

**LIFE INSURANCE CORPORATION OF INDIA
CENTRAL OFFICE**

Dept: Actuarial

“Yogakshema”
Jeevan Bima Marg
Mumbai – 400 021

Ref : Actl /PD / 2163 /4

27th April, 2009

To,
All HODs of Central Office
All Zonal Offices
All Divisional Offices
All Branch Offices (through DOs)
MDCs, ZTCs, STCs, NIA and
Audit & Inspection Depts. of Zonal Offices.

Re: INTRODUCTION OF LIC'S HEALTH PROTECTION PLUS (Plan No. 902)

1. INTRODUCTION:

It has been decided to introduce LIC's Health Protection Plus (Plan No. 902) with effect from 29th April, 2009. The Unique Identification Number (UIN) for LIC's Health Protection Plus plan is **512L253V01**. This number has to be quoted in all relevant documents furnished to the policyholders and other users (public, distribution channels).

It is a unit linked Health Insurance plan which provides for insurance cover against following health risks:

- i) Hospital Cash Benefit (HCB)
- ii) Major Surgical Benefit (MSB)

These are inbuilt fixed benefits. HCB is on per day basis whereas MSB shall be a percentage of sum assured depending on the type of surgical procedure. Besides these, the policy shall also provide for reimbursement of domiciliary treatment expenses.

A person aged between 18 and 55 (the Principal Insured (PI)) can take the policy covering himself / herself. The spouse and/or dependent children may also be covered under the policy. If existing spouse and / or dependent child/children are eligible for inclusion and not covered under the policy at inception of the policy, they will not be covered under the policy in future.

Each premium paid by the PI shall be subject to Premium Allocation charge. The allocated premium will be utilized to purchase units. The Policy Fund will be subject to deduction of charges mentioned in para 3 of this circular. Units will be allotted and cancelled based on the Net Asset Value (NAV) of the fund as on the date of allotment / cancellation. There is no Bid-Offer spread (both the Bid price and Offer price of units will be equal to the NAV). The NAV will be computed on daily basis and will be based on investment performance, Fund Management Charge and whether fund is expanding or contracting. Other details of this plan are as follows.

2. INVESTMENT FUND TYPES:

The premiums allocated to purchase units will be invested according to the investment pattern as under:

Fund Type	Investment in Government / Government Guaranteed Securities / Corporate Debt	Short-term investments such as money market instruments (Including Govt. Securities & Corporate Debt)	Investment in Listed Equity Shares	Details and objective of the fund for risk / return
Health Protection Plus Fund	Not less than 50%	Not more than 90%	Not less than 10% & Not more than 50%	Income and growth – Low risk

The NAV will be computed on a daily basis as under:

Appropriation price (when fund is expanding):

Market value of investment held by the fund plus the expenses incurred in the purchase of the assets plus the value of any current assets plus any accrued income net of fund management charges less the value of any current liabilities less provisions, if any divided by the number of units existing at the valuation date (before any new units are allocated).

Expropriation price (when fund is contracting):

Market value of investment held by the fund less the expenses incurred in the sale of the assets plus the value of any current assets plus any accrued income net of fund management charges less the value of any current liabilities less provisions, if any divided by the number of units existing at the valuation date (before any units are redeemed).

3. CHARGES AND FREQUENCY OF CHARGES:

- i. **Premium Allocation Charge:** This is the percentage of premium appropriated towards charges from the premium received. The balance known as allocation rate constitutes that part of the premium which is utilized to purchase (Investment) units for the policy. The NAV of the date on which premium is adjusted (date of completion in case of NB)/ received (date of collection in case of renewals) shall be applicable.

The allocation charges are as below:

First Year	Thereafter
30.00%	6.00%

The above allocation charges shall be applicable for all premiums including any increased premium paid in that particular policy year.

ii. **Health Insurance Charges :**

There will be two separate charges for the following benefits:

- i) Hospital Cash Benefit
- ii) Major Surgical Benefits.

These charges will be taken every month in respect of all the members covered by canceling appropriate number of units out of the Policy Fund. However, for an Insured Child charges for MSB shall not be deducted till he / she completes 18 years of age. The charges for MSB shall be deducted from the policy anniversary coinciding with or immediately

following the 18th birthday of that child.

These charges, during a policy year, will be based on the age nearer birthday, of each of the members covered, as at the Policy anniversary coinciding with or immediately preceding the due date of cancellation of units and hence may increase every year on each policy anniversary. The charges may also depend on whether the person covered is standard or sub-standard life as per the underwriting decision. These age-specific charges per annum for standard lives are given in the **Annexure - I**. Also the rates of Class I extra charges per annum are enclosed as **Annexure – III** to this circular.

If more than one member is covered under the policy then the total charges shall be based on the individual ages of all the members covered and the amount of cover for each member.

In case of Hospital Cash Benefit, the charges will be applied on the **Initial Daily Benefit** as mentioned in the policy Schedule, though the benefit payable in subsequent years will increase at 5% simple rate as mentioned in para 5(b) of this circular.

The charges for Hospital Cash Benefit and/or Major Surgical Benefit for PI and any other insured life will not be deducted once the relevant benefit terminates as mentioned under paras 6.a and 6.b respectively. This means that no charges shall be deducted for a member covered in case of:

- i) Maximum cover ceasing age of the member concerned, for both HCB and MSB - from policy anniversary on which the cover ceases
- ii) On reaching maximum lifetime claim limit of the member concerned - from the next month after the settlement of last claim, for HCB or MSB or both, as the case may be
- iii) Death of the member concerned - from the next month after the date of death - for both HCB and MSB
- iv) Divorce (applicable for Insured Spouse only)- from the next month after date of receipt of information - for both HCB and MSB
- v) Termination due to any other reason - from next month after such action

Excess charges deducted, if any, will be added back to the Policy Fund at the NAV of the date on which such reversal action is taken. An example of such case may be the death of a member covered, intimation of which is received late during which period charges have been deducted unnecessarily.

