

RELIANCE

Life Insurance

Reliance  
Life Insurance  
Family Income  
Benefit Rider

# Reliance Life Insurance Family Income Benefit Rider

We often hear stories of people who die and leave financial problems for their families to settle. Sometimes it's these stories that make us stop and think. Who will take care of my family? What kind of choices will my family have without my income?

You therefore need to ascertain how much money you believe your family will need to live on comfortably after you die.

Also in the eventuality of a disability due to an accident or illness, which usually brings with it the strain of reduced income, increased expenses and drain of existing savings and investment, Reliance Life Insurance Family Income Benefit Rider would continue to pay the monthly income which you would have otherwise earned while in the best of your health.

**If protecting your family is your main priority, the Reliance Life Insurance Family Income Benefit Rider is a good way to go. The idea is that you are arranging for an adequate financial protection in an attempt to replace the monthly income you would have earned for your family members in the event of your passing.**

*Put your mind at ease about your own family's future by taking care of your insurance needs and buying an additional rider cover along with your life insurance policy.*

*Riders are special additions, that can be added at a nominal cost to your life insurance policy to enhance protection and security.*

## Key Features

- ▶ Get monthly income benefit and be independent, in the event of total and permanent disability
- ▶ Economical way to protect your family against financial liabilities
- ▶ Get monthly income @ 1% of rider sum assured every month on death or disability due to an accident or illness, to the end of the term or 10 years whichever is later
- ▶ Tax benefits u/s 80C & 10(D) of the Income Tax Act, 1961

## How does this Plan work?

Reliance Life Insurance Family Income Benefit rider is available on the life insured under the base policy, on payment of additional premium over and above the base policy premium.

The rider term will be less than or equal to the policy term of the base plan if taken at the outset with the base policy. The rider term will be less than or equal to the outstanding base policy term if taken subsequently at the policy anniversary of base plan subject to minimum of 5 years

The rider premium paying term will be less than or equal to the premium paying term of the base plan if taken at the outset with the base policy subject to the rider premium paying term options available. The rider premium paying term will be less than or equal to the outstanding base premium paying term subject to rider premium paying term options available, if taken subsequently at the policy anniversary of base plan.

- ▶ You pay rider premium every year during the premium paying term of the rider
- ▶ In the event of death or total and permanent disability due to accident or illness, your beneficiary will receive a monthly benefit of 1% of sum assured every month (i.e.12% per annum)
  - From the date of death till end of the rider policy term or
  - For a term of 10 years, whichever is later.
- ▶ The benefit on death before the end of policy term, is payable provided no previous claim due to total and permanent disablement is admitted under the Reliance Family Income Benefit Rider.
- ▶ When the base policy is lapsed, surrendered or forfeited the rider attached to the base policy will also terminate immediatelyBenefits

## Benefits

Event covered	Benefit payable, if occurs before maturity of the base policy
Death	The family receives a monthly income equal to 1% of the rider sum assured per month (i.e 12% p.a.). This monthly income is payable from the date of death or total and permanent disability up to the end of rider policy term OR for a term of 10 years, whichever is later
Total and Permanent disability (TPD) on account of accident or illness	

### Note:

- ▶ Total and permanent disablement is defined as the total and irrecoverable loss of sight of both eyes, or loss by severance of two limbs at or above wrist or ankle, or total and irrecoverable loss of the sight of one eye and loss by severance of one limb at or above wrist or ankle for a period of at least six months.
- ▶ The first monthly income will be paid on the date of death or total and permanent disablement due to accident or illness, and every month thereafter on the same date.
- ▶ The claim on death will be admitted, provided no previous claim due to total and permanent disablement is admitted under the Reliance Family Family Income Benefit Rider.
- ▶ No death benefit under the rider will be paid on account of death during the first three months. This exclusion is not applicable if the claim is made on account of an Accident.

