



# Save, Secure and Prosper

IndiaFirst Simple Benefit Plan

A Joint Venture of



## Before you start reading

### Important Note

IndiaFirst Simple Benefit Plan is referred to as the Plan throughout the brochure.

### How will this brochure help you?

This brochure gives you details of how the plan works throughout its lifetime. It's an important document to refer to.

### To help your understanding

We've done our best to explain everything as simply as possible; however you're likely to come across some terms you're unfamiliar with. Where possible, we've explained these.

We have used plain language that's easy to understand and believe this brochure is a good place to start when considering a life insurance investment.

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## Introduction

### Save, Secure and Prosper

Whether it's our family or our investments we all look for security. Uncertainties of life make it difficult to guarantee that life turns out the way we have planned. It's important that you are not only saving smart but also securing your family against uncertainties of life.

Understanding this need, we bring you the IndiaFirst Simple Benefit Plan that provides you with dual benefits of a life cover and assured savings!

The plan promises to pay out a guaranteed amount plus additional earnings from bonuses on specific events like death or maturity.

All you need to do is save regularly and leave the rest to us.

### Executive Summary

#### Key Features

- Build your savings systematically, through regular premium contributions based on your income and needs
- Plan your future needs, by deciding when you need the assured amount - anytime between 10 to 20 years
- Choose your premium paying mode and premium amount from as low as ₹ 174 per month based on your income and needs
- The plan offers a death benefit equal to the sum assured plus 5 times the annual premium, in case of the life assured's untimely demise. The death benefit along with the simple reversionary bonus accumulated (till death) will be paid out to the nominee
- The sum assured along with simple reversionary bonus and terminal bonus, if any will be paid at the end of the plan term
- Access your money easily during any emergency by availing a loan of up to 90 percent of the surrender value
- Enjoy tax benefits on the premium you invest under Section 80C and maturity benefits under Section 10(10D), as per the Income Tax Act, 1961

#### Risk Factors

- The simple reversionary bonus to be declared every financial year end depends upon the surplus generated under this and similar kind of product
- The bonus rate may vary from time to time

### 1. What is the IndiaFirst Simple Benefit Plan?

IndiaFirst Simple Benefit Plan is a simple, non linked, participating savings plan with a low annualized premium. The plan offers protection as well as an opportunity to save for the future through safe investments. Under this plan, you can choose the premium you are willing to contribute regularly and your sum assured will be determined based on your age, term of the plan and per thousand premium. We suggest you make sure this amount is what your family needs to avoid cash flow problems in an unfortunate event of the Life Assured's demise.

### 2. What is the term of the plan?

This is a regular premium plan with the option of choosing a 10 to 20 year plan term.

### 3. Who are the people involved in the plan?

This plan may include the 'Life Assured', the 'Policyholder', the 'Nominee' and the 'Appointee'.

#### Who is a Life Assured?

Life assured is the person, on whose life the plan depends. On the life assured's death, the benefit is paid and the plan ends. Any Indian citizen can be the life assured, as long as -

Minimum age at the time of applying for the plan	18 years as on the last birthday
Maximum age at the time of applying for the plan	60 years as on the last birthday
Maximum age at end of the plan term	70 years as on the last birthday

## Who is a Policyholder?

A policyholder is the person who holds the plan. The policyholder may or may not be the life assured. In case the life assured is a minor, the policyholder will be either of the parents. You must be at least 18 years as on your last birthday at the time of applying for the plan to be a policyholder.

## Who is a Nominee?

A nominee is the person who receives the death benefit in case of the life assured's death. The nominee is appointed by you, the policyholder. The nominee can even be a minor (i.e. below 18 years of age).

## Who is an Appointee?

An appointee is the person whom you may nominate at the time of applying for the plan in case your nominee is a minor. The appointee takes care of the plan in your absence.

## 4. What are the premium paying modes available?

You can pay your premium monthly, six monthly or yearly.

## 5. How much can you invest?

Premium Paying Mode	Minimum Premium
Monthly	₹ 174
Six monthly	₹ 1,024
Yearly	₹ 2,000

The Company offers a rebate of 1% on annualized premium of more than ₹ 20,000. The following premium frequency factors for monthly and six monthly plans will apply on annual premiums.

