

JEEVAN SURABHI (25 YEAR POLICY) – (Table No. 108)

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 25 years with premium paying terms 18 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 along with 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	108/25 (18)
4	20%
8	20%
12	20%
15	20%
18	20%

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 108)

Age at entry : 35 years

Policy Term : 25 Years

Premium Paying Term : 18 Years

Mode of premium payment : Yearly

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

Annual Premium : Rs. 8776 /-

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	8776	100000	2800	6500	102800	106500
2	17552	100000	5600	13000	105600	113000
3	26328	100000	8400	19500	108400	119500
4	35104	100000	11200	26000	111200	126000
5	43880	100000	14000	32500	114000	132500
6	52656	150000	16800	39000	166800	189000
7	61432	150000	19600	45500	169600	195500
8	70208	150000	22400	52000	172400	202000
9	78984	150000	25200	58500	175200	208500
10	87760	150000	28000	65000	178000	215000
12	105312	200000	33600	78000	233600	278000
15	131640	200000	42000	97500	242000	297500
18	157968	250000	50400	117000	300400	367000
20	157968	250000	56000	130000	306000	380000
25	157968	300000	70000	162500	370000	462500

Year	Total premiums paid till end of year	Benefit on survival / maturity				
		Guaranteed	Variable		Total	
			Scenario 1	Scenario 2	Scenario 1	Scenario 2
1	8776	0	0	0	0	0
2	17552	0	0	0	0	0
3	26328	0	0	0	0	0
4	35104	20000	0	0	20000	20000
5	43880	0	0	0	0	0
6	52656	0	0	0	0	0
7	61432	0	0	0	0	0
8	70208	20000	0	0	20000	20000
9	78984	0	0	0	0	0
10	87760	0	0	0	0	0
12	105312	20000	0	0	20000	20000
15	131640	20000	0	0	20000	20000
18	157968	20000	0	0	20000	20000
20	157968	0	0	0	0	0
25	157968	0	93000	220500	93000	220500

- 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 LIC 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.*