

Date of Commencement of Risk

The date of Commencement of Risk is the date that is mentioned in the policy schedule from which the risk coverage of the policyholder commences under the [LIC plan](#).

Generally, the risk coverage commences from the date of acceptance of the plan or the receipt date of the 1st premium in full, whichever comes later. In case, if the proposal acceptance is conditional upon the compliance of the proposer with any requirements, then the risk towards the policy will commence. The risk will commence on the date where all the requirements are acceptably complied with, post the receipt of the first premium in total. This simply means, if you have made the payment of the very first premium, the policy shall cover the risk only after the compliance of the requirements to the satisfaction of the specific insurer.

When Does the Risk Coverage Commence in a Life Insurance Policy?

If in case the policy does not lapse and the policyholder dies on or after the risk commencement date, the sum assured amount along with the regular premium value of fund plus the top-up premium fund value as on the receipt date of intimation of death at the insurance provider's office is paid.

The mortality charge will be deducted monthly as per the insurer's rate applies to the attained age of the policyholder. This is done by canceling the units at the predominant Unit Price on the risk commencement date and successive monthly due dates while the plan remains in force.

In other cases, if the policyholder commits suicide in a sane or insane condition, within a year from the risk commencement date or revival date, whichever comes later, the liability of the company shall be restricted to the extent of the regular and Top Up Premium Fund (if any), as on the intimation of death date of the policyholder at the insurer's office.

The premium charge of rider (if any) will be deducted monthly at company rate, applied to the attained life assured's age through the cancellation of units at the predominant unit prices on the risk commencement date and successively as monthly due dates.

If in case the insured dies prior to the risk commencement date, the regular and top-up fund value of premium (if any) as on the receipt date of intimation of death at the insurer's office is paid.

LIC Plans

LIC of India

LIC Jeevan Shanti

LIC SIIP

LIC Jeevan Labh

LIC New Jeevan Anand

LIC Jeevan Umang

LIC New Jeevan Amar

LIC Bima Jyoti

Risk Commencement Date in LIC Bima Jyoti Plan

In this plan, the coverage does not commence instantly in all scenarios. It depends on the policyholder's age while purchasing the plan. Let's understand this in a detail for your smooth understanding:

In case of the life assured's demise before the date of risk commencement, only the premium amount paid till that time is refunded to the beneficiary/nominee.

In case of the life assured's demise after the date of risk commencement, the SA amount on death plus Accrued Additions (Guaranteed) are waged to the beneficiary/nominee.

The sum assured amount on death: The nominee will receive the highest of:

125 percent of Basic SA

7X the annual premium

In case, if the policyholder's age is below eight years while purchasing the plan: The benefits related to risk cover will only commence 1-day before the plan completes two years or one day before the plan anniversary after the child attains eight years of age.

In case, if the policyholder's age is eight or more than eight years: The risk coverage starts instantly.

Let's discuss some of the examples related to the Risk Commencement Date in LIC Bima Jyoti Plan:

Instance 1

If the policy commencement date is March 25th, 2021

The age of the policyholder is three years

The date of Risk Commencement will be March 24th, 2023

Instance 2

If the policy commencement date is August 25th, 2021

The age of the Policyholder is eight years

The date of Risk Commencement will be August 25th, 2021

Instance 3

If the policy commencement date is July 25th, 2021

The age of the Policyholder is seven years

The date of Risk Commencement will be July 24th, 2022

Different types of Plans



Term Insurance



Life Insurance



Best Term Insurance C

Waiting Period

If the plan is bought through POSP-LI i.e., Point of Sales Person – Life Insurance, on policyholder's demise within the first 90 days from the risk commencement date, the company shall refund the full premium paid, provided that the death is not accountable to an accident. However, in case of demise due to the accident at the time of the waiting period, the sum assured on death is paid. This option is not applicable if the life assured's age is less than eight years.

Exclusions

If the policyholder, in a sane or insane condition, commits suicide within 12 months from the risk commencement date, the company will not entertain any type of claim under the plan except for 80 percent of the full premiums paid (excluding all taxes, additional premium, premium charges for the rider), provided the policy is in force. This option is not available for the life assured whose entry age is less than eight years.

If the policyholder, in a sane or insane condition, commits suicide within 12 months from the revival date, an amount higher than 80 percent of the full premium is paid till the death date (exclusive of taxes, additional premium, and rider premiums) or the surrendering value as on the death date, shall also be payable.

Wrapping It Up!

The risk coverage commences from the acceptance date of the plan or the date of receipt of 1st premium. In case of policyholder's death, after the risk commencement date in LIC Bima Jyoti Plan, sum assured along with accumulated guaranteed additions as per the terms and conditions of the policy will be payable.