FEATURES:

"IN THIS POLICY, THE INVESTMENT RISK IN INVESTMENT PORTFOLIO IS BORNE BY THE POLICYHOLDER"

LIC's Child Fortune Plus is a unit linked plan which offers you a solution to meet your child's educational and other needs. You can insure yourself under this plan if you are the parent of a child upto the age of 17 years last birthday in case of single premium policies and age of 10 years last birthday in case of regular premium policies. The child named under the policy shall be the nominee. There will not be any insurance coverage on the life of the child, but the policy will be allowed based on the age of the child. The policy will continue till the child attains the age of 25 years last birthday or till you (life assured) attain the age of 75 years nearest birthday, whichever is earlier.

You can pay the premiums either in lump sum (single premium) or regularly throughout policy term. The death benefit under the policy shall be the Sum Assured. You can choose the level of cover (Sum Assured) within the limits, which will depend on whether the policy is a Single premium or Regular premium contract, your age and the amount of premium you agree to pay. In addition, for regular premium policies, in case of death of the life assured during the term of the policy, the plan also provides for waiver of all future premiums including outstanding premiums, if any, provided life cover is in force.

You will also have an option to make additional investments under the policy through Top-up premiums.

Four types of investment Funds are offered. Premiums paid after allocation charge will purchase units of the Fund type chosen. The Unit Fund is subject to various charges and value of units may increase or decrease, depending on the Net Asset Value (NAV).

1. Payment of Premiums: You may pay premiums regularly at yearly, half-yearly, quarterly or monthly (through ECS mode only) intervals over the term of the policy. Alternatively, a Single premium can be paid .

2. Eligibility Conditions and Other Restrictions:

(a) Minimum Age at entry for Life Assured - 18 years (age last birthday)
(b) Maximum Age at entry for Life Assured - 55 years (age nearer birthday)
(c) Minimum Age at entry for child - 0 years (age last birthday)
(d) Maximum Age at entry for child -
Regular premium: [10] last birthday
Single premium: [17] last birthday

(e) Maximum Maturity Age - [25] last birthday of child or [75] nearest birthday of life assured, whichever is earlier
(f) Policy Term - (25 – age last birthday at entry of life assured's child) or (75 - age nearest birthday at entry of life assured), whichever is lower
(g) Minimum Premium –
Regular Premium Policies (other than monthly (ECS) mode): Rs. [10,000] p.a
Regular premium (for monthly (ECS) mode): Rs. [1,000] p.m

Single Premium Policies: Rs. [40,000] p.a.
(h) Sum Assured -
Single Premium :
Minimum Sum assured : 1.25 times the single premium.
Maximum Sum assured :
5 times of the single premium if age at entry is upto 35 years
2.5 times of the single premium if age at entry is from 36 to 45 years
1.25 times of the single premium if age at entry is 46 years and above

Regular Premium :
Minimum Sum assured : 5 times the annualised premium.
Maximum Sum assured :
25 times of the annualized premium if age at entry is upto 45 years
15 times of the annualized premium if age at entry is 46 years and above

Where the minimum Sum Assured is not in the multiples of Rs. 5,000, it will be rounded off to the next multiple of Rs. 5,000. Annualized Premiums shall be payable in multiple of Rs. 1,000 for other than ECS monthly. For monthly (ECS), the premium shall in multiples of Rs. 250/-.

3. Other Features:

- **Top-up (Additional Premium):** You can pay Top-up premium in multiples of Rs.1,000/- at anytime during the term of the policy without increasing the sum assured. In case of yearly, half-yearly, quarterly or monthly (ECS) mode of premium payment such Top-up can be paid only if all due premiums have been paid under the policy. At any point of time, the total of top-up premiums payable cannot exceed 25% of total amount of regular premiums paid up to that date or single premium paid.

- **Partial Withdrawals:** Youmay encash the units partially after the third policy anniversary subject to the following:

1. Partial withdrawals may be in the form of fixed amount or in the form of fixed number of units.
2. Under regular premium policies where premiums have been paid for less than 3 years' and further premiums are not paid, the partial withdrawal shall not be allowed.
3. Under regular premium policies where atleast 3 years' premiums have been paid, partial withdrawal will be allowed subject to a minimum balance of two annualized premiums in the Policyholder's Fund Value.
4. Under Single Premium policies, the partial withdrawal will be allowed subject to a minimum balance of Rs. 5000/- in the Policyholder's Fund or 10% of single premium, whichever is higher.
5. Partial withdrawal from Policyholder's Fund pertaining to top-up premiums shall be allowed only after completion of three years from the date of allocation of that top-up premium. This condition will not apply if the top-up premiums are paid during the last three years of the policy term.

