000/-
Quarterly	Rs. 15000/-
Half-Yearly	Rs. 25000/-
Yearly	Rs. 50000/-

  If the Net Claim Amount is less than the required amount to provide the minimum installment amount as per the option exercised by the Annuitant(s), the claim proceed shall be paid in lumpsum only.

  The interest rate applicable for arriving at Installment amount under this Option shall be fixed by the Corporation from time to time.

4. **Surrender:**
   The policy can be surrendered at any time after three months from the completion of policy (i.e. 3 months from the Date of issuance of policy) or after expiry of the free-look period, whichever is later under the following annuity options only:
   - Immediate annuity-
     - Option F: Immediate Annuity for life with return of Purchase Price.
     - Option J: Joint Life Immediate Annuity for life with a provision for 100% of the annuity payable as long as one of the Annuitant survives and return of Purchase Price on death of last survivor.
   - Deferred annuity-
     - Option 1: Deferred annuity for Single life
     - Option 2: Deferred annuity for Joint life

If the chosen annuity option is other than those specified above, surrender of policy shall not be allowed. On the payment of the surrender value, the policy shall terminate and all other benefits shall cease.

The method of surrender value calculation is as under:

a. <u>For **Immediate Annuity options** specified above</u>, the surrender value payable shall be equal to

   (F1 * Equivalent annuity amount payable for yearly mode + F2 * 110% of Purchase Price) - Annuity installments paid under the policy pertaining to the policy year of surrender upto the date of surrender; where

F1 is the Annuity Factor for age (last birthday) at the date of surrender; and
F2 is the Risk Factor applicable for age (last birthday) on the date of surrender.

b. For **Deferred Annuity options** specified above, the surrender value payable shall be higher of Guaranteed Surrender Value or Special Surrender Value.

Guaranteed Surrender Value:
Guaranteed Surrender Value = (Guaranteed Surrender Value Factor * Purchase Price) minus total annuity amount payable up to date of surrender.

Note: If reduced annuity amount is paid under a policy on account of loan taken, the gross annuity amount originally payable shall be deducted for the calculation of Guaranteed Surrender Value.

The applicable Guaranteed Surrender Value Factors shall be:

Policy Year	1	2	3	4	5 and above
GSV Factor	75%	75%	75%	90%	90%

Special Surrender Value:

i. During deferment period: The special surrender value shall be equal to

F3 * (F1 * Equivalent annuity amount payable for yearly mode + F2 * 110% of Purchase Price); where

F1 is the Annuity Factor applicable at the age (last birthday) on the date of vesting;
F2 is the Risk Factor applicable for age (last birthday) on the date of vesting; and
F3 is the factor applicable for the outstanding deferment period in complete full years as at the date of surrender.

ii. After deferment period: The special surrender value shall be equal to

(F1 * Equivalent annuity amount payable for yearly mode + F2 * 110% of Purchase Price) - Annuity installments paid under the policy pertaining to the policy year of surrender upto the date of surrender; where

F1 is the Annuity Factor for age (last birthday) at the date of surrender; and
F2 is the Risk Factor applicable for age (last birthday) on the date of surrender.

The surrender value payable shall depend on the age (last birthday) of the Annuitant at the time of surrender /date of vesting of the policy. In case of joint life policies the F1 and F2 factors shall depend on the age of younger of the Primary and Secondary Annuitant.

Currently for surrender payments till 30^{th} April, 2020, the applicable interest rate used for the calculation of above factors shall be 9.15% p.a. effective.

Except Guaranteed Surrender Value, the surrender value method given above is not guaranteed. Any change in surrender value calculation method shall be applicable only after prior approval of the Authority.

Any loan amount outstanding along with interest and/or any other amount recoverable from Annuitant shall be recovered from the surrender value payment.

Further, the surrender shall not be allowed if a policy has been taken under one of the above options allowed for the benefit of Divyangjan dependant, where either of the following special concessions is taken at the time of issuance of such policy:

- Waiver of minimum age at entry i.e. age of the Divyangjan is between 0 to 29 years

- Waiver of reduction factor for purchase price less than the minimum purchase price of Rs. 1,50,000/- i.e. purchase price of such policy is between Rs. 50,000/- to Rs. 1,49,999/-.