The above applies for the individual lives covered in which case deduction of charges for other lives shall continue.

The Policy Administration charge and Fund Management charge as given in iii. below shall, however, continue.

iii. Other Charges:

- a) POLICY ADMINISTRATION CHARGE - The Policy Administration charge of Rs. 75/- per month during the first policy year and Rs. 25/- per month thereafter, throughout the term of the policy will be deducted by canceling appropriate number of units out of Policy Fund.
- b) FUND MANAGEMENT CHARGE (FMC) – Fund Management Charge (FMC) is deductible on the date of computation of NAV at 1.25% p.a. of Unit Fund on daily basis. The NAV, thus declared, will be net of FMC.
- c) BID/OFFER SPREAD – Nil.
- d) SERVICE TAX CHARGE – A service tax charge shall be levied on the following charges:
 - i) Policy Administration charge and Health Insurance charges - by canceling appropriate

number of units out of the Policyholder's Fund Value on a monthly basis as and when the corresponding Policy Administration and Health Insurance charges are deducted.

ii) Premium allocation charge - at the time of allocation of premium.

iii) Fund Management charge- at the time of computation of NAV on daily basis.

The level of this charge will be as per the rate of service tax as applicable from time to time. Currently, the rate of service tax is 10% with an educational cess at the rate of 3% thereon and hence effective rate is 10.30%.

- iv. **Right to revise charges:** The Corporation reserves the right to revise all or any of the above charges except Premium Allocation charge. The modification in charges will be done with prospective effect with the prior approval of IRDA and after giving the policyholders a notice of 3 months.

4. **APPLICABILITY OF NET ASSET VALUE (NAV):**

The allotment of units will be as per IRDA guidelines. The guidelines state as under:

The premiums received up to 3 p.m. by the Corporation through ECS or by way of a local cheque or a demand draft payable at par at the place where the premium is received, the closing NAV of the day on which premium is received shall be applicable. The premiums received after 3 p.m. by the Corporation through ECS or by way of a local cheque or a demand draft payable at par at the place where the premium is received, the closing NAV of the next business day shall be applicable.

The outstation cheque / Demand draft shall not be accepted.

In respect of the valid applications received in respect of Domiciliary Treatment Benefit, death claim, etc up to 3 p.m. by the servicing branch closing NAV of that day shall be applicable. For the valid applications received in respect of Domiciliary Treatment Benefit, death claim etc after 3 p.m. by the servicing branch the closing NAV of the next business day shall be applicable.

5. **BENEFITS:**

a) **Benefits payable on death:**

In case of death of the PI (if policy is issued on single life) or on death of all Insured members (if more than one life is covered under the policy) - The nominee or legal heir shall get the Fund Value of units held in the Policy Fund.

On death of PI (if other Insured members are there) - The payment of premiums will cease. However, the cover shall continue for the surviving Insured lives till the maximum benefit ceasing age or till the fund is sufficient to recover the charges for hospital cash cover and surgical benefit cover or till the benefits are terminated as per conditions mentioned in Para 6 a) and b), whichever is earlier.

On death of Insured member(s), other than PI – The payment of premiums and cover for PI and other Insured members, if any, shall continue.

On death of PI and spouse (whether insured or not under the policy) - The benefits in respect of the children, if any, shall continue and can be claimed by the eldest major child covered under the policy. If all the children covered are minor, then benefits will be claimed by the legal guardian.

b) Benefits payable on Hospitalization:

If PI or any of the Insured lives covered under the policy is hospitalized due to Accidental Body Injury or Sickness and the stay in hospital exceeds a continuous period of 48 hours, then for any continuous period of 24 hours or part thereof thereafter, provided such part stay exceeds a continuous period of 4 hours in a non-ICU (non-Intensive Care Unit) ward/room of a hospital, an amount equal to the daily Hospital Cash Benefit, available under the policy during that policy year, shall be payable subject to terms and conditions mentioned in Para 6.a and exclusions mentioned in Para 7.a.

The amount of Daily Benefit will increase at each policy anniversary by 5% of the **Initial Daily Benefit** till it reaches a maximum of 1.5 times the **Initial Daily Benefit**. This increased benefit amount will be considered as the **Applicable Daily Benefit** Amount in each of the subsequent years and would be payable in case of admitted claims under this benefit in those years. While settling the claim total amount payable shall be rounded off to next rupee.

For members included subsequently under the policy, the benefit in the first year of their inclusion shall be equal to **Initial Daily Benefit** amount and thereafter shall increase every year by 5% of the Initial Daily Benefit. Further, such increases will be allowed for that subsequently included member till the Applicable Daily Benefit amount reaches 1.5 times the Initial Daily Benefit.

If the member insured is required to stay in an Intensive Care Unit (ICU) of a hospital, two times the Daily Hospital Cash Benefit, for any continuous period of 24 hours or part thereof, provided any such part stay exceeds a continuous period of 4 hours (after having completed the 48 hours as above), will be payable subject to terms and conditions mentioned in Para 6.a and exclusions mentioned in Para 7.a.