Premium Frequency	Factor To Be Applied To Yearly Premium
Monthly	0.0870
Six monthly	0.5119

## 6. What is the life cover under this plan?

The life cover is equal to -

- Sum Assured opted under the plan
- Plus: 5 times the annualized premium

You can choose the sum assured as per your requirements. The sum assured limits are -

Minimum Sum Assured	₹ 20,000
Maximum Sum Assured	₹ 20,00,00,000

The Sum Assured will depend on the Life Assured's age, plan term and per 1000 premium paid. It can be determined from the table given below.

To ensure that you have understood the plan correctly, we will also provide a table from where you can deduce the sum assured based on your age, term, and per thousand premium payable by you. The table will be similar to the below mentioned table.

### Example:

Life Assured's Age: 37 years

Term of the Plan: 10 years

Premium Amount: ₹ 10,000 per annum

Age/ Premium Amount	₹ 5000 p.a.	₹ 10000 p.a.	₹ 20000 p.a.
25 years	46,585	93,170	186,340
37 years	45,914	91,828	183,656
43 years	44,886	89,772	179,545
48 years	43,346	86,691	173,383
53 years	41,149	82,299	164,597
58 years	37,948	75,895	151,791

Hence the Life Assured will be eligible for -

1. Sum Assured of ₹ 91,828 for 10 years
2. Life Cover of ₹ 91,828 + ₹ 50,000 (5 x 10,000) = ₹ 1,41,828 in case of the Life Assured's unfortunate demise during the plan term.

## 7. What happens in case of the life assured's demise?

In case of the Life Assured's unfortunate demise a lump sum amount equal to the Sum Assured plus 5 times the annualized premium will be paid to the nominee. The life cover will always be greater than 105% of (Annualized Premium x Premium Paying Term). The lump sum amount will be further enhanced with the addition of the simple reversionary bonus till death (if any).

### Example :

Life Assured's Age: 25 years

Plan Term: 10 years

Annual Premium: ₹ 5,000

Guaranteed Death Benefit:

Sum Assured + 5 x Annualized Premium = ₹ 46,585 + (5 x 5000) = ₹ 71,585 along with the simple reversionary bonus till death (if any)

## 8. What do you receive at the end of the plan term?

The sum assured along with the simple reversionary bonus and terminal bonus, if any, is paid at the end of the plan term. The simple reversionary bonus, if any will be announced by the company at the end of the financial year. The rate of the simple reversionary bonus may differ from time to time

### Example :

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## Lump Sum Amount payable at the end of the Plan Term:

₹1,86,340(Sum Assured) + Bonus (Simple Reversionary Bonus + Terminal Bonus, if any)

### What is a simple reversionary bonus?

A simple reversionary bonus, if any, is a percentage of the sum assured declared by us at the end of each financial year. The rate of bonus or percentage of the sum assured is not fixed and may change from time to time.

### What is a terminal bonus?

A terminal bonus may be announced by us at the end of the financial year. This bonus amount will be credited into the plan at the end of the plan term.

## 9. Tax benefits under this plan

Currently you are eligible for the below mentioned tax benefits. These are subject to change from time to time. However, you are advised to consult your tax consultant.

### Tax benefits on the premiums paid

You are eligible for tax deductions up to ₹ 1,00,000 on premiums paid under Section 80C of the Income Tax Act, 1961

### Tax benefits on the maturity amount and withdrawals

You can get full tax benefits on the maturity amount and the withdrawal amounts under Section 10(10D), of the Income Tax Act, 1961.

### Death benefits

Death benefits are tax free under section 10(10D) of the Income Tax Act, 1961.

## 10. Your options if you miss paying your premiums

### First three plan years

The plan does not acquire any value, if you stop paying your premium during the first three plan years.

We offer a two year revival period during which you can revive your plan. No benefits will be payable during this period.