6. After the death of life assured during the policy term, partial withdrawal may be made by the child named in the policy if he/she is major i.e. after completion of 18 years of age or by the appointee if the child is a minor subject to an undertaking by the appointee that the withdrawal is solely for the benefit of the named child.

- **Switching:** You can switch between any fund types for the entire Fund Value during the policy term. Within a given policy year, 4 switches will be allowed free of charge. Subsequent switches shall be subject to a switching charge of Rs.100 per switch.

- **Increase / Decrease of risk covers:** No increase of covers will be allowed under the plan. You can, however, decrease any or all of the risk covers within the specified limit once in a year during the Policy term, provided all the premiums due under the Policy have been paid. The reduced levels of cover will be available within the limits specified in para 3 above. Further, once the risk cover has been reduced, the same cannot be subsequently increased/ restored.

- **Option to continue the cover after the revival period**: If atleast three years' premiums have been paid under the policy, you may opt for continuation of cover even beyond the revival period without reviving the policy and paying any further premiums. This option shall be required to be exercised atleast one month before the completion of the revival period. If this option is availed, the cover under the policy shall continue by deduction of relevant charges out of policy fund. This option shall be continued till the Policyholder's Fund Value reaches one annualized premium. No further premiums shall be allowed to be paid after the revival period is over.

- **Discontinuance of premiums**: If premiums are payable either yearly, half-yearly, quarterly or monthly (ECS) and the same have not been duly paid within the days of grace under the Policy, the Policy will lapse. A lapsed policy can be revived during the period of two years from the due date of first unpaid premium.

I) Where atleast 3 years' premiums have been paid, and the policy lapses, the Life Cover and Premium Waiver Benefit cover shall continue during the revival period.

During this period, the mortality charges shall be taken, as usual, in addition to other charges, by cancelling an appropriate number of units out of the Policyholder's Fund Value every month. This will continue to provide relevant risk covers for :

1. two years from the due date of first unpaid premium, or
2. till the date of maturity, or
3. till such period that the Policyholder's Fund Value reduces to one annualized premium,

whichever is earlier.

Further, the life assured may opt for continuation of cover even beyond the revival period without reviving the policy. This option shall be required to be exercised atleast one month before the completion of the revival period. If this option is availed, the life cover and cover for waiver of premiums under the policy shall continue by deduction of relevant charges out of policy fund. This option shall continue till the Policyholder's Fund Value reaches one annualized premium. No further premiums shall be allowed to be paid after the revival period is over.

The benefits payable under the policy in different contingencies during the abovesaid period shall be as under:

A) In case of death of Life Assured, if the child is alive: Sum Assured shall be paid to the nominee and payment of all future premiums due under the policy (in case of regular premium policies) shall be waived. Units equivalent to an amount equal to all future premiums including outstanding premiums, if any, (i.e. sum total of all premiums payable under the policy – total premiums paid under the policy) shall be credited to the policyholder's fund. The units shall be allocated at the unit price applicable for the fund type opted for under the policy on the date of notification of death. The policy shall continue.

B) In case of death of the Life Assured, after the death of the child: Sum Assured plus Policyholder's Fund Value together with an amount equal to all future premiums including outstanding premiums, if any, (i.e. sum total of all premiums payable under the policy – total premiums paid under the policy) shall be payable to the nominee/ legal heir, as the case may be, at that time and the policy shall terminate.

C) In case of death of child before life assured's death: The policy will continue till maturity or till the life assured survives, which ever is earlier.

D) In case of death of child after life assured's death: An amount equal to the Fund Value of units shall be payable to the legal heir of life assured and the policy shall terminate.

E) On maturity: The Policyholder's Fund Value.

F) In case of Surrender (including Compulsory Surrender): The Policyholder's Fund Value. The Surrender value, however, shall be paid only after the completion of 3 policy years.

G) In case of Partial Withdrawals: Partial withdrawals shall be allowed subject to a minimum balance of two annualized premiums in the Policyholder's Fund Value.

II) Where at least 3 years' premiums are not paid, and the policy lapses, the Life Cover and Premium Waiver Benefit cover shall cease and no charges for these benefits shall be deducted. However, deduction of all the other charges shall continue. The benefits under such a lapsed policy shall be payable as under:

H) In case of Death of Life Assured: The Policyholder's Fund Value.