**Maturity Benefit:** There is no maturity benefit payable under this policy

## Who can buy this product?

Family Income Benefit Rider		
	Minimum Limits	Maximum Limits
Age at Entry	18 years last birthday	60 years last birthday
Age at Maturity	—	Lower of 65 years last birthday or age at maturity under base plan
Rider Term*	5 years	Lower of 30 years or the policy term of the base policy
Premium Paying Term (PPT)*	Regular PPT: 5 years	Regular PPT: 30 years
	Limited PPT: 5 years, 7 years, 10 years, 15 years, 20 years and 25 years	
Sum Assured	₹ 1,00,000	Less than or equal to the base sum assured subject to a maximum of ₹ 10,00,000

- ▶ You can opt for the rider on commencement of the base plan or at subsequent policy anniversaries. If the rider is opted on commencement of the base plan, the rider term will be less than or equal to the policy term of base plan subject to minimum of 5years. The premium payment term of the rider will also be less than or equal to the premium payment term of the base plan subject to rider premium paying term options available. If the rider is opted subsequently at any policy anniversary, the rider term will be less than or equal to the outstanding policy term of the base plan subject to minimum of 5years. The rider premium paying term will be less than or equal to the outstanding base premium paying term if taken subsequently at the policy anniversary of the base plan subject to the Rider Premium Paying Term options available.
- ▶ The SA under rider will be less than or equal to SA under base plan.
- ▶ The sum of all rider premiums under a base policy should not exceed 30% of the base premiums under that policy.

### Sample Premium Rates

The premium rates for ₹ 1,00,000 sum assured under regular premium option are given below:

Age/Term (Yrs)	5	10	15	20
25	246	233	263	317
35	315	342	423	548
45	624	725	914	1,181

### Premium:

Rider premium is payable over and above the premium under the base plan and shall be paid along with the premium under the base plan or by cancellation of units from the base plan fund value, as mentioned in the base plan. Premiums can be paid yearly, half yearly, quarterly or monthly.

The mode of rider premium can be changed only on the base plan policy anniversary and only when the base plan premium frequency is changed. However, the mode of payment of premium under this rider will be the same as mode of payment of premium under the base plan.

The premium rates under the rider are guaranteed throughout the rider term.

### Are there any Non-forfeiture benefits?

In the event of discontinuance of due rider premium/s during the policy term:

There are no non forfeiture benefits.

If rider premium is not paid within the days of grace, the rider benefits will cease immediately.

There is a grace period of 30 days for payment of premium if mode of premium payment is annual, half yearly or quarterly. The grace period will be 15 days if mode of premium payment is monthly.

The benefit on death before the end of policy term, is payable provided no previous claim due to total and permanent disablement is admitted under the Reliance Family Income Benefit Rider.

When the base policy is lapsed, surrendered or forfeited the rider attached to the base policy will also terminate immediately.

### **What is the approach for revivals or reinstatements?**

Generally reinstatement will be made by paying the arrears of premiums with interest and recommencing the payment of premiums at any time within a period of 2 years from the due date of first unpaid premium but before the maturity of the policy subject to satisfactory medical and financial evidence as stipulated by the Company from time to time.

Current rate of interest for revival is 9%.

A rider can be revived only if the discontinued basic plan, to which the rider is attached, is revived, by paying the arrears of premiums with interest at the prevailing rate of interest.

### **Other terms & conditions under this Rider plan?**

#### **Exclusions under Reliance Life Insurance Family Income Benefit Rider**

- a) The Company will not pay any claim under the rider within three months from the commencement of the rider or revival of the rider whichever is later. This exclusion is not applicable if the claim is made on the account of an accident, subject to section (b) below.
- b) The company will not pay any claim due to accidental death or total and permanent disablement claims which results directly or indirectly from any one or more of the following:
  - ▶ an act or attempted act of self-injury
  - ▶ participation in any criminal or illegal act,
  - ▶ being under the influence of alcohol or drugs except under direction of a registered medical practitioner,
  - ▶ racing or practicing racing of any kind other than on foot,
  - ▶ flying or attempting to fly in, or using or attempting to use, an aerial device of any description, other than as a fare paying passenger on a recognised airline or charter service,
  - ▶ participating in any riot, strike or civil commotion, active military, naval, air force, police or similar service, or

- ▶ war, invasion, act of foreign enemies, hostilities or war like operations (whether war be declared or not), civil war, mutiny, military rising, insurrection, rebellion, military or usurped power or any act of terrorism or violence.