However, if the plan is taken for the benefit of Divyangjan under option J (where Divyangjan is secondary annuitant and is given any of the above mentioned concessions), the primary annuitant (minimum age is 30 or more) will be allowed to surrender the policy only if Divyangjan (secondary annuitant) predeceases the primary annuitant.

5. **Policy Loan:**
Loan facility shall be available after completion of one policy year, 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.

Policy loan shall be allowed under the following annuity options only:

a. Immediate annuity-
   - Option F: Immediate Annuity for life with return of Purchase Price.
   - Option J: Joint Life Immediate Annuity for life with a provision for 100% of the annuity payable as long as one of the Annuitant survives and return of Purchase Price on death of last survivor.
b. Deferred annuity-
   - Option 1: Deferred annuity for Single life
   - Option 2: Deferred annuity for Joint life

Under joint life the loan can be availed by the Primary Annuitant and in the absence of Primary Annuitant the same can be availed by the Secondary Annuitant.

Under Deferred Annuity Options, during the deferment period:
The policy loan will be available subject to the following terms and conditions:

i) The maximum amount of loan that can be granted under the policy shall be such that the effective annual interest amount payable on loan does not exceed 50% of the annual annuity amount that shall be payable after the deferment period under the policy subject to maximum of 80% of Surrender Value.

ii) Interest on Loan during the deferment period shall be paid on compounding half-yearly basis to the Corporation at the rate to be specified by the Corporation at the time of taking loan. The first payment of interest is to be made on the next policy anniversary or on the date six month before the next policy anniversary which ever immediately follows the date on which the loan is sanctioned and every half year thereafter.

iii) In case if the loan is not repaid during the deferment period and if there is no default in the interest payment as of the end of deferment period, then Interest on the loan shall be recovered from annuity amount payable after the deferment period.

iv) In case if the loan is not repaid during the deferment period and if there is a default in the interest payment as of the end of the deferment period, the difference of surrender value and the loan outstanding amount along with interest, if any, shall be payable to the Primary Annuitant / Secondary Annuitant and the policy shall be terminated.

v) During the deferment period, in the event of failure of payment of interest payment on the due dates and when the outstanding loan amount along with interest is to exceed the surrender value, the policy shall be forfeited to the Corporation. The difference of surrender value and the loan outstanding amount along with interest, if any, shall be payable to the Annuitant / Secondary Annuitant and the policy shall be terminated.

Under Immediate Annuity and Deferred Annuity (after deferment period):
i) The maximum amount of loan that can be granted under the policy shall be such that the effective annual interest amount payable on loan does not exceed 50% of the annual annuity amount payable under the policy subject to maximum of 80% of Surrender Value.

ii) Loan interest will be recovered from annuity amount payable under the policy. The Loan interest will accrue as per the frequency of annuity payment under the policy and it will be due on the due date of annuity. The loan outstanding shall be recovered from the claim proceeds at the time of exit.

6. Free Look period:
During the Free Look period of 15 days (30 days if this policy is purchased online) from the date of receipt of the Policy Document by the Policyholder, if the Policyholder is not satisfied with the Terms and Conditions of the policy, he/she may return the policy to the Corporation stating the reason of objections. On receipt of the same the Corporation shall cancel the Policy and return the Purchase Price paid after deducting the charges for stamp duty and annuity paid, if any. However, if this policy has been purchased as QROPS as detailed in Condition 8 below the proceeds from cancellation shall only be transferred back to the fund house from where the money was received.

7. Option to take Immediate Annuity by NPS subscriber:
All the annuity options under Immediate Annuity shall be available to NPS subscriber.

If a Government Sector NPS subscriber purchases this plan as a default option, then Option J under Immediate Annuity shall be available to the subscriber whose spouse is surviving on the date of purchase. Option F under Immediate Annuity shall be available to the subscriber in the absence of his or her spouse. Thereafter on the death of subscriber and his or her spouse, the purchase price shall be used to purchase immediate annuity option F or J on the life of living dependent mother/father and shall be subject to the eligibility conditions of the annuity plan available at that time.

The default option applicable under this option shall be as per Pension fund Regulatory and Development Authority (Exits and withdrawals Under the National Pension System) Regulations, 2015, as amended from time to time.