The **Applicable ICU Daily Benefit** amount for a policy year shall be twice the **Applicable Daily Benefit** amount of that policy year.

c) Major Surgical Benefit:

In the event of PI or any of the Insured lives covered under the policy, due to medical necessity, undergoing any of the surgeries defined in **Annexure II**, the respective benefit percentage of the Major Surgical benefit Sum Assured, as specified against each of the eligible surgeries mentioned in the Annexure, shall be payable subject to terms and conditions mentioned in Para 6.b and exclusions mentioned in Para 7.b. This benefit will remain fixed and there shall not be any increases in subsequent years.

d) Domiciliary Treatment Benefit:

- i) Before the cessation of Hospital Cash Benefit and Major Surgical Benefit on all the Insured lives :

If at least 3 years' premiums have been paid, a payment shall be made equal to actual amount spent to meet any domiciliary treatment expenses or any other medical expenses over and above those paid through hospital cash/ surgical benefits incurred in respect of PI or any of the other Insured lives at any time, subject to all the following conditions are satisfied for each payment:

- i) the claimed amount is atleast Rs. 2,500 ;
- ii) maximum amount that can be paid shall be 50% of the Policy Fund at the date of the payment; and
- iii) there will be a minimum balance of one annualized premium left in the Policy Fund after making the payment.

Also during a policy year a maximum of 2 payments shall be allowed under one policy.

Payments shall be made subject to the production of proof of medical treatment and supporting bills for expenses incurred for treatment.

ii) After the cessation of Hospital Cash Benefit and Major Surgical Benefit on all the Insured lives:

The payment shall be allowed, from the Policy Fund, equal to actual amount spent subject to a minimum of Rs. 2,500/-. Further, if the balance in the Policy Fund is less than Rs. 2,500/-, then the payment of entire amount shall be made in one lump sum only and the policy will be terminated.

If any child is covered under the policy, Domiciliary Treatment Benefit will also cease in respect of that life from policy anniversary on which the child reaches age 25 years nearest birthday.

6. OTHER TERMS AND CONDITIONS:

a) Hospital Cash Benefit:

In the event of **Accidental Bodily Injury or Sickness** first occurring or manifesting itself after the Date of Cover Commencement and during the **Cover Period** and causing an **Insured's Hospitalization** to exceed a continuous period of 48 hours within the **Policy Period**, then, subject to exclusions mentioned in para 7a. and the terms and conditions of the Policy, the following is payable by the Corporation:

- Entire stay in a non-ICU ward/room:
The **Applicable Daily Benefit** in that Policy Year for each continuous period of 24 hours or part thereof, provided any part stay exceeds a continuous period of 4 hours of **Hospitalization** (after having completed the 48 hours as above) necessitated solely by reason of the said **Accidental Bodily Injury or Sickness**.
- Entire stay in an ICU ward/room:
Two times the **Applicable Daily Benefit** for each continuous period of 24 hours or part thereof, provided any part stay exceeds a continuous period of 4 hours of **Hospitalization** (after having completed the 48 hours as above) required to be spent by the **Insured** in the **Intensive Care Unit** of a **Hospital** during any period of **Hospitalization** necessitated solely by reason of the said **Accidental Bodily Injury or Sickness**.
- Combined stay in Non-ICU and ICU ward/room:
Where an insured person stays in a non-ICU room/ward as well as in an ICU room/ward provided such stay is continuous and exceeds 52 hours, then HCB is payable under the policy. The amount payable in such case shall be worked out as under:
 - i) First work out total number of eligible days for which the benefit is payable- i.e. each continuous period of 24 hours or part thereof (provided such part is 4 hours or more), in excess of 48 hours – say 'm'
 - ii) work out total number of eligible days for which ICU benefit is payable i.e. ICU stay of each continuous period of 24 hours or part thereof (provided such part is 4 hours or more) – say 'n'

The benefit payable in this case will be for 'n' days at **Applicable ICU Daily Benefit** rate (double the **Applicable Daily Benefit**) and for (m - n) days at single **Applicable Daily Benefit** rate.

This means number of days of **Applicable ICU Daily Benefit** plus number of days of **Applicable Daily Benefit** shall not be, in any case, more than the total number of days of eligibility of Hospital Cash Benefit.

- The amount of Daily Benefit due to Hospitalization as specified in the Policy Schedule would be the **Initial Daily Benefit** amount. In the first Policy Year the **Initial Daily Benefit** would be the **Applicable Daily Benefit** amount which will be payable per day of each eligible hospitalized day.
- For each Policy Year commencing at a Policy anniversary after the first anniversary, the amount of Daily Benefit shall increase by arithmetic addition of an amount equal to 5% (five percent) of the **Initial Daily Benefit** and the resulting amount shall be the **Applicable Daily Benefit** for that Policy Year.
- The amount of Daily Benefit in case of admission to the Intensive Care Unit shall be two times the Applicable Daily Benefit.
- Such increase in the Applicable Daily Benefit amounts shall be effected on each Policy anniversary during the Cover Period and shall continue until the Applicable Daily Benefit in a Policy Year reaches a maximum amount of 1.5 times the Initial Daily Benefit. Thereafter, the Applicable Daily Benefit in each Policy Year in future shall remain at that maximum level attained.
- For any addition of a member during the term of the policy, first policy year for the purpose of this benefit shall start from the policy anniversary on which the cover starts.

Benefit Limits:

- For every hospitalization, no benefit would be paid for the first 48 hours (two days) of hospitalization, regardless of whether the Insured was admitted in a general or special ward or in an intensive care unit.
- The total number of days for which hospital cash would be payable, in respect of each Insured (including PI) covered under the policy, in a policy year would be restricted to -
 - A maximum of 18 (eighteen) days of hospitalization out of which not more than 9 (nine) days shall be in an intensive care unit in the first policy year
 - A maximum of 60 (sixty) days of hospitalization out of which not more than 30 (thirty) days shall be in an intensive care unit in the second and subsequent policy years
- The number of days for which hospital cash would be payable, in respect of each Insured (including PI) covered under the policy, during the entire term of the Policy shall be limited to a maximum of 365 (three hundred and sixty five) days.
- In respect of an **Insured Child**, the number of days for which hospital cash would be payable till the completion of 5 years of age shall be limited to a maximum period of 90 (ninety) days.
- The Applicable **Daily Benefit** and the **Benefit Period Limits** in respect of an **Insured** under this Policy, shall solely and exclusively apply to that Insured. Any unclaimed **Hospital Cash Benefit** of any one **Insured** is not transferable to any other **Insured**.
- The Hospital Cash Benefit shall be payable only if Hospitalisation has occurred within India.
- If a person is covered under various policies of the Corporation under this plan, then the maximum benefit for such **Insured** life under all policies put together shall not exceed the cap on benefits under this plan.

