ABBREVIATIONS

- Accident Benefit: Provides for payment of an additional benefit equal to the sum assured in installments on permanent total disability and waiver of subsequently premiums payable under the policy.
- Age Limits: Stipulated maximum and minimum ages below and above which the Corporation will not accept applications or may not renew policies.
- Annuity: It is a scheme which is under certain amount is paid yearly / half-yearly / quarterly / monthly interval.
- Annuitant: Annuitant is the person who receives certain amount at yearly / half-yearly / quarterly / monthly interval.
- Beneficiary: The person who receive the benefit of a policy in case of death during the term of policyholder who receive the benefit on maturity.
- Bonus: Bonus is the amount added to the basic sum assured under a with-profit life insurance policy.
- Claim: A request for payment of contractual benefits by the insurer that is made by the insured or the beneficiary.
- Days Of Grace: Policyholder are expected to pay premium on due dates. A period of 15-30 days is allowed as grace to make payment of premium; such period is days of grace.
- Deferred Annuity: An annuity plan where the first annuity payment become payable after a chosen period that exceeds one year.
- Deferment Date: It is a date on which the deferment period ends.
- Deferment Period (D.P.): Deferment period is the period from the date of commencement of policy to the date of commencement of risk.
- Guaranteed Addition (G.A.): Guaranteed addition is calculated at the rate per every thousands of sum assured. They are added to the basic sum assured and are payable on admittance of claim. The benefit is allowed only for each year for which premium are paid.
- LIC: Life Insurance Corporation
- Lapse: The termination of insurance policy due to non-payment of premium.
- Last Birth Day (L. B. D.): Age on last Birthday.
- Loyalty Addition: Under certain life insurance policies loyalty additions are giver as an additional benefit to the policyholder. The rate of addition depends on the LIC’s performance and is allowed only if the is in full force.
- Moral Hazard: Moral Hazard is said to exist in the case where we notice the absence of a genuine need for the life insurance or when the proposal for insurance is submitted by an individual beyond his means.
- Near Birthday: Age on nearest Birthday.
- Notional Cash Option (N.C.O.): On this amount Annuity/Pension is calculated and is given to the policyholder.
- Paid-Up Value: Paid-up value is the reduced amount of sum assured paid by the insurer in case of discontinuation of the payment of premiums after paying the full premium for the first three years.
- Policyholder: The person who owns the life insurance policy.
- Premium: Premium is the amount paid to secure an insurance policy.
- Premium Waiver Benefits: (PWB): Premium waiver benefits are the benefits which can be waived in the event of death of the proposer.
- Rider: Add-on benefits available at the option of the policyholder that may alter certain features of the policy by increasing or restricting benefits
- Sum Assured (S.A.): Sum Assured is the amount that an insurer agrees to pay on the occurrence of the event.
- Surrender Values: Surrender Values is the amount payable to the policyholder on surrendering his right under a policy and terminating the contract of insurance.
- Term: Term is the period for which insurance coverage is given.
- Underwriting: Underwriting of a risk involves consideration of material facts on the basis of which a decision will be taken whether to accept the risk and if so at what rate of premium.
- Vesting Age (V.A.): The age at which the receipt of pension starts in an insurance-cum-pension plan.

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