### **Is Nomination allowed under this plan?**

As per sec 39 of the Insurance Act 1938 and as per company procedure.

### **Is Assignment allowed under the plan?**

Allowed only if allowed under the base plan to which this rider is attached.

### **Service Tax Charge:**

Service tax charge along with education cess will be levied on the rider premium. The level of this charge will be as per the rate of service tax on risk premium, declared by the Government from time to time. The current rate of service tax on risk premium is 10.30% (Service tax of 10% along with education cess of 3%).

### **Taxes levied by the Government in Future**

In future the Company may decide to pass on any additional taxes levied by the governmental or any statutory authority to the policyholder. Whenever the company decides to pass on the additional taxes to the policyholder, the method of collection of these taxes shall be informed to them.

### **Is there any Tax Benefit?**

The benefits and premiums payable under this rider are subject to tax laws and other financial enactments as they may exist from time to time.

As per current tax rules Premium/s paid under this rider plan are eligible for tax deduction under section 80C of the Income Tax Act, 1961(the Act) ,provided the annual premium during the year does not exceed 20% of the sum assured.

The benefits under this riders are tax exempt under section 10 (10D) of the Act subject to conditions.

Service tax and education cess will be charged as per applicable rates.

You are recommended to consult your tax advisor before investing.

## About us

Reliance Life Insurance offers you products that fulfill your savings and protection needs. Our aim is to emerge as a transnational Life Insurer of global scale and standard.

Reliance Life Insurance Company Limited is a part of Reliance Capital, under Reliance Group. Reliance Capital is one of India's leading private sector financial services companies, and ranks among the top 3 private sector financial services and banking companies, in terms of net worth. Reliance Capital has interests in asset management and mutual funds, stock broking, life and general insurance, proprietary investments, private equity and other activities in financial services.

Reliance Group also has presence in Communications, Energy, Natural Resources, Media, Entertainment, Healthcare and Infrastructure.

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

- 1) No person shall allow or offer to allow, either directly or indirectly, as an inducement to any person to take out or renew or continue 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.
- 2) 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.

## Section 45: Policy not to be called in question on ground of mis-statement after two years

- 1) No policy of life insurance effected before the commencement of this Act shall after the expiry of two years from the date of commencement of this Act and no policy of life insurance effected after the coming into force of this Act 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 statement made in the proposal or in any report of a medical officer, or referee, or friend of the insured, or in any other document



leading to the issue of the policy, was inaccurate or false, unless the insurer shows that such statement was on a 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:

- 2) 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 of the policy are adjusted on subsequent proof that the age of the life insured was incorrectly stated in the proposal.

Reliance Life Insurance is a licensed life insurance company registered with Insurance Regulatory & Development Authority (IRDA) Registration No. 121.

**Note:**

This product brochure gives only the salient features of the plan. For further details on all the conditions, exclusions related to **Reliance Life Insurance Family Income Benefit Rider**, please contact our insurance advisors.

**RELIANCE**

Life Insurance

All is well™

**Reliance Life Insurance Company Limited** (Reg. No 121)

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- Email: [rlife.customerservice@relianceada.com](mailto:rlife.customerservice@relianceada.com)
- Website: [www.reliancelife.com](http://www.reliancelife.com)

UIN for Reliance Life Insurance Family Income Benefit Rider: 121C015V01

Insurance is the subject matter of the solicitation.

**ISO 9001:2008**  
CERTIFIED COMPANY