I) In case of Surrender (including Compulsory Surrender): Policyholder's Fund Value / monetary value of units, as the case may be, shall be payable after the completion of the third policy anniversary. No amount shall be payable within 3 years from the date of commencement of policy.

J) In case of Partial withdrawal: Partial Withdrawals shall not be allowed under such a policy even after completion of 3 years period.

- **<u>Revival</u>:** If due premium is not paid within the days of grace, the policy lapses. A lapsed policy can be revived during the period of two years from the due date of first unpaid premium or before maturity, whichever is earlier. The period during which the policy can be revived will be called "Period of revival" or "revival period".

If premiums have not been paid for atleast 3 full years, the policy may be revived within two years from the due date of first unpaid premium. The revival shall be made on submission of proof of continued insurability to the satisfaction of the Corporation and the payment of all the arrears of premium without interest.

If atleast 3 full years' premiums have been paid and subsequent premiums are not paid, the policy may be revived within two years from the due date of first unpaid premium but before the date of maturity, if earlier. No proof of continued insurability shall be required and all arrears of premium without interest shall be required to be paid.

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

Irrespective of what is stated above, if less than 3 years' premiums have been paid and the Policyholder's Fund Value is not sufficient to recover the charges, the policy shall terminate and thereafter revival will not be entertained. If 3 years' or more than 3 years' premiums have been paid and the Policyholder's Fund Value reduces to one annualized premium, the policy shall terminate and Policyholder's Fund Value as on such date shall be refunded to the Policyholder and thereafter revival will not be allowed.

- **<u>Settlement Option</u>:** When the policy comes for maturity, the life assured, if he/she is alive, otherwise the child named in the policy, may exercise "Settlement Option" and may receive the policy money in instalments spread over a period of not more than five years from the date of maturity. There shall not be any life cover during this period. The value of instalment payable on the date specified shall be subject to investment risk i.e. the NAV may go up or down depending upon the performance of the fund.

4. Reinstatement:
A policy once surrendered cannot be reinstated.

5. Risks borne by the Policyholder:

a. LIC's Child Fortune Plus is a Unit Linked Life Insurance products which is different from the traditional insurance products and are subject to the risk factors.

b. The premium paid in Unit Linked Life Insurance policies are subject to investment risks associated with capital markets and the NAVs of the units may go up or down based on the performance of fund and factors influencing the capital market and the policyholder is responsible for his/her decisions.

c. Life Insurance Corporation of India is only the name of the Insurance Company and LIC's Child Fortune Plus is only the name of the unit linked life insurance contract and does not in any way indicate the quality of the contract, its future prospects or returns.

d. Please know the associated risks and the applicable charges, from your Insurance agent or the Intermediary or policy document of the insurer.

e. The various funds offered under this contract are the names of the funds and do not in any way indicate the quality of these plans, their future prospects and returns.

f. All benefits under the policy are also subject to the Tax Laws and other financial enactments as they exist from time to time.

6. Cooling off period:
If you are not satisfied with the "Terms and Conditions" of the policy, you may return the policy to us within 15 days. 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 Policyholder's Fund
Plus unallocated premium.
Plus PolicyAdministration charge deducted
Less charges @ Rs.0.20per thousand Sum Assured under Basic plan
Less Actual cost of medical examination and special reports, if any.

7. Loan:
No loan will be available under this plan.

8. Assignment:
No assignment will be allowed under this plan.

9. Exclusions:
In case the Life Assured commits suicide at any time within one year, the Corporation will not entertain any claim by virtue of the policy except to the extent of the Policyholder's Fund Value on death.

BENEFITS:

A) Death Benefit:

<u>On death of Life Assured, if the child is alive:</u>

The nominee child shall get the Sum Assured.

Also, in case of regular premium policy, when the cover is in full force, payment of all future premiums due under the policy including outstanding premiums, if any, shall be waived. Units equivalent to an amount equal to all future premiums including outstanding premiums, if any, (i.e. sum total of all premiums payable under the policy – total premiums paid under the policy) shall be credited to the policyholder's fund. The units shall be allocated at the unit price applicable for the fund type opted for under the policy on the date of notification of death. The policy shall continue.

<u>On death of the Life Assured, after the death of the child:</u>

Sum Assured plus Policyholder's Fund Value together with an amount equal to all future premiums including outstanding premiums, if any, (i.e. sum total of all premiums payable under the policy – total premiums paid under the policy) shall be payable to the nominee/ legal heir, as the case may be, at that time and the policy shall terminate.