Waiting period

- There shall be a waiting period of 180 (one hundred and eighty) days from the Date of Cover Commencement in respect of each Insured, during which no Hospital Cash Benefit shall be payable in the event of Hospitalization due to Sickness.
- There shall be a waiting period of 90(ninety) days from the Date of reinstatement in respect of each Insured, if the policy is reinstated after discontinuance of the cover, during the revival period, during which no Hospital Cash Benefit shall be payable in the event of Hospitalization due to Sickness.
- There shall be no waiting period for Hospitalization due to Accidental Bodily Injury.

Termination:

The Hospital Cash Benefit cover in respect of each Insured shall terminate at the earliest of the following:

- On the Date of Cover Expiry (being for PI and Insured Spouse, the Policy anniversary immediately after his/her reaching 75 years nearest birthday of age and in case of Insured Child, the Policy anniversary on which such Insured child reaches age of 25 years nearest birthday);
- On reaching the maximum lifetime claim limit of 365 days;
- On death of the Insured;
- On divorce or legal separation of the Principal Insured and the Insured spouse, in case of Insured Spouse;
- On termination of the Policy due to insufficient Policy Fund or any other reason.

b) Major Surgical Benefit:

In the event of an **Insured** under this Policy undergoing any **Surgery** (listed in **Annexure II** hereto) in a Hospital due to Accidental Bodily Injury or Sickness first occurring or manifesting itself after the Date of Cover Commencement and during the Cover Period, then, the respective benefit percentage of the Major Surgical benefit Sum Assured, as specified against each of the eligible surgeries mentioned in Annexure II, shall be payable subject to exclusions mentioned in Para 7.b and the following terms and conditions:

- In the event of a claim becoming eligible for payment under this benefit, and regardless of the actual costs incurred, the Corporation will pay the chosen Major Surgical Benefit Amount, calculated as a percentage of Sum Assured as specified against each of the eligible surgeries in Annexure II.
- The Major Surgical Benefit shall be paid as a lump sum and is subject to providing proof of surgery to the satisfaction of the Corporation.
- The maximum Benefit Amount payable in any Policy year for an insured person during the Cover Period shall not exceed 100% of the Sum Assured in respect of each member.
- If more than one Surgery is performed on the Insured, through the same incision or by making different incisions, during the same surgical session, the Corporation shall only pay for that Surgery performed in respect of which the largest Benefit Amount shall become payable.

- The Major Surgical Benefit for any Surgery cannot be claimed and shall not be payable more than once for the same Surgery during the term of the Policy.
- The total Benefit Amount payable in respect of each Insured during the Cover Period shall not exceed a lifetime maximum limit of three (03) times the Sum Assured mentioned in the Policy Schedule. Once the total Benefit amount paid in respect of an Insured equals this lifetime maximum limit, the Major Surgical Benefit under this Policy in respect of that Insured will cease.
- No payment shall be made under this benefit for the operations performed, which are not listed in the Annexure. All surgical procedures claimed should be confirmed as essential and required, by a qualified Physician or Surgeon, to the satisfaction of the Corporation.
- A child included in the policy will be automatically covered for Major Surgical Benefit from policy anniversary on which the age last birthday is 18 years. There will be no option for the PI to exclude the cover. Till that period such child is not covered for this benefit.
- The Major Surgical Benefit shall be payable only if the Surgery has been performed within India.
- The benefit will be payable only after the Corporation is satisfied on the basis of medical evidence that the specified surgery covered under the policy has been performed.
- The Applicable **Benefit Limits** in respect of an **Insured** under this Policy, shall solely and exclusively apply to that **Insured**. Any unclaimed **Major Surgical Benefit** on any one **Insured** is not transferable to any other **Insured**.
- If a person is covered under various policies of the Corporation under this plan, then the maximum benefit on such **Insured** life under all policies put together shall not exceed the cap on benefits under this plan.

Waiting period:

- There shall be a waiting period of 180 (one hundred and eighty) days from the Date of Cover Commencement in respect of each **Insured** during which no **Major Surgical Benefit** shall be payable in the event of **Surgery** due to **Sickness**. A child included in the policy will be automatically covered for Major Surgical Benefit from policy anniversary on which the age last birthday is 18 years without any waiting period.
- There shall be a waiting period of 90 (ninety) days from the Date of Reinstatement in respect of each **Insured**, if the policy is reinstated after discontinuance of the cover, during the revival period, during which no **Major Surgical Benefit** shall be payable in the event of **Surgery** due to **Sickness**.
- There shall be no waiting period for **Major Surgical Benefit** in case of **Surgery** due to Accidental Bodily Injury.

Termination:

The Major Surgical Benefit cover in respect of each Insured shall terminate at the earliest of the following:

- On the Date of Cover Expiry (being in case of the Principal Insured and Insured Spouse, the policy anniversary immediately after the date on which each of them reaches 75 years nearest birthday of age and in case of the Insured Child, the policy anniversary on which such Insured Child reaches age of 25 years nearest birthday);
- On reaching the lifetime maximum limit of 3 times the Sum Assured;
- On death of the Insured;
- On divorce or legal separation of the Principal Insured and the Insured spouse, in case of Insured Spouse;
- On termination of the Policy due to insufficient Policy Fund or any other reason.

