

## INFORMATION TO BE PROVIDED IN SALES BROCHURE

### LIC's Group Post-Retirement Medical Benefit Plan (UIN: 512N352V01) (A Non-Par, Non-Linked, Life, Group Savings Plan)

#### **1. Introduction:**

LIC's Group Post-Retirement Medical Benefit Plan is a Non-par, Non-linked, Life, Group Savings Product. This plan helps to meet the employer's obligation for Post-Retirement Medical Benefit to their employees. Post-Retirement Medical Benefit can also be allowed to eligible family members of such employee members if allowed by and covered under the scheme rules and may be payable subject to availability of funds in the Group Policy Account.

#### **2. Eligibility Conditions and Other Restrictions:**

Minimum Entry Age	18 years (completed)
Maximum Entry Age	75 years (Nearer Birthday)
Maximum Age at Renewal	80 years (Nearer Birthday)
Minimum Contribution	The minimum contribution shall be the total amount required to provide Post-Retirement Medical Benefit as per the Scheme Rules and shall be in accordance with extant accounting standard governing the measurement of long term employee benefits (subject to a minimum of Rs.1,00,000/- at the time of inception of the policy) along with Risk Premium for providing the Life Cover Benefit of Rs. 10,000/- per member.
Maximum Contribution	The maximum contribution shall be the total amount required to provide Post-Retirement Medical Benefit as per the Scheme Rules and shall be in accordance with extant accounting standard governing the measurement of long term Employee Benefits along with Risk Premium for providing the Life Cover Benefit of Rs. 10,000/- per member.
Minimum Group Size	50
Maximum Group Size	No restriction
Minimum / Maximum Sum Assured	Rs. 10,000/-
Policy Term	Annually renewable

**Note: Entry of new members is restricted up to 75 years (nearer birthday). However, renewal of the Life Cover Benefit in respect of a member shall be allowed up to 80 years (nearer birthday).**

#### **3. Benefits:**

The following benefits are payable under a policy during the policy term:

- **On death of a Member whilst in service before Retirement:** Sum Assured in respect of the eligible employee member shall be payable. In addition, Benefits in accordance with the Scheme Rules shall be payable subject to the availability of funds in the Group Policy Account.
- **On Retirement / Exit:** On resignation or termination of services or retirement (including normal retirement, voluntary retirement, and retirement on medical grounds as per Scheme Rules), of an

employee member, Post Retirement Medical Benefits to the employee member as per Scheme Rules shall be payable subject to the availability of funds in the Group Policy Account. Post Retirement Medical Benefit can also be allowed to the eligible family members of such employee member if allowed by and covered under the scheme rules and may be payable subject to the availability of funds in the Group Policy Account.

In case, the balance in the Group Policy Account of the Scheme is insufficient to pay out the benefits as per the Scheme Rules, it will be the responsibility of the Master Policyholder to first make the payment to the Corporation so as to enable the Corporation to pay such benefits. However, in any case for the Post Retirement Medical Benefit, the Corporation's total liability towards the Master Policyholder shall be limited to the Group Policy Account Value.

**4. Payment of Contributions and Risk Premium:**

- i) The Master Policyholder can pay the Contributions to the Corporation at any time during the policy term. However, the Risk Premium for Life Cover Benefit along with applicable Taxes shall be paid at inception and thereafter, on or before each Annual Renewal Date in respect of all the Members covered from the date of joining the Scheme and in respect of new Members as per details specified in Para 5 below.
- ii) In case of non completion of renewal process i.e. submission of Members' data and payment of Risk Premium within the period of 30 days from Annual Renewal Date (ARD), after the expiry of the said period of 30 days, the Life Cover Benefit of Member shall continue with effect from that ARD. In this case, monthly Risk Premium instalment shall be deducted from Group Policy Account. The monthly Risk Premium shall be arrived at by applying the monthly loading factor to the yearly Risk Premium.

**5. Risk Premium:**

The age-wise Risk Premium rates for Sum Assured in respect of each Member will depend on the size of the group, mortality experience and risk profile including occupation of the group at commencement and on subsequent renewals on or before Annual Renewal Date. The Risk Premium in respect of all the members will be payable by the Master Policyholder on yearly basis on or before each Annual Renewal Date.

A new Member can be admitted to the Scheme in any month on a date coinciding with the calendar date of Annual Renewal Date (ARD). For such new Member(s) joining during the policy year, the proportionate Risk Premium shall be required to be paid on the Date of joining of the Scheme. The proportionate Risk Premium in respect of each of the new Member(s) will be based on the age nearer birthday as at the date of entry into the Scheme and the duration from date of entry till the next ARD. In this case, Life Cover Benefit will commence only after the receipt of Risk Premium and Members' data. For this purpose, New Member would mean any Member as informed by the Master Policyholder during the year in addition to the Members already covered as on ARD.