<u>On death of child before life assured's death:</u>

The policy will continue till maturity or till the life assured survives, which ever is earlier.

<u>On death of child after life assured's death:</u>

An amount equal to the Fund Value of units shall be payable to the legal heir of life assured and the policy shall terminate.

B) Maturity Benefit:

On the Life Assured or child surviving the maturity date of the contract, an amount equal to the Policyholder's Fund Value is payable.

1. Investment of Funds: The premiums allocated to purchase units will be strictly invested according to the investment pattern committed in various fund types. Various types of fund and their investment pattern will be as under:

Fund Type	Investment in Government / Government Guaranteed Securities / Corporate Debt	Short-term investments such as money market instruments	Investment in Listed Equity Shares	Details and objective of the fund for risk /return
Bond Fund	Not less than 60%	Not more than 40%	Nil	Low risk
Secured Fund	Not less than 45%	Not more than 40%	Not less than 15% & Not more than	Steady Income –Lower to Medium risk

			55%	
Balanced Fund	Not less than 30%	Not more than 40%	Not less than 30% & Not more than 70%	Balanced Income and growth – Medium risk
Growth Fund	Not less than 20%	Not more than 40%	Not less than 40% & Not more than 80%	Long term Capital growth – High risk

The Policyholder has the option to choose any ONE of the above 4 funds.

2. Method of Calculation of Unit price: Units will be allotted based on the Net Asset Value (NAV) of the respective fund as on the date of allotment. There is no Bid-Offer spread (the Bid price and Offer price of units will both 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 under each fund type and shall be calculated as under:

Appropriation price is applied (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 is applied (when fund is contracting):
Market value of investment held by the fund less the expenses incurred in the sale of 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 redeemed).

Applicability of Net Asset Value (NAV) :
The premiums received up to a particular time (presently 3 p.m.) by the servicing branch of 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 such time by the servicing branch of 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.

Similarly, in respect of the valid applications received for surrender, partial withdrawal, death claim, switches etc up to such time by the servicing branch of the Corporation closing NAV of that day shall be applicable. For the valid applications received in respect of surrender, partial withdrawal, death claim, switches etc after such time by the servicing branch of the Corporation the closing NAV of the next business day shall be applicable

In respect of maturity claim, NAV of the date of maturity shall be applicable.

The timing given is as per the existing guidelines and changes in this regard shall be as per the instructions from IRDA.

3. Charges under the Plan:
A) <u>Premium Allocation Charge</u>: This is the percentage of the premium deducted towards charges from the premium received. The balance constitutes that part of the premium which is utilized to purchase (Investment) units for the policy. The allocation charges are as below:

Single premium:

Premium Band	**Allocation Charge**
Up to 10,00,000	4.25%
10,00,001 and above	4.00%

Regular Premium

Premium Band (per annum)	**Allocation Charge**		
	First year	**2nd & 3rd year**	**thereafter**
10,000 to 1,00,000	29.00%	5.00%	2.50%
1,00,001 to 1,50,000	28.50%	5.00%	2.50%
1,50,001 to 2,00,000	28.00%	5.00%	2.50%
2,00,001 and above	27.50%	5.00%	2.50%

Allocation charge for Top-up: 1.25%

B) <u>Charges for Risk Covers</u>:
i) <u>Mortality Charge</u> – This is the cost of life insurance cover and, in case of regular premium contract, also the charge to cover the cost of waiver of future premiums including outstanding premiums, if any, on the death of life assured. This charge is age specific and will be taken every month till the life assured is alive.
The charges per Rs. 1000/- cover (sum of life cover and cover for waiver of future premiums including outstanding premiums, if any) for some of the ages in respect of a healthy life are as under:

Age	25	35	45	55
Rs.	1.42	1.73	3.89	10.76

C) <u>Other Charges</u>: The following charges shall be deducted during the term of the policy irrespective of whether life assured is alive or not:

1. <u>Policy Administration charge</u> - Rs. 60/- per month during the first policy year, Rs 20/- per month during the second year and thereafter, from the third year on wards till the end of the policy term Rs. 20/- per month escalating at 3% p.a. shall be levied.