8. If this policy is purchased as QROPS (Qualifying Recognized Overseas Pension Scheme), through transfer of UK tax relieved assets the following terms and conditions prescribed by HMRC (Her Majesty Revenue & Customs) shall apply:

i. Minimum age for annuity payment shall be 55 years of age (i.e. under Immediate annuity the minimum age at entry shall be 55 years and under Deferred annuity, the minimum vesting age shall be 55 years).
ii. If the policy is cancelled during the Free Look period, the proceeds from cancellation shall only be transferred back to the fund house from where the money was received.
iii. Overseas transfer charge - In the event of applicable tax charge arising as a result of an overseas transfer (Her Majesty Revenue & Customs (HMRC) - policy paper – The overseas transfer charge – guidance, published 8th March 2017) for which the Scheme Manager i.e. Life Insurance Corporation of India may become liable, Corporation shall deduct an amount only to the extent of the applicable tax charge from the Fund transferred and remit the same to HMRC.
iv. Other terms and conditions of HMRC shall also apply as applicable from time to time.

9. Option to take the plan for the benefit of handicapped dependant (Divyangjan) life:
If the Proposer has a handicapped dependant (Divyangjan), the plan can be purchased for the benefit of Divyangjan as nominee/annuitant, in following ways:

i. The Proposer can purchase Single Life Deferred Annuity (Option 1) or Single Life Immediate Annuity with Return of Purchase Price (Option F) on own life. In case of death of the Annuitant (Proposer), the Death Benefit shall compulsorily be utilized to purchase Immediate Annuity (as per option chosen by the Annuitant) on the life of the Divyangjan who would be the nominee.
However, the annuity payment to Divyangjan shall be paid irrespective of any limit on minimum annuity payment, minimum age and Purchase Price criteria.
ii. The Proposer can purchase Joint Life Immediate Annuity (Option I or J) with Divyangjan as Secondary Annuitant.

For deciding eligible disability of Divyangjan as nominee/second annuitant as applicable reference is to be made to meaning of "Disability" as assigned to it in clause (i) of section 2 of the Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995 (1 of 1996) [and includes "autism", "cerebral palsy", and "multiple disability" referred to in clauses (a), (c), and (h) of section 2 of the National Trust for welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities Act, 1999 (44 of 1999)] or any other applicable Act in this regard.

PART –E

Not Applicable.

PART-F: OTHER TERMS AND CONDITIONS

1. **a) Assignment**:
Assignment as per section 38 of the Insurance Act, 1938 as amended from time to time shall be applicable. The current provisions of Section 38 are contained in Annexure-I of this policy document.

b) Nomination:
Nomination is required as per section 39 of the Insurance Act, 1938 as amended from time to time. The current provisions of Section 39 are contained in Annexure-II of this policy document.

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.

2. **Suicide:**
For Immediate Annuity (applicable only for Option F and J):
The policy shall be void if the Annuitant/Primary Annuitant/Secondary Annuitant (whether sane or insane) commits suicide at any time within 12 months from the date of commencement of risk, an amount which is higher of 100% of the Purchase Price paid or Surrender Value shall be payable. The Corporation will not entertain any other claim.

For Deferred Annuity:
The policy shall be void if the Annuitant/Primary Annuitant/Secondary Annuitant (whether sane or insane) commits suicide at any time within 12 months from the date of commencement of risk, an amount which is higher of 80% of the Purchase Price paid or Surrender Value shall be payable. The Corporation will not entertain any other claim.

3. **Tax:**
Statutory Taxes, if any, imposed on such insurance plans by the Govt. 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 any applicable taxes payable as per the prevailing rates, shall be payable by the policyholder on Purchase Price payable under the policy, which shall be collected separately in addition to the Purchase Price payable by the policyholder. The amount of Tax paid shall not be considered for the calculation of benefits payable under the plan.

4. **Normal requirements for benefit payable:**
For annuities in payment:
The Existence Certificate in the format prescribed by the Corporation is to be submitted by the Annuitant as and when required by the Corporation. In case of Option H/I/J and Option 2 (as defined in Condition 1of Part C), after the death of the Primary Annuitant, the Existence Certificate of the surviving Secondary Annuitant will be required. The Annuity payments shall be released only on receipt of the Existence Certificate.