7. EXCLUSIONS:

a. Hospital Cash Benefit:

No benefits are available hereunder and no payment will be made by the Corporation for any claim for Hospital Cash Benefit under this Policy on account of Hospitalization directly or indirectly caused by, based on, arising out of or howsoever attributable to any of the following:

- i. **“Pre-existing condition”**- any medical condition or any related condition (e.g. illnesses, symptoms, treatments, pains, etc) that have arisen at some point prior to the commencement of this coverage, irrespective of whether or not any medical treatment or advice was sought. Any such condition or related condition about which the PI or insured dependant know, knew or could reasonably have been assumed to have known, will be deemed to be pre-existing. The following conditions will also be deemed to be “pre-existing”:
 - a. Conditions arising between signing the application form and confirmation of acceptance by the Corporation
 - b. Any Sickness, illness, complication or ailment arising out of or connected to the pre-existing illness or illnesses.
- ii. **Hospitalization due to illness** within the first **180** days from the Date of Cover commencement and 90 days from the date of revival if the cover is reinstated after discontinuance of the cover
- iii. Any treatment not performed by a **Physician** or any treatment of a purely experimental nature.
- iv. Any routine or prescribed medical check up or examination.
- v. *Medical Expenses* relating to any hospitalization primarily for diagnostic, X-ray or laboratory examinations
- vi. Any **Sickness** that has been classified as an Epidemic by the Central or a State Government.
- vii. Circumcision, cosmetic or aesthetic treatments of any description, change of gender surgery, plastic surgery (unless such plastic surgery is necessary for the treatment of Illness or accidental Bodily Injury as a direct result of the insured event and performed within 6 months of the same).
- viii. Hospitalization for donation of an organ.
- ix. Hospitalization for correction of birth defects or congenital anomalies
- x. Dental treatment or surgery of any kind unless necessitated by **Accidental Bodily Injury**.
- xi. Convalescence, general debility, nervous or other breakdown, rest cure, congenital

- diseases or defect or anomaly, sterilisation or infertility (diagnosis and treatment), any sanatoriums, spa or rest cures or long term care or hospitalization undertaken as a preventive or recuperative measure.
- xii. Self afflicted injuries or conditions (attempted suicide), and/or the use or misuse of any drugs or alcohol.
 - xiii. Any sexually transmitted diseases or any condition directly or indirectly caused to or associated with Human Immuno Deficiency (HIV) Virus or any Syndrome or condition of a similar kind commonly referred to as AIDS.
 - xiv. Removal of any material that was implanted in a former surgery before Date of Cover commencement
 - xv. Any diagnosis or treatment arising from or traceable to pregnancy (whether uterine or extra uterine), childbirth including caesarean section, medical termination of pregnancy and/or any treatment related to pre and post natal care of the mother or the new born.
 - xvi. Hospitalization for the sole purpose of physiotherapy or any ailment for which hospitalization is not warranted due to advancement in medical technology
 - xvii. War, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection military or usurped power of civil commotion or loot or pillage in connection herewith.
 - xviii. Naval or military operations(including duties of peace time) of the armed forces or air force and participation in operations requiring the use of arms or which are ordered by military authorities for combating terrorists, rebels and the like.
 - xix. Any natural peril (including but not limited to avalanche, earthquake, volcanic eruptions or any kind of natural hazard).
 - xx. Participation in any hazardous activity or sports including but not limited to racing, scuba diving, aerial sports, bungee jumping and mountaineering or in any criminal or illegal activities.
 - xxi. Radioactive contamination.
 - xxii. Non-allopathic methods of treatment.

b. Major Surgical Benefit:

No benefits are available hereunder and no payment will be made by the **Corporation** for any claim for Major Surgical Benefit under this Policy directly or indirectly caused by, based on, arising out of or howsoever attributable to any of the following:

- i. Surgeries not listed in the Surgical Benefit Annexure II
- ii. **“Pre-existing condition”**- any medical condition or any related condition (e.g. illnesses, symptoms, treatments, surgery, pains, etc) that have arisen at some point prior to the commencement of this coverage, irrespective of whether or not any medical treatment or advice was sought. Any such condition or related condition about which the PI or insured dependant know, knew or could reasonably have been assumed to have known, will be deemed to be pre-existing. The following conditions will also be deemed to be “pre-existing”:
 - a. Conditions arising between signing the application form and confirmation of acceptance by the Corporation
 - b. Any Sickness, illness, complication or ailment arising out of or connected to the pre-existing illness
- iii. Surgery triggered by health related causes (and not by Accident) within the first **180** days from the commencement date and **90** days from the date revival if the cover is reinstated after discontinuance of the cover.
- iv. Any Surgery for which claim has already been made and paid by the Corporation.
- v. Any treatment not performed by a **Physician/Surgeon**.
- vi. Any treatment including Surgery that is performed un-conventionally under experimental conditions and purely experimental in nature.
- vii. Any **Sickness** that has been classified as an Epidemic by the Central or a State Government.

- viii. Circumcision, cosmetic or aesthetic treatments of any description, change of gender surgery or treatment, treatment (including surgery) for obesity, plastic surgery (unless necessary for the treatment of Illness or accidental Bodily Injury as a direct result of the insured event and performed within 6 months of the same).
- ix. Surgery for donation of an organ.
- x. Removal or correction or replacement of any material that was implanted in a former Surgery before Date of Cover commencement
- xi. Surgery for correction of birth defects or congenital anomalies
- xii. Self afflicted injuries or conditions (attempted suicide), and/or the use or misuse of any drugs or alcohol.
- xiii. Any sexually transmitted diseases or any condition directly or indirectly caused to or associated with Human Immuno Deficiency (HIV) Virus or any Syndrome or condition of a similar kind commonly referred to as AIDS.
- xiv. Any diagnosis or treatment or Surgery arising from or traceable to pregnancy (whether uterine or extra uterine).
- xv. War, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection military or usurped power of civil commotion or loot or pillage in connection herewith.
- xvi. Naval or military operations of the armed forces or air force and participation in operations requiring the use of arms or which are ordered by military authorities for combating terrorists, rebels and the like.
- xvii. Any natural peril (including but not limited to avalanche, earthquake, volcanic eruptions or any kind of natural hazard).
- xviii. Participation in any hazardous activity or sports including but not limited to racing, scuba diving, aerial sports, bungee jumping and mountaineering
- xix. Participation in any criminal or illegal activities.
- xx. Radioactive contamination.
- xxi. Non-allopathic methods of Surgery and treatment.

