

**LIC's MICRO BACHAT UIN: 512N329V02)**

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

LIC's Micro Bachat is a regular premium, Non-linked, Participating, Individual, Life Assurance plan which offers a combination of protection and savings. This plan provides financial support for the family in case of unfortunate death of the policyholder during the policy term and a lump sum amount at the time of maturity for the surviving policyholder. This plan also takes care of liquidity needs through its Loan facility.

**1. Benefits:**

- a) **Death benefit** - On death of the Life Assured during the policy term provided all due premiums have been paid:

*On death during first five years: "Sum Assured on Death" shall be payable.*

*On death after completion of five policy years but before the date of maturity: "Sum Assured on Death" and Loyalty Addition, if any, shall be payable.*

Where "**Sum Assured on Death**" is defined as the higher of :

- 7 times of annualised premium; or
- 
- Basic Sum Assured.

The death benefit shall not be less than 105% of all the premiums paid as on date of death. Premiums referred above shall not include any taxes, extra premium and rider premium, if any.

- b) **Maturity Benefit**: On the life assured surviving to the end of the policy term, provided all due premiums have been paid, "**Sum Assured on Maturity**" along with Loyalty Addition, if any, shall be payable.

Where "**Sum Assured on Maturity**" is equal to Basic Sum Assured.

**2. Loyalty Addition:**

Depending upon the Corporation's experience, the policies under this plan shall be eligible for Loyalty Addition, if any, at such rate and on such terms as may be declared by the Corporation.

In case of Death or Maturity claim in respect of inforce policies, Loyalty Addition shall be payable provided premiums have been paid for at least five full years and after completion of five policy years.

In case of Death or Maturity claim in respect of paid-up policies or in case of Surrender (both inforce and paid-up policies) Loyalty Addition shall be payable provided five policy years are completed with at least five full years' premium have been paid and Maturity Paid-up Sum Assured is Rs 50000 or more. In such cases Loyalty Addition shall be considered for completed policy years for which policy was in force. In case of Surrender, Loyalty Addition shall be considered in special surrender value only.

### 3. *Optional Benefit:*

The following two optional riders are available under this plan by payment of additional premium. However, the policyholder can opt between either of the riders.

a) LIC's Accidental Death & Disability Benefit Rider (UIN: 512B209V02) :

The rider can be opted for any time within the policy term of the Base Plan provided the outstanding policy term of the Base Plan is atleast 5 years.. If this rider is opted for, in case of accidental death, the Accident Benefit Sum Assured will be payable as lumpsum along with the death benefit under the base plan. In case of accidental disability arising due to accident (within 180 days from the date of accident), an amount equal to the Accident Benefit Sum Assured will be paid in monthly instalments spread over 10 years and future premiums for Accident Benefit Sum Assured as well as premiums for the portion of Basic Sum Assured which is equal to Accident Benefit Sum Assured under the policy, shall be waived.

b) LIC's Accident Benefit Rider (UIN: 512B203V03) :

The rider can be opted for any time within the policy term of the Base Plan provided the outstanding policy term of the Base Plan is atleast 5 years. The benefit cover under this rider shall be available during the policy term. If this rider is opted for, in case of accidental death, the Accident Benefit Rider Sum Assured will be payable as lumpsum along with the death benefit under the base plan.

The premium for LIC's Accidental Death & Disability Benefit Rider or LIC's Accident Benefit Rider shall not exceed 100% of premium under the base plan. Rider Sum Assured cannot exceed the Basic Sum Assured.

For more details on the above riders, refer to the rider brochure or contact LIC's nearest Micro Insurance Unit.