On death of the Annuitant(s): The normal documents which the claimants shall submit while lodging the claim in case of death of the Annuitant/Secondary Annuitant shall be the claim form, 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, whichever is applicable, to the satisfaction of the Corporation. If the age is not admitted under the policy, the proof of age of the Annuitant shall also be submitted.

On Surrender:
In case of surrender of a policy, the Annuitant 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 above, any requirement mandated under any statutory provision or as may be required as per law shall also be required to 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. However, delay in intimation of the genuine claim by the claimant, may be condoned by the Corporation, on merit and where delay is proved to be for reasons beyond his/her control.

5. **Legislative Changes**:
The Terms and conditions under this policy are subject to variation in accordance with the relevant Legislation & Regulations.

PART-G: STATUTORY PROVISIONS

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

Grievance Redressal Mechanism:
Of the Corporation:
The Corporation has Grievance Redressal Officers at Branch/ Divisional/ Zonal/ Central Office to redress grievances of customers. For ensuring quick redressal of customer grievances the Corporation has introduced Customer friendly Integrated Complaint Management System through our Customer Portal (website) which is http://www.licindia.in, where a registered policy holder can directly register complaint/ grievance and track its status. Customers can also contact at e-mail id co_crmgrv@licindia.com for redressal of any grievances.

Claimants not satisfied with the decision of death claim repudiation have the option of referring their cases for review to Zonal Office Claims Dispute Redressal Committee or Central Office Claims Dispute Redressal Committee. A retired High Court/ District Court Judge is member of each of the Claims Dispute Redressal Committees.

Of IRDAI:
In case the customer is not satisfied with the response or does not receive a response from us within 15 days, then the customer may approach the Grievance Cell of the IRDAI through any of the following modes:

- Calling Toll Free Number 155255 / 18004254732 (i.e. IRDAI Grievance Call Centre)
- Sending an email to complaints@irdai.gov.in
- Register the complaint online at http://www.igms.irdai.gov.in
- Address for sending the complaint through courier / letter:
  Consumer Affairs Department, Insurance Regulatory and Development Authority of India, Survey no. 115/1, Financial District, Nanakramguda, Gachibowli, Hyderabad – 500 032, Telangna.
- Sending the complaint by Fax to 040-66789768

Of Ombudsman:
For redressal of Claims related grievances, claimants can also approach Insurance Ombudsman who provides for low cost and speedy arbitration to customers.

The Ombudsman, as per Insurance Ombudsman Rules, 2017, can receive and consider complaints or disputes relating to the matters such as:

(a). Delay in settlement of claims, beyond the time specified in the regulations, framed under the Insurance Regulatory and Development Authority of India Act, 1999;
(b). Any partial or total repudiation of claims by the life insurer, General insurer or the health insurer;
(c). Disputes over premium paid or payable in terms of insurance policy;
(d). Misrepresentation of policy terms and conditions at any time in the policy document or policy contract;
(e). Legal construction of insurance policies in so far as the dispute relates to claim;
(f). Policy servicing related grievances against insurers and their agents and intermediaries;
(g). Issuance of life insurance policy, general insurance policy including health insurance policy which is not in conformity with the proposal form submitted by the proposer;
(h). Non-issuance of insurance policy after receipt of premium in life insurance and general insurance including health insurance; and
(i). Any other matter resulting from the violation of provisions of the Insurance Act, 1938 as amended from time to time or the regulations, circulars, guidelines or instructions issued by the IRDAI from time to time or the terms and conditions of the policy contract, in so far as they relate to issues mentioned at clauses (a) to (f)

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

Address and email id of Branch Office:

Address of Grievance Redressal Officer

Address and contact details of Insurance 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.
YOU ARE REQUESTED TO EXAMINE THIS POLICY, AND IF ANY MISTAKE BE FOUND THEREIN, RETURN IT IMMEDIATELY FOR CORRECTION.

Annexure - I

Assignment - As per Section 38 of the Insurance Act 1938

(1) A transfer or assignment of a policy of insurance, wholly or in part, whether with or without consideration, may be made only by an endorsement upon the policy itself or by a separate instrument, signed in either case by the transferor or by the assignor or his duly authorised agent and attested by at least one witness, specifically setting forth the fact of transfer or assignment and the reasons thereof, the antecedents of the assignee and the terms on which the assignment is made.