#### Fourth plan year onwards

The plan acquires a guaranteed paid up value, if you stop paying your premiums after three full years. The paid up value under all options will be the proportional Sum Assured plus the accumulated bonus. We will pay the paid up value at the date of maturity or on death of the life assured before the maturity date. The plan stops participating in the profit once it becomes paid up.

The proportional Sum Assured is equal to –  
$$\frac{\text{Sum Assured} \times \text{No. of Premiums Paid}}{\text{Total Number of Premiums Payable}}$$

#### What are your options to revive the plan?

You may revive your plan within a specified period by –

- Simply paying the pending premium amount along with interest from the due date of first unpaid premium
- Begin the payment of premiums

You may revive your plan as long as you do it within two years from the due date of the first unpaid premium but before the maturity date. No benefits will be payable during this period other than the paid up value, if any, in the event of death. The revival is subject to satisfactory medical and financial underwriting. If you do not revive your plan by the end of the revival period and if you have paid your regular premiums for less than three years, then the plan does not acquire any paid up value and the plan terminates.

#### 11. Is there a grace period for missed premiums?

We provide you a grace period of 15 days for payment of all premiums under the monthly mode and a period of 30 days for payment of all premiums under the six monthly and yearly modes. This period starts from the due date of each premium payment. All your plan benefits continue during this grace period.

#### 12. Can you surrender your plan?

Yes. While we do not encourage you to surrender your plan, you may choose to surrender the same for immediate cash in case of an emergency any time after the payment of three full premiums.

The amount payable on surrender will be higher of the Guaranteed Surrender Value (GSV) and Special Surrender Value (SSV).

The GSV is –

30% of total premium paid

Less: i. First year premium

ii. Extra premium and rider premium, if any.

The SSV is

Paid up value X SSV factor at the time of surrender

The SSV factor will be determined by us from time to time.

#### 13. Is service tax applicable? If yes, who bears it?

Yes. The service tax will have to be borne by you, the policyholder.

#### 14. Can you cancel your plan under free look period?

Yes, you may cancel your plan if you disagree with any of the terms and conditions during the free look period i.e within the first 15 days from the receipt of your plan document. You can return the plan to us, while stating your specific objections.

#### Do you get any refund when you cancel your plan?

Yes. We will refund an amount equal to the –

Premium paid

Less: i. Proportionate risk premium for the time the plan was in force

ii. Any stamp duty paid

iii. Expenses incurred on medical examination, if any

## 15. Can you avail of a loan under this plan?

Yes, you may benefit from a loan facility under this plan.

The amount of the loan that you may avail at any point of time will depend on the surrender value. You may avail of a loan amount up to 90 percent of the available surrender value. The minimum loan amount should be ₹ 1,000. As and when the outstanding loan principal along with interest exceeds the surrender value, the plan will be compulsorily surrendered. Compulsory surrender will not be applicable to premium paying plans. The outstanding loan along with interest will be recovered from the surrender proceeds and the plan will terminate. In case of unfortunate demise of the life assured, maturity or surrender, any outstanding loan principal along with interest will be recovered before making the payout. Under current situation we would charge interest 10% p.a. but this rate will go up or down in line with expected returns on our with profit fund.

## 16. What happens in case the life assured commits suicide?

There will be no death benefit payable, if the life assured commits suicide within 12 months from the date of risk commencement. This is irrespective of whether the life assured, was sane or insane at the time of death.

If the life assured commits suicide within 12 months from the date of revival/ re-instatement, the benefit payable will be equal to the surrender value provided the premium has been paid for three full years.

## 17. You are prohibited from accepting rebate in any form

**Prohibition of Rebate: Section 41 of the Insurance Act, 1938 states**

- 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. Provided that acceptance by an insurance agent of commission in connection with a policy of life insurance taken out by himself on his own life shall not be deemed to be acceptance of a rebate of premium within the meaning of this sub section if at the time of such acceptance the insurance agent satisfies the prescribed conditions establishing that he is a bona fide insurance agent employed by the insurer.

- Any person making default in complying with the provisions of this section shall be punishable with a fine which may extend to five hundred rupees.

