

SALES BROCHURE

LIC'S JEEVAN SARAL

1. INTRODUCTION:

LIC's Jeevan Saral is a unique plan having good features of the conventional plans and the flexibility of unit linked plans. To the policyholder it provides –

- higher cover
- a smooth return,
- liquidity and
- a lot of flexibility

2. SPECIAL FEATURES:

Under this product death cover will be same irrespective of age at entry and term but the sum payable at maturity will differ for different entry ages and terms.

This plan is more appropriate for employees particularly seeking life cover through a Salary Savings Scheme.

3. BENEFITS:

3.1 On death:

- 250 times the monthly premium, plus
- return of premiums excluding extra/rider premium and first year premium, plus
- the loyalty addition, if any.

3.2 On Maturity:

- Maturity sum assured, plus
- The Loyalty Additions, if any.

3.3 The specimen Maturity Sums Assured (MSAs) per Rs.100/- monthly premium are given below for some of the ages and terms:

Age at Entry	Policy Term			
	10 years	15 years	20 years	25 years
20	11,156	19,628	28,039	36,839
30	11,053	19,300	27,345	35,492
40	10,431	17,839	24,598	30,854
50	8,442	13,444	16,164	-

4. SURRENDER VALUE:

The policy can be surrendered after it has been in force for at least 3 full years. The surrender value will be the greater of Guaranteed Surrender Value or Special Surrender Value as given below:

4.1. Guaranteed Surrender Value (GSV):

The GSV will be equal to the 30% of the total amount of premiums paid excluding the premiums for the first year and all the extra premiums and premium for accident benefit / term riders.

4.2. Special Surrender Value (SSV):

The special surrender value under the policy shall be paid as the sum of (a) and (b) given as under:

a) Discounted value or accumulated value, as the case may be, of the following:

[80% Of maturity sum assured if less than 4 years premiums have been paid, 90% of the maturity sum assured, if 4 or more years but less than 5 years premiums have been paid and 100% of the maturity sum assured, if 5 or more years premiums have been paid. The maturity sum assured for this para will be the maturity sum assured corresponding to the term for which premiums have been paid under the policy.] If the premiums have been paid for a fraction of a year, the maturity sum assured shall be worked out by way of mathematical interpolation.

The above amount shall be discounted from the due date of the next instalment premium to the date of surrender if the duration elapsed from the date of commencement of the policy to the date of surrender is less than the term for which the premiums have been paid. If the duration elapsed from the date of commencement to the date of surrender is greater or equal to the term for which premiums have been paid then the above amount shall be accumulated with interest for the period from the due date of the first unpaid premium to the date of surrender.

The period for which the amount is to be discounted or accumulated shall be taken in complete months and fraction of a month will be ignored. The rate of interest to be used for discounting or accumulating, as the case may be, will be announced by the Corporation at the start of every financial year.

b) The loyalty additions, if any, as announced while declaring the results of the Corporation's valuation as at 31st March, immediately preceding the date of surrender.

5. PAID UP VALUE:

If, after at least 3 full years premiums have been paid, and any subsequent premium be not duly paid, the policy shall not be wholly void, but shall subsist as a paid-up policy for a reduced sum. The benefit payable on death / maturity under such policies would depend on the number of years for which premiums have been paid and shall be the greater of:

- a sum that bears the same ratio to the full maturity sum assured as the number of premiums actually paid shall bear to the total number originally stipulated in the policy

OR

- the surrender value as per para 4 above assuming that the policy has been surrendered on the date of death / maturity, as the case may be.

6. OPTIONS:

6.1 The plan offers following optional riders by payment of additional premium:

- Accidental death and disability benefit
- Term Assurance benefit.

6.2 The maximum cover for the above riders will be Rs.25 lakhs under all policies of the Corporation taken together.

6.3 ACCIDENTAL DEATH AND DISABILITY BENEFIT:

6.3.1 On death arising as a result of accident an additional amount equal to the Accident Benefit Sum Assured is payable. On total and permanent disability arising due to accident (within 180 days from the date of accident) this amount will be paid over a period of 10 years in monthly instalments.