(2) An insurer may, accept the transfer or assignment, or decline to act upon any endorsement made under sub-section(1), where it has sufficient reason to believe that such transfer or assignment is not bonafide or is not in the interest of the policyholder or in public interest or is for the purpose of trading of insurance policy.

(3) The insurer shall, before refusing to act upon the endorsement, record in writing the reasons for such refusal and communicate the same to the policyholder not later than thirty days from the date of the policy-holder giving notice of such transfer or assignment.

(4) Any person aggrieved by the decision of an insurer to decline to act upon such transfer or assignment may within a period of thirty days from the date of receipt of the communication from the insurer containing reasons for such refusal, prefer a claim to the Authority.

(5) Subject to the provisions in sub-section (2), the transfer or assignment shall be complete and effectual upon the execution of such endorsement or instrument duly attested but except, where the transfer or assignment is in favour of the insurer, shall not be operative as against an insurer, and shall not confer upon the transferee or assignee, or his legal representative, any right to sue for the amount of such policy or the moneys secured thereby until a notice in writing of the transfer or assignment and either the said endorsement or instrument itself or a copy thereof certified to be correct by both transferor and transferee or their duly authorised agents have been delivered to the insurer:

Provided that where the insurer maintains one or more places of business in India, such notice shall be delivered only at the place where the policy is being serviced.

(6) The date on which the notice referred to in sub-section (5) is delivered to the insurer shall regulate the priority of all claims under a transfer or assignment as between persons interested in the policy; and where there is more than one instrument of transfer or assignment the priority of the claims under such instruments shall be governed by the order in which the notices referred to in sub-section (5) are delivered:

Provided that if any dispute as to priority of payment arises as between assignees, the dispute shall be referred to the Authority.

(7) Upon the receipt of the notice referred to in sub-section (5), the insurer shall record the fact of such transfer or assignment together with the date thereof and the name of the transferee or the assignee and shall, on the request of the person by whom the notice was given, or of the transferee or assignee, on payment of such fee as may be specified by the regulations, grant a written acknowledgement of the receipt of such notice; and any such acknowledgement shall be conclusive evidence against the insurer that he has duly received the notice to which such acknowledgment relates.

(8) Subject to the terms and conditions of the transfer or assignment, the insurer shall, from the date of the receipt of the notice referred to in sub-section (5), recognize the transferee or assignee named in the notice as the absolute transferee or assignee entitled to benefit under the policy, and such person shall be subject to all liabilities and equities to which the transferor or assignor was subject at the date of the transfer or assignment and may institute any proceedings in relation to the policy, obtain a loan under the policy or surrender the policy without obtaining the consent of the transferor or assignor or making him a party to such proceedings.

Explanation – Except where the endorsement referred to in sub-section (1) expressly indicates that the assignment or transfer is conditional in terms of subsection (10) hereunder, every assignment or transfer shall be deemed to be an absolute assignment or transfer and the assignee or transferee, as the case may be, shall be deemed to be the absolute assignee or transferee respectively.

(9) Any rights and remedies of an assignee or transferee of a policy of life insurance under an assignment or transfer effected prior to the commencement of the Insurance Laws (Amendment) Act, 2015 shall not be affected by the provisions of this section.

(10) Notwithstanding any law or custom having the force of law to the contrary, an assignment in favour of a person made upon the condition that-

a. The proceeds under the policy shall become payable to the policyholder or the nominee or nominees in the event of either the assignee or transferee predeceasing the insured; or

b. The insured surviving the term of the policy , shall be valid:

Provided that a conditional assignee shall not be entitled to obtain a loan on the policy or surrender a policy.

(11) In the case of the partial assignment or transfer of a policy of insurance under sub-section (1), the liability of the insurer shall be limited to the amount secured by partial assignment or transfer and such policyholder shall not be entitled to further assign or transfer the residual amount payable under the same policy.