8. DISCONTINUANCE OF PREMIUMS:

If premiums have not been paid within the days of grace under the Policy, the Policy will lapse. The PI shall have an option to revive the policy at anytime within a period of two years from the due date of first unpaid premium.

The Hospital Cash cover and Major Surgical Benefit Cover shall continue till the maximum benefit ceasing age for each insured life or till the Policy Fund is sufficient to recover the charges, whichever is earlier. During this period, the charges for these covers shall be taken, in addition to other charges, by cancelling an appropriate number of units out of the Policy Fund every month. This will continue to provide relevant risk covers.

The other benefits under such a policy shall be payable as under:

A. Death Benefit:

- a. In case of Death of PI (if policy is issued on single life) or on death of all Insured members (if more than one life is covered under the policy): Value of units held in the Policy Fund will be payable to the nominee/ legal heir.
- b. On death of PI (if other Insured members are there): The policy shall not be revived. However, the cover will continue for other Insured lives till the maximum benefit ceasing age for each insured life or till the fund is sufficient to recover all the charges or till the benefits are terminated as per conditions mentioned in Para 6 a) and b), whichever is earlier.
- c. On death of any other Insured Member(s) provided PI is alive: The policy will continue as lapsed policy unless revived.

B. Domiciliary Treatment Benefit:

- a. If at least three years premiums are paid: The benefit available shall be the same as that would be available under an in force policy.
- b. If less than three years premiums are paid: Domiciliary Treatment Benefit shall not be available.

C. Compulsory termination: In case the policy is not revived during the revival period and the balance in the Policy Fund is not sufficient to recover the charges the policy shall compulsorily be terminated with a notice to the PI. Nothing shall be payable under such circumstances.

9. SURRENDER:

No surrender will be allowed under the policy.

10. PARTIAL WITHDRAWALS:

Partial withdrawals are not allowed under the policy.

11. ELIGIBILITY CONDITIONS AND FEATURES:

a) Minimum premium	<p>i) <u>For standard lives</u> <u>If policy is issued on single life-</u> Higher of - Rs. [5,000] p.a., and - 6 times the Hospital Cash Benefit (HCB) of Principal Insured (PI)</p> <p><u>If policy is issued on 2 lives-</u> Higher of - Rs. [7,500] p.a., and - The arithmetic sum of 6 times the HCB of PI and 3 times the HCB of other Insured</p> <p><u>If policy is issued on more than 2 lives-</u> Higher of - Rs. [10,000] p.a., and - The arithmetic sum of 6 times the HCB of PI and 3 times the HCB of each of the other Insureds</p> <p>ii) <u>For sub-standard lives</u> <u>If policy is issued on single life-</u> Higher of - Rs. [5,000] p.a., and - 9 times the Hospital Cash Benefit (HCB) of Principal Insured (PI)</p> <p><u>If policy is issued on 2 lives-</u> Higher of - Rs. [7,500] p.a., and - The arithmetic sum of 9 times the HCB of PI if PI is sub-standard (or 6 times HCB if PI is standard) and 5 times the HCB of other Insured if he/ she is sub-standard (or 3 times the HCB if he/ she is standard)</p> <p><u>If policy is issued on more than 2 lives-</u> Higher of - Rs. [10,000] p.a., and - The arithmetic sum of X times HCB of PI and Y times HCB of each of the other Insureds, where X and Y are as follows: If PI is standard, X = 6 If PI is sub-standard, X = 9 If other member/members is/are standard, Y = 3 If any of the member (other than PI) is sub-standard, Y = 5</p>
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	<p>This means that in case of coverage for more than one life total premium should be charged depending upon whether each of the members covered is standard or sub-standard.</p> <p>Annualized premiums shall be payable in multiples of Rs. 500 (i.e. premium to be rounded to the next 500).</p>
b) Maximum premium	No limit
c) Minimum entry age	Principal Insured and Insured Spouse - [18] years last birthday Insured Dependent Children – [3] months completed
d) Maximum entry age	Principal Insured and Insured Spouse - [55] years nearest birthday Insured Dependent Children – [17] years nearest birthday
e) Maximum Premium Ceasing Age	[65] years nearest birthday of PI

i. For Hospital Cash Benefit: (HCB)

Feature	Principal Insured (PI)	Insured Spouse (if any)	Insured Dependent Children (if any)
a) Minimum Initial Daily Benefit (in a ward other than Intensive Care Unit)	Rs. 250/-	Rs. 250/-	Rs. 250/-
b) Maximum initial daily amount	Rs. 2,500/-	Less than or equal to that of PI subject to a maximum of Rs. 1,500 per day.	Less than or equal to that of Insured Spouse (PI, if there is no Insured Spouse) subject to a maximum of Rs. 1,500 per day. Further, included children shall be covered for equal benefits.
c) Minimum entry age	[18] years last birthday	[18] years last birthday	3 mths (completed)
d) Maximum entry age	[55] years Nearest birthday	[55] years Nearest birthday	[17] years Nearest birthday
e) Maximum benefit ceasing age	75 years nearest birthday	75 years nearest birthday	25 years nearest birthday
f) Maximum annual benefit period	18 days in year 1 , 60 days per year thereafter, inclusive of stay in ICU. Max. no. of days in ICU is restricted to 9 days in year 1 and to 30 days thereafter.	18 days in year 1, 60 days per year thereafter, inclusive of stay in ICU. Max. no. of days in ICU is restricted to 9 days in year 1 and to 30 days thereafter.	18 days in year 1, 60 days per year thereafter, inclusive of stay in ICU. Max. no. of days in ICU is restricted to 9 days in year 1 and to 30 days thereafter.
g) Maximum Lifetime Benefit period	365 days	365 days	365 days (90 days until the child completes age 5 years)