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

**(This plan is only available for standard healthy lives without undergoing any medical examination)**

- |  |                              |
|--|------------------------------|
| a) Minimum Basic Sum Assured   | : Rs. 50,000                 |
| b) Maximum Basic Sum Assured <b>per life*</b>                        | : Rs. 200,000                |
| The Basic Sum Assured shall be available in multiples of Rs.5,000/-. |                              |
| c) Minimum Age at entry  | : 18 years (completed)       |
| d) Maximum Age at entry  | : 55 years (nearer birthday) |
| e) Policy Term   | : 10 to 15 years             |
| f) Premium Paying Term   | : Same as Policy Term        |
| g) Maximum Age at Maturity   | : 70 years (nearer birthday) |

**\* The total Basic Sum Assured under all policies issued under this plan for an individual life shall not exceed Rs. 2 lakh.**

Date of commencement of risk: Under this plan the risk will commence immediately from the date of acceptance of the risk.

### 5. *Payment of Premiums:*

Premiums can be paid regularly at yearly, half-yearly, quarterly or monthly intervals over the term of policy.

**6. Grace Period :**

Under this plan a grace period of 30 days shall be allowed for payment of all modes of premium premiums from the date of First unpaid premium. During this period, the policy shall be considered in-force with the risk cover without any interruption as per the terms of the policy. If the premium is not paid before the expiry of the days of grace, the Policy lapses.

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

**7. Sample Illustrative Premium :**

The sample illustrative annual premiums for (exclusive of applicable taxes, if any) per Rs. 1000/- Basic Sum Assured:

<b>AGE/ POLICY TERM</b>	<b>10</b>	<b>12</b>	<b>15</b>
<b>18</b>	85.45	68.25	51.50
<b>25</b>	85.55	68.35	51.60
<b>35</b>	85.90	68.80	52.20
<b>45</b>	87.60	70.75	54.50
<b>55</b>	91.90	75.40	59.80

Depending on age of life to be assured, Policy Term and Sum Assured chosen, for annual mode of premium payment, the premiums may vary from Rs 2,524 p.a. to Rs 17,612 p.a.

**8. Mode Rebate:**

Yearly mode	2% of Tabular Premium
Half-yearly mode	1% of Tabular premium
Quarterly Mode	NIL
In case of Monthly mode additional 3% of tabular premium shall be charged.	

**9. High Basic Sum Assured Rebate :**

<b>Basic Sum Assured (BSA)</b>	<b>Rebate (Rs.)</b>
Rs 50,000 to Rs 1,45,000	Nil
Rs 1,50,000 to Rs 1,95,000	Rs 1.50‰ Basic Sum Assured
Rs 2,00,000	Rs 2.00‰ Basic Sum Assured

**10. Paid-up Value:**

If less than one year's premiums have been paid and any subsequent premium be not duly paid, all the benefits under the policy shall cease after the expiry of grace period and nothing shall be payable.

If at least one full year's premiums have been paid and any subsequent premiums be not duly paid, the policy shall not be void but shall continue as a paid-up policy till the end of the policy

term. However, under a paid-up policy wherein at least three full years' premiums have been paid, Auto Cover Period as mentioned below shall be applicable.

**Auto Cover Period:**

"Auto Cover Period" under a paid-up policy shall be the period as specified below. This Auto Cover period starts from the date of first unpaid premium and includes the Grace Period.

The applicable duration of Auto Cover shall be as under:

- (i) If at least three full years' but less than five full years' premiums have been paid under a policy and any subsequent premium is not duly paid: Auto Cover Period of six months shall be available.
- (ii) If at least five full years' premiums have been paid under a policy and any subsequent premium is not duly paid: Auto Cover Period of two years shall be available.

**The benefits payable under a paid-up policy after completion of Grace Period but during Auto Cover Period shall be as follows:**

- (a) On death: Death benefit, as payable under an inforce policy, shall be paid after deduction of (a) the unpaid premium(s) in respect of the base policy with interest thereon up to the date of death, and (b) the balance premium(s) for the base policy falling due from the date of death and before the next policy anniversary, if any.  
This provision of Death Benefit during Auto Cover shall not be applicable in case of death due to suicide during the Auto Cover period.
- (b) On maturity: The Sum Assured on Maturity under paid up policy shall be reduced to such a sum called Maturity Paid-up Sum Assured which shall be payable on life assured surviving to the end of policy term. Maturity Paid-up Sum Assured shall be equal to Sum Assured on Maturity multiplied by the ratio of the total period for which premiums have already been paid bears to the maximum period for which premiums were originally payable. In addition to Maturity Paid-up Sum Assured, Loyalty Addition, if any, shall also be payable.

