JEEVAN VISHWAS – (Table Nos. 136)

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 designed for the benefit of handicapped dependants.

Premiums:

Premiums are payable quarterly, half-yearly or yearly throughout the term of the policy or till the earlier death. Alternatively, the premium may be paid in one lump sum (single premium).

Guaranteed Additions : The policy provides for the Guaranteed additions at the rate of Rs.60 per thousand Sum Assured for each completed policy year while the policy is in full force. The Guaranteed Additions are payable at the end of the policy term or on earlier death.

Loyalty Additions: 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 loyalty additions which are terminal bonuses payable along with death or maturity benefit. Loyalty addition may be payable from fifth year onwards depending on the experience of the Corporation.

Benefits on maturity or earlier death: On surviving till the end of the term of the policy or earlier death, Sum Assured together with the Guaranteed Additions and Loyalty Additions, if any, become payable. 20% of such benefit amount shall be paid in a lump sum and the balance amount shall be utilized to provide an annuity on the life of handicapped dependant. A number of annuity options are available under the plan.

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 value is 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 of a single premium policy the guaranteed surrender value is 90% of the single premium paid excluding any extra 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 reflects 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 premium 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 the 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 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."

Table No 136
Age at entry: 35 years
Policy Term: 25 years
Premium paying term: 1 year Single Premium: Rs.36,645/-
Sum Assured: Rs.1,00,000/-

Year	Total Premium paid till the end of year	Benefit on Death/Maturity payable at the end of year (Rs)				
		Guaranteed	Variable		Total *	
			Scenario 1	Scenario 2	Scenario 1	Scenario 2
1	36,645	100000	-	-	100000	100000
2	36,645	106000	-	-	106000	106000
3	36,645	112000	-	-	112000	112000
4	36,645	118000	-	-	118000	118000
5	36,645	124000	-	-	124000	124000
6	36,645	130000	-	-	130000	130000
7	36,645	136000	-	-	136000	136000
8	36,645	142000	-	-	142000	142000
9	36,645	148000	-	-	148000	148000
10	36,645	154000	-	-	154000	154000
15	36,645	184000	-	-	184000	184000
20	36,645	214000	-	-	214000	214000
30	36,645	280000	-	10000	280000	290000

Age at entry: 35 years
Policy Term: 25 years
Premium paying term: 25 years Yearly Premium: Rs.4,008/-
Sum Assured: Rs.1,00,000/-

Year	Total Premium paid till the end of year	Benefit on Death/Maturity payable at the end of year (Rs)				
		Guaranteed	Variable		Total *	
			Scenario 1	Scenario 2	Scenario 1	Scenario 2
1	4008	100000	-	-	100000	100000
2	8016	106000	-	-	106000	106000
3	12024	112000	-	-	112000	112000
4	16032	118000	-	-	118000	118000
5	20040	124000	-	-	124000	124000
6	24048	130000	-	-	130000	130000
7	28056	136000	-	-	136000	136000
8	32064	142000	-	-	142000	142000
9	36072	148000	-	-	148000	148000
10	40080	154000	-	-	154000	154000
15	60120	184000	-	1000	184000	185000
20	80160	214000	-	10000	214000	224000
30	120240	280000	-	31000	280000	311000

* - 20% of the amount shall be paid in a lump sum and the balance 80% shall be utilized to pay an annuity on the life of handicapped dependant.

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) The maturity benefit is the amount shown at the end of the policy term.