2. <u>Fund Management Charge</u> –It is a charge levied as a percentage of the value of units at following rates:

0.50% p.a. of Unit Fund for "Bond" Fund
0.60% p.a. of Unit Fund for "Secured" Fund
0.70% p.a. of Unit Fund for "Balanced" Fund
0.80% p.a. of Unit Fund for "Growth" Fund

3. <u>Switching Charge</u> – This is a charge levied on switching of monies from one fund to another. Within a given policy year 4 switches will be allowed free of charge. Subsequent switches in that year shall be subject to a switching charge of Rs. 100 per switch.

4. <u>Bid/Offer Spread</u> – Nil.

5. <u>Surrender Charge</u> – Nil.

6. <u>Miscellaneous Charge</u> – This is a charge levied for an alteration within the contract, such as change in premium mode, etc. An alteration may be allowed subject to a charge of Rs. 50/-.

7. <u>Service Tax Charge</u> – A service tax charge, if any, shall be levied on the following charges

a) Policy Administration charge, Mortality charge (sum of life cover and cover for waiver of future premiums including outstanding premiums, if any,) 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 Mortality charges are deducted.
b) Premium allocation charge- at the time of allocation of premium.
c) Fund Management charge– at the time of deduction of Fund Management Charge.
d) Switching charge - at the time of effecting switch
e) Alteration (as provided under Miscellaneous charge) - on the date of alteration in the policy.
The level of this charge will be as per the rate of service tax as applicable from time to time. Presently, the rate of Service Tax is 12% with an educational cess at the rate of 3% thereon and hence effective rate is 12.36%.

D) <u>Right to revise charges</u>: The Corporation reserves the right to revise all or any of the above charges except the Premium Allocation charge and Mortality charge. The modification in charges will be done with prospective effect with the prior approval of IRDA.

Although the charges are reviewable, they will be subject to the following maximum limit exclusive of service tax:

- Policy Administration Charge

Rs. 150/- per month during the first policy year, Rs. 50/- per month during the second year and thereafter, from the third year on wards till the end of the policy term Rs. 50/- per month escalating at 3% p.a.
- Fund Management Charge: The Maximum for each Fund will be as follows:

1. Bond Fund: 1.00% p.a. of Unit Fund
2. Secured Fund: 1.10% p.a. of Unit Fund
3. Balanced Fund: 1.20% p.a. of Unit Fund
4. Growth Fund: 1.30% p.a. of Unit Fund

- Switching Charge shall not exceed Rs. 200/- per switch.
- Miscellaneous Charge shall not exceed Rs. 100/- each time when an alteration is requested.

In case the policyholder does not agree with the revision of charges the policyholder shall have the option to terminate the contract and withdraw the Policyholder's Fund Value.

4. Surrender:

The Surrender value, if any, is payable only after completion of the third policy anniversary both under Single and Regular Premium contracts. The surrender value will be the Policyholder's Fund Value at the date of surrender. There will be no Surrender charge.

The policy can be surrendered by Life Assured. After the death of Life Assured during the policy term, the policy can be surrendered by the nominee (the child named under the policy) if he/she is major or by the appointee (in case the nominee is a minor) subject to an undertaking given by the appointee that the policy is surrendered solely for the benefit of minor child named in the policy.

If you apply for surrender of the policy within 3 years from the date of commencement of policy, then the Policyholder's fund value shall be converted into monetary terms. No charges shall be made thereafter and this monetary amount shall be paid on completion of 3 years from the date of commencement of policy.

In case of death of the policyholder after the date of surrender but before the completion of 3 years from the date of commencement of policy the monetary value payable on completion of 3 years shall be payable to the nominee/ legal heir of life assured on the date of notification of death.

Compulsory Surrender:
The policy shall be surrendered compulsorily in following cases:
i) where the policy is not revived during the period of revival or the life assured has not opted for continuing the cover after the revival period (where atleast 3 years premium have been paid),

the policy shall be terminated after completion of 3 years from the date of commencement of the policy or on expiry of revival period, whichever is later. However, if the date of maturity falls before the expiry of revival period, then the policy shall be terminated on the date of maturity.
ii) in case of single premium policy or regular premium policy where premiums have been paid for less than 3 years and the balance in policyholder's fund value is not sufficient to recover the relevant charges;
iii) in case of regular premium policy where premiums have been paid for at least 3 years and the balance in policyholder's fund value falls below a minimum balance of one annualized premium.

Policyholder's Fund Value shall be converted into monetary value as under:

The NAV on the date of application for surrender or on the date when revival period is over (in case of compulsory surrender), as the case may be, multiplied by the number of units in the Policyholder's Fund as on that date will be the monetary amount.