Annexure – II

Nomination - As per section 39 of the Insurance Act, 1938

1. The holder of a policy of life insurance on his own life may, when effecting the policy or at any time before the policy matures for payment, nominate the person or persons to whom the money secured by the policy shall be paid in the event of his death:

Provided that, where any nominee is a minor, it shall be lawful for the policy holder to appoint any person in the manner laid down by the insurer, to receive the money secured by policy in the event of his death during the minority of the nominee.

2. Any such nomination in order to be effectual shall, unless it is incorporated in the text of the policy itself, be made by an endorsement on the policy communicated to the insurer and registered by him in the records relating to the policy and any such nomination may at any time before the policy matures for payment be cancelled or changed by an endorsement or a further endorsement or a will, as the case may be, but unless notice in writing of any such cancellation or change has been delivered to the insurer, the insurer shall not be liable for any payment under the policy made bonafide by him to a nominee mentioned in the text of the policy or registered in records of the insurer.

3. The insurer shall furnish to the policy holder a written acknowledgement of having registered a nomination or a cancellation or change thereof, and may charge such fee as may be specified by regulations for registering such cancellation or change.

4. A transfer or assignment of a policy made in accordance with section 38 shall automatically cancel a nomination:

Provided that the assignment of a policy to the insurer who bears the risk on the policy at the time of the assignment, in consideration of a loan granted by that insurer on the security of the policy within its surrender value, or its reassignment on repayment of the loan shall not cancel a nomination, but shall affect the rights of the nominee only to the extent of the insurer's interest in the policy:

Provided further that the transfer or assignment of a policy, whether wholly or in part, in consideration of a loan advanced by the transferee or assignee to the policyholder, shall not cancel the nomination but shall affect the rights of the nominee only to the extent of the interest of the transferee or assignee, as the case may be, in the policy:

Provided also that the nomination, which has been automatically cancelled consequent upon the transfer or assignment, the same nomination shall stand automatically revived when the policy is reassigned by the assignee or retransferred by the transferee in favour of the policyholder on repayment of loan other than on a security of policy to the insurer.

5. Where the policy matures for payment during the lifetime of the person whose life is insured or where the nominee or, if there are more nominees than one, all the nominees die before the policy matures for payment, the amount secured by the policy shall be payable to the policyholder or his heirs or legal representatives or the holder of a succession certificate, as the case may be.

6. Where the nominee or if there are more nominees than one, a nominee or nominees survive the person whose life is insured, the amount secured by the policy shall be payable to such survivor or survivors.

7. Subject to the other provisions of this section, where the holder of a policy of insurance on his own life nominates his parents, or his spouse, or his children, or his spouse and children, or any of them, the nominee or nominees shall be beneficially entitled to the amount payable by the insurer to him or them under sub-section (6) unless it is proved that the holder of the policy, having regard to the nature of his title to the policy, could not have conferred any such beneficial title on the nominee.

8. Subject as aforesaid, where the nominee, or if there are more nominees than one, a nominee or nominees, to whom sub-section (7) applies, die after the person whose life is insured but before the amount secured by the policy is paid, the amount secured by the policy, or so much of the amount secured by the policy as represents the share of the nominee or nominees so dying (as the case may be), shall be payable to the heirs or legal representatives of the nominee or nominees or the holder of a succession certificate, as the case may be, and they shall be beneficially entitled to such amount.

9. Nothing in sub-sections (7) and (8) shall operate to destroy or impede the right of any creditor to be paid out of the proceeds of any policy of life insurance.

10. The provisions of sub-sections (7) and (8) shall apply to all policies of life insurance maturing for payment after the commencement of the Insurance Laws (Amendment) Act, 2015.

11. Where a policyholder dies after the maturity of the policy but the proceeds and benefit of his policy has not been made to him because of his death, in such a case, his nominee shall be entitled to the proceed and benefit of his policy.

12. The provisions of this section shall not apply to any policy of life insurance to which section 6 of the Married Women's Property Act, 1874, applies or has at any time applied:

Provided that where a nomination made whether before or after the commencement of the Insurance Laws (Amendment) Act, 2015, in favour of the wife of the person who has insured his life or of his wife and children or any of them is expressed, whether or not on the face of the policy, as being made under this section, the said section 6 shall be deemed not to apply or not to have applied to the policy.

Annexure-III

Section- 45 as per Insurance Act, 1938

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:

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.