On or before each ARD, the Master Policyholder shall provide employees' data along with Risk Premium for Life Cover Benefit to complete the renewal process. Risk Premium shall be collected with interest (from ARD to date of receipt of Risk Premium), if any, for delay in payment of Risk Premium along with applicable taxes, if any. A maximum period of 30 days shall be provided by the Corporation to the Master Policyholder to complete the renewal process (i.e. submission of Members' data and payment of Risk Premium).

The rate of interest applicable for late payment of Risk Premium under this product for every 12 months' period from 1<sup>st</sup> April to 31<sup>st</sup> March shall not exceed 10 year G-Sec Rate p.a. compounding half-yearly as at the last trading day of previous financial year 300 basis points or the yield earned on the Corporations Non-Linked Non-Participating fund plus 100 basis points, whichever is higher. For 12

months' period commencing from 1<sup>st</sup> April, 2024 to 31<sup>st</sup> March 2025, the applicable interest rate shall be 9.50% p.a. compounding half-yearly. The basis of determination of interest rate for late payment of Risk Premium is subject to change.

In case of death of a Member, during the above mentioned period of 30 days, sum assured in respect of that member shall be payable subject to deduction of applicable yearly risk premium from the Group Policy Account.

In case of non completion of renewal process within the period of 30 days from ARD, after the expiry of the said period of 30 days, the Life Cover Benefit per Member shall continue with effect from ARD. Based on existing Members' data as available on ARD / as provided by the Master Policyholder (including new members), the corresponding monthly instalment Risk Premium for one month for such Members from ARD along with interest on account of late receipt of Risk Premium and advance premium for the next month and applicable taxes, if any, shall be auto debited from the Group Policy Account for the Life Cover benefit at the beginning of the second month from ARD. Thereafter, during that policy year the monthly instalment risk premium along with applicable taxes, if any shall continued to be auto-debited from the Group Policy Account.

While settling the death claim in respect of a Member, where the monthly Risk Premium is deducted, outstanding monthly Risk Premium(s), if any, for the outstanding period upto the next ARD shall also be deducted from the Group Policy Account.

On renewal of a policy under this plan, there may be revision in Risk Premium rates, using lighter rates when mortality experience is favourable and using heavier rates when the mortality experience worsens. For revision in Risk Premium rates, number-of expected claims is compared with the number of actual claims during the policy year under consideration.

#### **6. Group Policy Account:**

A Group Policy Account shall be maintained in respect of all Contributions received from Master Policyholder.

For a new Scheme, a Group Policy Account will be created in respect of a Scheme as soon as the Policyholder pays the first Contribution.

All the Contributions paid to secure Post-Retirement Medical Benefit by employer / trustees will be credited to the respective Group Policy Account.

A non-negative Interest Rate subject to a minimum interest rate of 0.5% p.a. shall be declared at the end of each financial year. The minimum interest rate of 0.5% p.a. shall remain guaranteed during the entire term of the contract. At the end of each financial year, the declaration of interest rate in respect of each Scheme shall be as per the Interest Rate Declaration and Expenses Charging policy for Fund based products of the Corporation. The interest amount shall be credited to a Group Policy Account at the end of each financial year.

During the financial year, addition to a Group Policy Account shall be the Contributions received from the Master Policyholder. Deduction from a Group Policy Account shall be the Benefit paid out to the Master Policyholder as per the Scheme Rules. In addition, if the Master Policyholder does not remit the Risk Premium within 30 days from ARD, then the monthly instalment risk premium in respect of each member along with interest, if any and applicable taxes, if any, as specified in Para 5 above shall also be auto debited from Group Policy Account to complete the renewal process.

Risk Premium paid separately or deducted from the Group Policy Account (along with interest for delay in payment and applicable taxes, if any) will not be considered for interest rate calculation and determination of Group Policy Account Value.

**7. Bulk Exits:**

If the amount to be paid on total exits during the policy year exceeds 25% of the Group Policy Account Value as at the beginning of that policy year subject to minimum of Rs. 10 lakhs, such transactions shall be treated as bulk exits, where exits shall be as per the Scheme Rules and Exit shall mean exit of the Members from the group. Market Value Adjustment (MVA) will be applicable on such Bulk Exits. The withdrawal amount which is below Rs. 10 lakhs shall not be treated as Bulk Exit.

The MVA amount shall be derived at the time of exit using the following formula.

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

Where, Market Value is derived from the latest available revaluation of assets at the time when MVA is carried out. The assets will be earmarked separately for this product. The MVA amount along with applicable Taxes, if any, will be deducted from the Group Policy Account Value.

**8. Surrender Value:**

The Policy can be surrendered by the Policyholder at any time by giving an advance notice of 3 months. On surrender of the policy, the Corporation shall pay the Surrender Value equal to the Group Policy Account Value as on the day of surrender less the applicable surrender charges and applicable Market Value Adjustment, as detailed in Para 7 above. The Life Cover Benefit will not acquire any surrender value.

