JEEVAN SAATHI – (Table No. 89)

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 an Endowment Assurance Plan issued on the lives of husband and wife. The plan provides financial protection against death of both the lives. It pays the maturity amount on survival of one or both the lives to the end of the policy term.

***Premiums*:**
Premiums are payable yearly, half-yearly, quarterly, monthly or through salary deductions as opted by you throughout the term of the policy or till the first death of the lives covered, whichever is earlier.

***Bonuses*:** This is a with-profit plan and participates 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. Such bonuses are to be added till date of maturity or the second death of the lives covered, whichever is earlier. Final (Additional) Bonus may also be payable provided policy has run for certain minimum period.

***Death Benefit*:** On first death the Sum assured is payable in a lumpsum. If the survivor of the two lives dies thereafter during the remaining policy term, Sum Assured along with the all bonuses is payable again in a lumpsum.

***Maturity Benefit*:** If one or both the lives survive till the end of the policy term, Sum Assured along with all bonuses declared up to maturity date is payable 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.

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 duration for which premiums have been paid and the policy duration at the date of surrender. In some circumstances, in case of early termination of the policy, the surrender value payable may be less than the total premiums paid.

The Corporation reviews the surrender value payable 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 1 (Table 89) :
Age at entry: 35 years (Equivalent age)
Policy Term: 25 Years
Mode of premium payment: Yearly
Sum Assured: Rs. 1,00,000 /-
Annual Premium : Rs. 5261 /-

End of Year	Total premium paid	Benefit payable on first death of lives covered	Benefits payable on second death of the lives covered during the policy term or on survival of one or both the lives till the date of maturity				
			Guaranteed	Variable		Total	
		Guaranteed		Scenario 1	Scenario 2	Scenario 1	Scenario 2
1	5,261	100,000	100,000	2,100	5,700	102,100	105,700
2	10,522	100,000	100,000	4,200	11,400	104,200	111,400
3	15,783	100,000	100,000	6,300	17,100	106,300	117,100
4	21,044	100,000	100,000	8,400	22,800	108,400	122,800
5	26,306	100,000	100,000	10,500	28,500	110,500	128,500
6	31,567	100,000	100,000	12,600	34,200	112,600	134,200
7	36,828	100,000	100,000	14,700	39,900	114,700	139,900
8	42,089	100,000	100,000	16,800	45,600	116,800	145,600
9	47,350	100,000	100,000	18,900	51,300	118,900	151,300
10	52,611	100,000	100,000	21,000	57,000	121,000	157,000
15	78,917	100,000	100,000	31,500	85,500	131,500	185,500
20	105,222	100,000	100,000	56,000	152,000	156,000	252,000
25	131,528	100,000	100,000	69,500	189,500	169,500	289,500

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 LICI 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 amounts shown at the end of the policy term.
vi) Equivalent age for premium calculation is worked out by referring to actual ages of the lives covered.