

JEEVAN SURABHI (20 YEAR POLICY) – (Table No. 107)

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 20 years with premium paying terms 15 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	107/20 (15)
4	25%
8	25%
12	25%
15	25%

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 107)

Age at entry : 35 years

Policy Term : 20 Years

Premium Paying Term : 15 Years

Mode of premium payment : Yearly

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

Annual Premium : Rs. 9581 /-

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	9581	100000	2100	4600	102100	104600
2	19162	100000	4200	9200	104200	109200
3	28743	100000	6300	13800	106300	113800
4	38324	100000	8400	18400	108400	118400
5	47905	100000	10500	23000	110500	123000
6	57486	150000	12600	27600	162600	177600
7	67067	150000	14700	32200	164700	182200
8	76648	150000	16800	36800	166800	186800
9	86229	150000	18900	41400	168900	191400
10	95810	150000	21000	46000	171000	196000
12	114972	200000	25200	55200	225200	255200
15	143715	200000	31500	69000	231500	269000
20	143715	250000	42000	92000	292000	342000

Year	Total premiums paid till end of year	Benefit on Survival / Maturity				
		Guaranteed	Variable		Total	
			Scenario 1	Scenario 2	Scenario 1	Scenario 2
1	9581	0	0	0	0	0
2	19162	0	0	0	0	0
3	28743	0	0	0	0	0
4	38324	25000	0	0	25000	25000
5	47905	0	0	0	0	0
6	57486	0	0	0	0	0
7	67067	0	0	0	0	0
8	76648	25000	0	0	25000	25000
9	86229	0	0	0	0	0
10	95810	0	0	0	0	0
12	114972	25000	0	0	25000	25000
15	143715	25000	0	0	25000	25000
20	143715	0	56000	122000	56000	122000

- 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.