**The benefits payable under a paid-up policy after the expiry of Auto Cover Period shall be as follows:**

- (a) On death: The Sum Assured on Death under paid up policy shall be reduced to such a sum called Death Paid-up Sum Assured, which shall be payable on death. Death Paid-up Sum Assured shall be equal to [Sum Assured on by the ratio of the total period for which premiums have already been paid bears to the maximum period for which premiums were originally payable]. In addition to Death Paid-up Sum Assured, Loyalty Addition, if any, shall also be payable.
- (b) On maturity: The Sum Assured on Maturity under paid up policy shall be reduced to such a sum called Maturity Paid-up Sum Assured which shall be payable on life assured surviving to the end of policy term. Maturity Paid-up Sum Assured shall be equal to Sum Assured on Maturity multiplied by the ratio of the total period for which premiums have already been paid bears to the maximum period for which premiums were originally payable. In addition to Maturity Paid-up Sum Assured, Loyalty Addition, if any, shall also be payable.

In any case the Death Paid-up Sum Assured or Maturity Paid-up Sum Assured as mentioned above shall not be less than the total premiums paid under this policy.

Rider benefit shall not acquire paid-up value and rider benefit shall not continue during the Auto Cover Period beyond the grace period and cease to apply if the policy is in lapsed condition.

**11. Revival:**

If the premiums are not paid by the end of the grace period then the policy will lapse. A lapsed policy can be revived within a period of 5 consecutive years from the date of first unpaid premium and before the date of Maturity, as the case may be. The revival shall be effected on payment of all the arrears of premium(s) together with interest (compounding half-yearly) at such rate as fixed by the Corporation from time to time and on satisfaction of Continued Insurability of the Life Assured on the basis of information, documents and reports that are already available and any additional information in this regard if and as may be required in accordance with the Underwriting Policy of the Corporation at the time of revival, being furnished by the Policyholder/Life Assured.

The Corporation reserves the right to accept at original terms, accept at revised terms or decline the revival of a discontinued policy. The revival of discontinued policy shall take effect only after the same is approved by the Corporation and is specifically communicated in writing to the Policyholder.

Revival of rider, if any, will be considered along with revival of the base Policy, and not in isolation.

The Revival Period and Auto Cover Period (as mentioned in para 10 above) shall run concurrently i.e. Auto Cover period does not extend period of revival.

**12. Surrender :**

The policy can be surrendered at any time provided premiums have been paid for atleast one full policy year. On surrender of the inforce/paid-up policy, the Corporation shall pay the Surrender Value which is higher of Guaranteed Surrender Value or Special Surrender Value.

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

The Guaranteed Surrender Value payable during the policy term shall be equal to the total premiums paid multiplied by the Guaranteed Surrender Value factor applicable to total premiums paid under the policy. These Guaranteed Surrender Value factors expressed as percentages will depend on the policy term and policy year in which the policy is surrendered and are specified as below:

<b>Guaranteed Surrender Value factors applicable to total premiums paid</b>						
<b>Policy year</b>	<b>Policy Term</b>					
	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>15</b>
<b>1</b>	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
<b>2</b>	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
<b>3</b>	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
<b>4</b>	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
<b>5</b>	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
<b>6</b>	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
<b>7</b>	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%

<b>8</b>	65.00%	60.00%	57.50%	56.00%	55.00%	54.29%
<b>9</b>	90.00%	70.00%	65.00%	62.00%	60.00%	58.57%
<b>10</b>	90.00%	90.00%	72.50%	68.00%	65.00%	62.86%
<b>11</b>		90.00%	90.00%	74.00%	70.00%	67.14%
<b>12</b>			90.00%	90.00%	75.00%	71.43%
<b>13</b>				90.00%	90.00%	75.71%
<b>14</b>					90.00%	90.00%
<b>15</b>						90.00%

Premiums referred above shall not include any taxes, extra amount if charged under the policy due to underwriting decision and rider premium, if any.