## 18. What happens in case of submission of information which is false or incorrect?

**Indisputability Clause: Section 45 of the Insurance Act, 1938 states**

- No policy of Life Insurance shall, after the expiry of two years from the date on which it was effected, be called in question by an Insurer on the ground that a statement made in the proposal for insurance or any report of a medical officer or referee or friend of the Insurer or in any other document leading to the issue of the Policy, was inaccurate or false, unless the insurer shows such statement was on material matter or suppressed facts which it was material to disclose and that it was fraudulently made by the policy holder and that the policy holder knew at the time of making it that the statement was false or that it suppressed facts which it was material to disclose. Provided that nothing in this section shall prevent the insurer from calling for proof of age at any time if he is entitled to do so, and no policy shall be deemed to be called in question merely because the terms and conditions of the policy are adjusted on subsequent proof that the age of the life assured was incorrectly stated in the proposal.

## 19. About IndiaFirst Life Insurance

IndiaFirst Life Insurance Company is a joint venture between Bank of Baroda, Andhra Bank and Legal and General (UK).

**Bank of Baroda** is one of the largest public sector banks in the country with an enviable network of over 3900 branches that spreads across the geography of India and over 70 branches across 25 countries globally. This behemoth financial institution is over 100 years old and has been built on financial prudence, corporate governance and most importantly - the trust of valuable customers like you.

**Andhra Bank** has been serving the Indian customer for over 89 years and currently has a network of over 1716 branches. The bank has developed best in class deposit and lending schemes for its valued customers.

Both the banks are nationalized and provide best in class products and services to every Indian citizen.

**Legal & General** is one of UK's leading financial institutions with a heritage of over 150 years. It provides life assurance, pensions, investments and general insurance plans to over 5.5 million customers across UK. It brings rich fund management and insurance experience to India.

To ensure you are comfortable with the plan, we have attached a table below which will allow you to calculate the Sum Assured based on the age of the Life Assured, plan term and per thousand premium that you wish to pay .

Note:

- The minimum Sum Assured offered under this plan is ₹ 20,000
- The minimum Premium offered under this plan is ₹ 2000 yearly

## Annexure 1:

The following table gives an example under IndiaFirst Simple Benefit Plan which shows the death and maturity benefits based on certain assumed simple bonus rates\* and below model point:

Age at entry: 37 years.

Plan Term: 15 years.

Annual Premium: ₹ 7,000

Calculated Sum Assured:  $(1,000/70.92) * 7,000 = ₹ 98,700$ .

Plan Year	Guaranteed Maturity Benefit (in ₹)	Guaranteed Death Benefit (in ₹)	Annual Premium (in ₹)	Assumed Bonus Rate @ 1% p.a.		Assumed Bonus Rate @ 3% p.a.		Assumed Bonus Rate @ 5% p.a.	
				Death Benefit (in ₹)	Maturity Benefit (in ₹)	Death Benefit (in ₹)	Maturity Benefit (in ₹)	Death Benefit (in ₹)	Maturity Benefit (in ₹)
1	-	133,700	7,000	134,687	-	136,661	-	138,635	-
5	-	133,700	7,000	138,635	-	148,505	-	158,375	-
10	-	133,700	7,000	143,570	-	163,310	-	183,050	-
15	98,700	133,700	7,000	148,505	113,505	178,115	143,115	207,725	172,725

\*\* Bonus rates are not guaranteed but the Sum Assured is guaranteed at death or maturity.

Disclaimer: Insurance is the subject matter of the solicitation. Bonus rate may vary from year to year depending upon the performance of the company. The Sales Brochure is consistent with the product features filed with the Authority. Tax benefits are subject to change in law from time to time. You are advised to consult your tax consultant.

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Registered and Corporate Office Address:  
IndiaFirst Life Insurance Company Ltd,  
301, 'B' Wing, The Qube, Infinity Park,  
Dindoshi-Film City Road, Malad (E),  
Mumbai - 400097.

Website: [www.indiafirstlife.com](http://www.indiafirstlife.com)

Registration No: 143

Toll Free No. 1800 209 8700

SMS <FIRST> to 5667735, SMS charges apply.

Advt. Ref. No.: SB0022

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