The surrender charge to be levied shall be as stipulated by IRDAI from time to time. Currently, the applicable surrender charge under the product shall be 0.05% of the Group Policy Account Value subject to maximum of Rs. 5,00,000/- if the policy is surrendered within third ARD of policy.

The Corporation reserves the right to revise the Surrender Charges with prospective effect with the after giving the Master Policyholder a notice of one month.

In case the Master Policyholder does not agree with the revision of charges the Master Policyholder shall have the option to withdraw the Group Policy Account Value. However such withdrawal shall not be treated as surrender.

**9. Compulsory Termination of Policy:**

The policy may be compulsory terminated, after giving the Master Policyholder 3 months notice, on the happening of any of the following events:

- a. The balance in the Group Policy Account falls below Rs. 1,00,000/-.
- b. The number of members covered under the policy is less than 50.

In such a case, the balance in the Group Policy Account, if any, shall be refunded to the Master Policyholder.

**10. Termination of Life Cover of a Member:**

Life Cover of a Member shall terminate on the earliest of the following:

- a. If the member ceases to be a member of the group as per Scheme Rules; or
- b. On death of the Member; or
- c. On Annual Renewal Date on which the age of the member is 81 years nearer birthday; or
- d. On surrender/Termination of the Master Policy; or

- e. On payment of free look cancellation amount for the Master Policy; or
- f. In case the balance in the Group Policy Account of the Scheme is insufficient to deduct the risk premium.

**11. Free- Look period:**

If the Master 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 electronic or physical mode of the Policy Documents, whichever is earlier stating the reasons of objection.

On receipt of the same the Corporation shall cancel the policy and return the amount of Contribution deposited alongwith Risk Premium after deducting charges for stamp duty and proportionate Risk Premium for the period of cover.

If the Policy is cancelled during the Free Look period, no interest will be credited to the Group Policy Account.

**12. Policy Loan:**

No loan will be available under the policy.

**13. Suicide Exclusion:**

On death of a member due to suicide the benefits as mentioned in Para 3 shall be payable.

**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 Master Policyholder and the same shall not be considered for the calculation of benefits payable under the policy.

**15. Grievance Redressal Mechanism:**

Of the Corporation:

The Corporation has Grievance Redressal Officers (GROs) at Branch/ Divisional/ Zonal/ Central Office to redress grievances of customers. The customers can visit our website (<https://licindia.in/web/guest/grievances>) for names and contact details of the GROs and other information related to grievances.

For ensuring quick redressal of customer grievances the Corporation has introduced Customer friendly Integrated Complaint Management System through our Customer Portal (website) <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\\_complaints@licindia.com](mailto:co_complaints@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 do not receive the response from us within 15 days, then the customer may approach the Policyholder's Protection and Grievance Redressal Department through any of the following modes:

i) Calling Toll Free Number 155255/18004254732(i.e. IRDAI Grievance Call Centre-(BIMA BHAROSA SHIKAYAT NIVARAN KENDRA))

ii) Sending an email to [complaints@irdai.gov.in](mailto:complaints@irdai.gov.in)

iii) Register the complaint online at <https://bimabharosa.irdai.gov.in>

iv) Address for sending the complaint through courier/letter:

General Manager, Policyholders Protection and Grievance Redressal Department, Insurance Regulatory and Development Authority of India, Survey No. 115/1, Financial District, Nanakramguda, Gachibowli, Hyderabad-500032, Telangana.

Of Ombudsman:

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

### **SECTION 45 OF THE INSURANCE ACT, 1938:**

The provision of Section 45 of the Insurance Act, 1938 shall be as amended from time to time. The current provision is as under:

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.

**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 P&GS units.

**BEWARE OF SPURIOUS PHONE CALLS AND FICTITIOUS / FRAUDULENT OFFERS**

IRDAI or its officials do not involve in any activities of insurance business like selling insurance policies, announcing bonus or investment of premiums, refund of amounts. Policyholders or the prospects receiving such phone calls are requested to lodge a police complaint.

**LIFE INSURANCE CORPORATION OF INDIA**

“Life Insurance Corporation of India” was established on 1<sup>st</sup> September, 1956 under Life Insurance Corporation Act, 1956, with the objective of spreading life insurance more widely, in particular to the rural areas with a view to reaching all insurable persons in the country and providing them adequate financial cover against insured events. LIC continues to be the important life insurer even in the liberalized scenario of Indian insurance and is moving fast on a new growth trajectory surpassing its own past records. In its existence of over six decades, LIC has grown from strength to strength in various areas of operation.

**Registered Office:**

Life Insurance Corporation of India  
Central Office, Yogakshema,  
Jeevan Bima Marg,  
Mumbai - 400021.  
Website: [www.licindia.in](http://www.licindia.in)  
Registration Number: 512