

JEEVAN SURABHI (15 YEAR POLICY) – (Table No. 106)

Benefit Illustration:

Introduction:

Insurance Regulatory & Development Authority (IRDA) requires all life insurance companies operating in India to provide official illustrations to their customers. The illustrations are based on the investment rates of return set by the Life Insurance Council (constituted under Section 64C(a) of the Insurance Act 1938) and is not intended to reflect the actual investment returns achieved or may be achieved in future by Life Insurance Corporation of India (LICI).

For the year 2004-05 the two rates of investment return declared by the Life Insurance Council are 6% and 10% per annum.

Product summary: This is a with-profits plan available for terms of 15 years with premium paying terms of 12 years. The plan provides a specified percentage of Sum Assured on survival up to specified durations. A life insurance cover is available throughout the term of the plan which increases after every five yearly intervals.

Premiums: Premiums are payable yearly, half-yearly, quarterly, monthly or through salary deductions as opted by you throughout the premium paying term of the policy or till the earlier death.

Bonuses: This is a with-profit plan and participate in the profits of the Corporation's life insurance business. It gets a share of the profits in the form of bonuses. Simple Reversionary Bonuses are declared per thousand Sum Assured annually at the end of each financial year. Once declared, they form part of the guaranteed benefits of the plan. A Final (Additional) Bonus may also be payable provided policy has run for certain minimum period.

Death Benefit: The Sum Assured alongwith the additional cover, if any, plus all bonuses declared till death is payable in a lump sum upon the death of the life assured during the policy term. The survival benefits paid prior to death will not be deducted from the claim amount.

Survival Benefit: A percentage of sum assured as mentioned below will be paid on your survival to the end of specified durations:

Percentage of Sum Assured payable at the end of specified duration	
Plan and Term (Premium Paying Term)	
Duration	106/15 (12)
4	30%
8	30%
12	40%

Maturity Benefit:

The policy matures on your survival to the end of the policy term. All bonuses declared up to maturity date will be paid in a lump sum.

Supplementary/Extra Benefits: These are the optional benefits that can be added to your basic plan for extra protection/option. An additional premium is required to be paid for these benefits.

Surrender Value:

Buying a life insurance contract is a long-term commitment. However, surrender values are available under the plan on earlier termination of the contract.

Guaranteed Surrender Value :

The policy may be surrendered after it has been in force for 3 years or more. The guaranteed surrender value is 30% of the basic premiums paid excluding the first year's premium in case no survival benefit payment has already fallen due. Where one or more survival benefits have fallen due, the guaranteed surrender value will be 30% of the premiums paid on or after the due date of payment of latest survival benefit.

Corporation's policy on surrenders:

In practice, the Corporation will pay a Special Surrender Value – which is either equal to or more than the Guaranteed Surrender Value. The benefit payable on surrender is the discounted value of the reduced claim amount that would be payable on death or at maturity. This value will depend on the number of premiums paid and the duration at which surrender value is calculated. In some circumstances, in case of early termination of the policy, the surrender value payable may be less than the total premium paid.

The Corporation reviews the surrender value under its plans from time to time depending on the economic environment, experience and other factors.

Note :*The above is the product summary giving the key features of the plan. This is for illustrative purpose only. This does not represent a contract and for details please refer to your policy document.*

Benefit Illustration:**Statutory warning :**

“Some benefits are guaranteed and some benefits are variable with returns based on the future performance of your insurer carrying on life insurance business. If your policy offers guaranteed returns then these will be clearly marked “guaranteed” in the illustration table on this page. If your policy offers variable returns then the illustrations on this page will show two different rates of assumed future investment returns. These assumed rates of return are not guaranteed and they are not the upper or lower limits of what you might get back as the value of your policy is dependent on a number of factors including future investment performance.”

Illustration (Table 106)

Age at entry : 35 years

Policy Term : 15 Years

Premium Paying Term : 12 Years

Mode of premium payment : Yearly

Sum Assured : Rs. 1,00,000 /-

Annual Premium : Rs. 10963 /-

Year	Total premiums paid till end of year	Benefit on death during the year				
		Guaranteed	Variable		Total	
			Scenario 1	Scenario 2	Scenario 1	Scenario 2
1	10963	100000	2400	4800	102400	104800
2	21926	100000	4800	9600	104800	109600
3	32889	100000	7200	14400	107200	114400
4	43852	100000	9600	19200	109600	119200
5	54815	100000	12000	24000	112000	124000
6	65778	150000	14400	28800	164400	178800
7	76741	150000	16800	33600	166800	183600
8	87704	150000	19200	38400	169200	188400
9	98667	150000	21600	43200	171600	193200
10	109630	150000	24000	48000	174000	198000
12	131556	200000	28800	57600	228800	257600
15	131556	200000	36000	72000	236000	272000

Year	Total premiums paid till the end of year	Benefit on survival / maturity				
		Guaranteed	Variable		Total	
			Scenario 1	Scenario 2	Scenario 1	Scenario 2
1	10963	0	0	0	0	0
2	21926	0	0	0	0	0
3	32889	0	0	0	0	0
4	43852	30000	0	0	30000	30000
5	54815	0	0	0	0	0
6	65778	0	0	0	0	0
7	76741	0	0	0	0	0
8	87704	30000	0	0	30000	30000
9	98667	0	0	0	0	0
10	109630	0	0	0	0	0
12	131556	40000	0	0	40000	40000
15	131556	0	36000	72000	36000	72000

- i) This illustration is applicable to a non-smoker male/female standard (from medical, life style and occupation point of view) life.
- ii) The non-guaranteed benefits (1) and (2) in above illustration are calculated so that they are consistent with the Projected Investment Rate of Return assumption of 6% p.a.(Scenario 1) and 10% p.a.(Scenario 2) respectively. In other words, in preparing this benefit illustration, it is assumed that the Projected Investment Rate of Return that LICl will be able to earn **throughout the term of the policy** will be 6% p.a. or 10% p.a., as the case may be. The Projected Investment Rate of Return is **not guaranteed**.
- iii) The main objective of the illustration is that the client is able to appreciate the features of the product and the flow of benefits in different circumstances with some level of quantification.
- iv) Future bonus will depend on future profits and as such is not guaranteed. However, once bonus is declared in any year and added to the policy, the bonus so added is guaranteed.
- v) The maturity benefit is the amount shown at the end of the policy term.