Initial Hospital Cash Benefit shall be in multiples of Rs. 50/-.

ii. For Major Surgical Benefit (MSB)

Feature	Principal Insured (PI)	Insured Spouse (if any)	Insured Dependent Children (if any)
a) Sum Assured	200 times of Initial Daily benefit of HCB of PI	200 times of Initial Daily benefit of HCB of Insured Spouse	200 times of Initial Daily benefit of HCB of each child
b) Minimum age for commencement of cover	[18] years last birthday	[18] years last birthday	[18] years last birthday
c) Maximum benefit ceasing age	75 years nearest birthday	75 years nearest birthday	25 years nearest birthday
d) Maximum annual benefit	100% of Sum Assured	100% of Sum Assured	100% of Sum Assured
e) Maximum Lifetime Benefit	3 times the Sum Assured	3 times the Sum Assured	3 times the Sum Assured

iii. For Domiciliary Treatment Benefit (DTB)

This benefit shall be available only after atleast three years' premiums have been paid and subject to availability of sufficient amount in the Policy Fund.

Feature	For each Policy
a) Minimum amount allowed for each payment	Equal to the actual amount spent subject to a minimum of Rs. 2,500/-
b) Maximum amount allowed for each payment: <ul style="list-style-type: none"> • Before cessation of Hospital Cash Benefit and Major Surgical Benefit for all members covered under the policy • After cessation of Hospital Cash Benefit and Major Surgical Benefit for all members covered under the policy 	<p>Equal to actual amount spent subject to a maximum of 50% of Policy Fund provided the fund value after any such benefit payment does not fall below a minimum balance of one annualized premium.</p> <p>Equal to actual amount spent subject to a maximum of Policy Fund. If the balance in the Policy Fund is less than Rs. 2,500/-, then the payment of entire amount shall be made in one lump sum only.</p>
c) Maximum number of payments per policy allowed during each policy year	2 times
d) Benefit ceasing age	<ul style="list-style-type: none"> i. Till the fund exhausts or death of all insured members, whichever is earlier. ii. For dependent children, at the earliest of the following - <ul style="list-style-type: none"> - on policy anniversary on which the child reaches 25 years of age nearest birthday - on death - on exhaustion of funds

12. ADDITIONAL FEATURES:

- a) **Increase in premium:** Increase in premiums shall be allowed under the plan if a request is received from the PI in writing. There will not be any increase in benefit amounts under Hospital cash Benefit and Major Surgical Benefit. The increase in premium shall be in multiples of Rs. 500/-.
- b) **Cover to new additional members:** If the PI gets married/remarried during the premium paying term, the spouse can be included in the policy within one year from the date of marriage/ remarriage on payment of enhanced premium if required, as per minimum premium requirement of Para 11 but the cover shall start from the policy anniversary coinciding with or next immediate policy anniversary date following the date of inclusion.

Any child born/legally adopted after taking the policy can be covered from the next immediate policy anniversary date following the date on which the child completes the age of 3 months. If the age of legally adopted child on the date of adoption is more than 3 months, the child can be covered from policy anniversary coinciding with or next following the date of adoption. There will be no limit on the number of children to be covered under a policy.

The deduction of charges, waiting period etc. shall also be made from such policy anniversary.

Addition of members in any other case will not be allowed. The existing spouse and dependent children, if eligible for inclusion and not covered at the time of taking policy, shall not be covered under the policy in future. However, those existing spouse/ children not eligible for inclusion as on the date of commencement of policy can be included from the first anniversary of the policy.

For each additional Insured life covered, the condition of minimum premium and benefits should be satisfied as mentioned in Para 11 and 11 i. respectively. In case of any addition of a member after the inception of policy the maximum allowable HCB cover in respect of that new additional Insured life will be equal to Initial Daily Benefit of PI subject to a maximum of Rs 1,500/- and not the Applicable Daily Benefit of PI at that time.

If the original instalment premium is less than the minimum required premium as mentioned in Para 11 (due to the addition of new member(s)), then instalment premium needs to be increased on inclusion of the member, for eligibility of the cover. Thereafter, further instalment premiums shall be payable at increased rate on the original due dates of premium payment under the policy.

Any addition of new lives shall be allowed by the PI only. After the death of PI, no addition will be allowed.

- c) **Reduction in premium paid:** Reduction in premium may be allowed under the policy subject to the minimum premium and benefit limits mentioned in Para 11 and 11.i. respectively. However, there would be no change to the benefit amounts provided to PI and other insured lives as a result of such reduction in premiums.
- d) **Premium Holidays:** If the policy lapses after payment of at least 3 years' premiums, at the time of revival of the policy, the PI may pay all due premiums in full. However, the PI may also choose to pay atleast the latest instalment premium due without interest and avail premium holidays for the period for which premiums have not been paid. The premium holidays can be availed only if the policy fund has a balance of at least one annualized premium at the time of revival.

13. MODES OF PREMIUM PAYMENT:

Premiums can be paid regularly either in yearly or half yearly or monthly (through ECS only) installments. The minimum Annualised Premium will be as mentioned in Para 11.

There will be no mode specific charges/ rebates.