**13. Policy Loan:**

Loan can be availed during the policy term provided at least 3 full years' premiums have been paid and subject to the terms and conditions as the Corporation may specify from time to time.

The maximum loan as a percentage of surrender value shall be as under:

- For inforce policies – upto 70%
- For paid-up policies – upto 60%

The interest rate to be charged for policy loan and as applicable for entire term of the loan shall be determined at periodic intervals. The applicable interest rate shall be as declared by the Corporation based on the method approved by the IRDAI.

Any loan outstanding along with interest shall be recovered from the claim proceeds at the time of exit.

**14. Taxes:**

Statutory Taxes, if any, imposed on such insurance plans by the 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 applicable taxes as per the prevailing rates, shall be payable by the policyholder on premiums ( for base policy and riders(s), if any) including extra premium, which shall be collected separately over and above in addition to the premiums payable by the policyholder. The amount of tax paid shall not be considered for the calculation of benefits payable under the plan. Regarding Income tax benefits/implications on premium(s) paid and benefits payable under this plan, please consult your tax advisor for details.

**15. Free look Period:**

If the Policyholder is not satisfied with the “Terms and Conditions” of the policy, the policy may be returned to the Corporation within 15 days from the date of receipt of the policy bond stating the reasons of objections. On receipt of the same the Corporation shall cancel the policy and return the amount of premium deposited after deducting the proportionate risk premium (for base plan and rider, if any) for the period on cover, expenses incurred on medical examination, special reports, if any and stamp duty charges.

**16. Exclusion:**

Suicide: - This policy shall be void

- i. If the Life Assured (whether sane or insane) commits suicide at any time within 12 months from the date of commencement of risk and the Corporation will not entertain any claim under the policy except for 80% of the total premiums paid, provided the policy is in force.
- ii. If the Life Assured (whether sane or insane) commits suicide within 12 months from date of revival, an amount which is higher of 80% of the premiums paid till the date of death or the surrender value available as on the date of death, shall be payable. The Corporation will not entertain any other claim under this policy.

**Note:** Premiums referred above shall not include any taxes, extra amount and any rider premium, if any.

The relaxations under Auto Cover shall not be applicable in case of death due to Suicide.

#### 17. BENEFIT ILLUSTRATION:

UIN	512N329V02
Age of Life Assured (nearer birthday)	35
Policy term (years)	15
Premium Payment Term (years)	15
Mode of premium payment	Yearly
Basic Sum Assured (Rs)	100000
Amount of Annualised premium *	5116.00

(Amount in Rs.)

#### Benefits available under different Scenarios:

Policy Year	Total Premium Paid (Rs)	Guaranteed Benefits		Non Guaranteed Benefit		Total Death Benefit		Total Maturity Benefit	
		Sum Assured on Death	Sum Assured on Maturity	Loyalty Additions		Scenario 1	Scenario 2	Scenario 1	Scenario 2
				Scenario 1	Scenario 2				
5	25,580	1,00,000	-	-	-	1,00,000	1,00,000	-	-
10	51,160	1,00,000	-	-	6,500	1,00,000	1,06,500	-	-
15	76,740	1,00,000	1,00,000	-	11,500	1,00,000	1,11,500	1,00,000	1,11,500

\* The annual premium shown above is exclusive of GST, amount chargeable under the policy due to underwriting decision and Rider(s) Premiums, if any.

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#### Notes:

- i) This illustration is applicable to a standard (from medical, life style and occupation point of view) life wherein any riders are not opted.
- ii) Some benefits are guaranteed and some benefits which are Non Guaranteed benefits with returns based on the future performance show two different rates of assumed future investment returns.
- iii) The non-guaranteed (variable) benefits in the above illustration has been assuming that the death occurs at the end of policy term and has been calculated so that they are consistent with the Projected Investment Rate of Return assumption of 4% p.a. (Scenario 1) and 8% p.a.