14. COMMISSION PAYABLE TO AGENTS/ CORPORATE AGENTS/ BROKERS & DEVELOPMENT OFFICER'S CREDIT:

Commission to Agents & Corporate Agents:

- 10% of the total premium in the 1st year, 5% of the premiums received in subsequent years.
- There will be 40% bonus commission on the first year commission.

Commission to Brokers:

- 15% of the premium in the 1st year and 5% of the premium for subsequent years.
- No bonus commission shall be payable to brokers.

Development Officer's credit:

- Regular premium – 40% of FY premium.

15. CEIS REBATE:

No rebate on premium is allowed to Corporation Employees.

However, for Corporation Employees, the allocation rate will be 90% of first year premium and 100% thereafter.

All other charges shall be as mentioned in para 3 (ii) to 3 (iv).

16. LOANS:

No loan shall be granted under this plan.

17. UNDERWRITING:

Instructions will be issued separately by Underwriting and Reinsurance Department.

18. DAYS OF GRACE:

A grace period of one calendar month but not less than 30 days will be allowed for payment of yearly or half-yearly premiums and 15 days will be allowed if premiums are payable monthly (ECS). If the due premiums are not paid within the days of grace the policy will lapse. The provisions of para 8 (i.e. Discontinuance of Premiums) of this circular shall be applicable in that case.

19. REVIVALS / REINSTATEMENT:

If due premiums have not been paid, the charges for Daily Hospital Cash Benefit and Major Surgical Benefit along with other charges will continue to be deducted till

- i. the Policy Fund has sufficient balance, or
- ii. the lives covered reach the benefit ceasing age, or
- iii. the benefits are terminated as conditions mentioned in Para 6.a and 6.b, or
- iv. the policy is terminated due to death or other reasons, if any, whichever is earlier.

The policy can be revived anytime during a period of two years from the due date of first unpaid

premium called the “period of revival” or “revival period”.

If the fund value is sufficient to recover the charges during the revival period, the policy can be revived by payment of all the arrears of premium without interest. No proof of continued insurability is required in that case.

If at least 3 years’ premiums have been paid, at the time of revival of the policy, the PI may pay all due premiums in full without interest or may avail premium holiday as mentioned under Para 12.d.

If the policy fund is insufficient to recover the charges during the revival period the Hospital cash and Major Surgical Benefit covers shall discontinue and the policy will be compulsorily terminated. Such a policy may be reinstated within the remaining revival period on submission of proof of continued insurability to the satisfaction of the Corporation by the payment of all the arrears of premium without interest. Corporation in that case reserves the right to accept the revival at its own terms or decline the revival of a lapsed policy. The revival of such lapsed policy shall take effect only after the same is approved by the Corporation and is specifically communicated in writing to the Proposer.

Reinstatement of compulsorily terminated policy will not be allowed after the period of revival.

20. COOLING-OFF PERIOD:

If a policyholder is not satisfied with the “Terms and Conditions” of the policy, he/she may return the policy to the Corporation within 15 days from the date of receipt of the policy. This period will be termed as Cooling-Off Period. The amount to be refunded in case the policy is returned within the cooling-off period shall be determined as under:

Value of units in the Policy Fund

Plus unallocated premium.

Plus Policy Administration charge deducted

Less charges @ Rs.0.20%o Sum Assured

Less Actual cost of medical examination and special reports, if any.

In case the policy is returned during the cooling-off period, Commission shall be recovered from the concerned Agent and the Development Officer’s credit allowed shall be withdrawn.

21. BACK DATING:

Back dating of policy will not be allowed.

22. POLICY STAMPING:

Policy Stamping will be at the rate of Rs.0.20 per thousand of total Major Surgical Benefit Sum Assured (i.e. sum of Major Surgical Benefit Sum Assured in respect of all the members insured(including PI) at inception.

Any addition of member thereafter shall be by way of endorsement for which stamping shall be done additionally.

23. ASSIGNMENTS / NOMINATION:

No Assignment will be allowed under this plan.

Notice for Nomination or change of Nominations should be submitted for registration to the office of the Corporation, where this policy is serviced. In registering a nomination, the Corporation does not accept any responsibility or express any opinion as to its validity or legal effect.

24. NORMAL REQUIREMENTS FOR CLAIM:

Regarding claims, the instructions shall be issued by Health Insurance Department, Central Office, separately.

25. REINSURANCE:

A separate treaty has been arranged for this plan. Our retention limits are as below:

Hospital Cash Benefit:

Rs. 500 Daily Cash Benefit

Major Surgical Benefit:

Rs. 100,000 Sum Assured

Risks over and above the above retention limits shall be shared equally between LIC (i.e. 50%) and reinsurers (50%).

26. ACCOUNTING OF INCOME AND OUTGO

Instructions regarding the accounting procedure to be followed under the plan shall be issued separately by Finance & Accounts Department, Central office.

27. UNIT STATEMENT:

Unit statement account shall form a part of the policy document.

Further, Unit statement will be issued on every policy anniversary and also as and when a transaction takes place.

28. PROPOSAL FORM:

The existing stock of Proposal Form applicable to LIC's Health Plus (Table No. 901) may be used for this plan with the following modifications to be incorporated using a rubber stamp:

- i) Name of the plan to be changed to "LIC's Health Protection Plus (Plan 902)" on the top of the proposal form, Annexure I, II, Photo Addendum (HI/PPL/1/a) and Addendum for Bank Details (HI/PPL/1/b) to be enclosed with the proposal form.
- ii) Name of the fund in Item H to be changed to "Health Protection Plus Fund"

The previous health insurance details in respect of all the lives covered is also required to be enclosed along with the proposal form as per the **Annexure IV** enclosed.

29. POLICY DOCUMENT:

The specimen Policy document will be sent by the Corporate Communications Department, Central Office.

SECRETARY IN-CHARGE (ACTUARIAL)

Enclosures – Annexure I
 Annexure II
 Annexure III
 Annexure IV