(Scenario 2) respectively. In other words, in preparing this benefit illustration, it is assumed that the Projected Investment Rate of Return that LICICI will be able to earn **throughout the term of the policy** will be 4% p.a. or 8% p.a., as the case may be. The Projected Investment Rate of Return is **not guaranteed** and they are not the upper or lower limits of what you might get back, as the value of your policy is dependent on a number of factors including actual future investment performance.

- iv) The main objective of the illustration is that the client is able to appreciate the features of the product and the flow of benefits in different circumstances with some level of quantification.

**18. SECTION 45 OF THE INSURANCE ACT, 1938:**

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

Provisions regarding policy not being called into question in terms of Section 45 of the Insurance Act, 1938 are as follows:

1. No Policy of Life Insurance shall be called in question on any ground whatsoever after expiry of 3 yrs from
  - a. the date of issuance of policy or
  - b. the date of commencement of risk or
  - c. the date of revival of policy or
  - d. the date of rider to the policywhichever is later.
2. On the ground of fraud, a policy of Life Insurance may be called in question within 3 years from
  - a. the date of issuance of policy or
  - b. the date of commencement of risk or
  - c. the date of revival of policy or
  - d. the date of rider to the policywhichever is later.

For this, the insurer should communicate in writing to the insured or legal representative or nominee or assignees of insured, as applicable, mentioning the ground and materials on which such decision is based.

3. Fraud means any of the following acts committed by insured or by his agent, with the intent to deceive the insurer or to induce the insurer to issue a life insurance policy:
  - a. The suggestion, as a fact of that which is not true and which the insured does not believe to be true;
  - b. The active concealment of a fact by the insured having knowledge or belief of the fact;
  - c. Any other act fitted to deceive; and
  - d. Any such act or omission as the law specifically declares to be fraudulent.
4. Mere silence is not fraud unless, depending on circumstances of the case, it is the duty of the insured or his agent keeping silence to speak or silence is in itself equivalent to speak.
5. No Insurer shall repudiate a life insurance Policy on the ground of Fraud, if the Insured / beneficiary can prove that the misstatement was true to the best of his knowledge and there was no deliberate intention to suppress the fact or that such mis-statement of or suppression of material fact



are within the knowledge of the insurer. Onus of disproving is upon the policyholder, if alive, or beneficiaries.

6. Life insurance Policy can be called in question within 3 years on the ground that any statement of or suppression of a fact material to expectancy of life of the insured was incorrectly made in the proposal or other document basis which policy was issued or revived or rider issued. For this, the insurer should communicate in writing to the insured or legal representative or nominee or assignees of insured, as applicable, mentioning the ground and materials on which decision to repudiate the policy of life insurance is based.
7. In case repudiation is on ground of mis-statement and not on fraud, the premium collected on policy till the date of repudiation shall be paid to the insured or legal representative or nominee or assignees of insured, within a period of 90 days from the date of repudiation.
8. Fact shall not be considered material unless it has a direct bearing on the risk undertaken by the insurer. The onus is on insurer to show that if the insurer had been aware of the said fact, no life insurance policy would have been issued to the insured.
9. The insurer can call for proof of age at any time if he is entitled to do so and no policy shall be deemed to be called in question merely because the terms of the policy are adjusted on subsequent proof of age of life insured. So, this Section will not be applicable for questioning age or adjustment based on proof of age submitted subsequently.

**[Disclaimer: This is not a comprehensive list of Section 45 of the Insurance Act, 1938 and only a simplified version prepared for general information. Policy Holders are advised to refer to Section 45 of the Insurance Act,1938, for complete and accurate details**

**19. 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.

This product brochure gives only salient features of the plan. For further details please refer to the Policy document or contact our nearest Micro Insurance Unit.

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

IRDAI is not involved in activities like selling insurance policies, announcing bonus or investment of premiums. Public receiving such phone calls are requested to lodge a police complaint.

**Registered Office:**

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Registration Number: 512