6.3.2 The disability due to accident should be total and such that the Life Assured is unable to carry out any work to earn the living. Following disabilities due to accidents are covered –

- a) irrevocable loss of the entire sight of both eyes or
- b) amputation of both hands at or above the wrists or
- c) amputation of both feet at or above ankles, or
- d) amputation of one hand at or above the wrist and one foot at or above the ankle,
- e) No benefit will be paid in case of accidental death or disability due to accident in case of
- f) intentional self-injury, attempted suicide, insanity or immorality or the Life Assured is under the influence of intoxicating liquor, drug or narcotic,
- g) engagement in aviation or aeronautics other than that of a passenger in any air craft.
- h) injuries resulting from riots, civil commotion, rebellion, war, invasion, hunting, mountaineering, steeple chasing or racing of any kind
- i) accident resulting from committing any breach of law.
- j) accident arising from employment in armed forces or military services or police organisation.

6.4 TERM ASSURANCE RIDER:

An amount equal to Term Assurance Sum Assured will be payable on death of the life assured during the policy term.

7. OTHER BENEFITS:

The plan offers a number of other benefits as follows:

7.1. Auto Cover:

The plan offers auto cover of 12 months after the policy has been in force for a period of 3 years or more.

7.2. Flexible term:

The policyholder can choose a maximum term but can surrender at any time without any surrender penalty or loss.

7.3. Partial surrenders:

The plan will allow partial surrenders from 4th year onwards subject certain conditions for which please refer to Policy document.

7.4. Due to existence of the flexible term and partial surrenders the policyholder will enjoy a lot of liquidity under the plan.

7.5. The plan also provides for "15 days free look period".

7.6. Loan: Loan is permissible under the policy after it acquires a paid-up value. The terms and conditions of loan and the rate of interest applicable will be as fixed by the Corporation from time to time. At present, the rate of interest is 10.5% p.a. compounding half-yearly.

7.7. Grace Period : A grace period of one month but not less than 30 days will be allowed for payment of yearly, half-yearly or quarterly premiums. If the premium is not paid before the expiry of the days of grace, the Policy will lapse.

7.8. Revival: Subject to production of satisfactory evidence of good health, a lapsed policy can be revived by paying arrears of premium together with interest within a period of five years from the due date of first unpaid premium. The rate of interest at present is 9%.

8. LOYALTY ADDITIONS:

Only loyalty additions will be declared under the plan. The minimum term after which a policy can earn loyalty addition will be 10 years. However, Loyalty addition will also be payable if death occurs in the 10th year of the policy provided that the policy is in force at the time of death. Loyalty additions will be subject to Corporation's experience. Loyalty additions may be paid in case of death, maturity and surrenders.

9. ELIGIBILITY CONDITIONS AND OTHER RESTRICTIONS:

9.1. Age at entry : Minimum 12 (completed) and maximum 60 years nearest

9.2. Age at maturity: : Maximum 70 years.

9.3. Term : All terms from 10 to 35 years.

9.4. Premium : Minimum premium of Rs.250/- per month for entry age upto 49 years and Rs.400/- per month for entry age 50 years and above. The premium shall be in the multiples of Rs.50/- per month. The maximum premium will be Rs.10,000/- per month.

9.5. Mode : Yearly, Half-yearly, Quarterly and Monthly under Salary Saving Scheme

9.6. In case of term rider, minimum and maximum age at entry will be 18 and 50 years respectively. Further minimum sum assured will be Rs.1 lakh.

10. REBATES FOR MODE OF PREMIUM PAYMENT AND HIGH SUM ASSURED:

Mode rebate: 2% for yearly mode and 1% for half yearly mode. There are no rebates quarterly and SSS mode.

High benefit rebate: Nil

11. EXCLUSIONS :

This policy shall be void if the Life Assured commits suicide(whether sane or insane at the time) at any time on or after the date on which the risk under the policy has commenced but before the expiry of one year from the date of acceptance of risk. In case of death due to suicide during this period, the corporation will not entertain any claim by virtue of this policy except to the extent of a third party's bona-fide beneficial interest acquired in the policy for valuable consideration of which notice has been given in writing to the office where this policy is serviced, at least one calendar month prior to death.

12. BENEFIT ILLUSTRATION :

12.1 Statutory warning

"Some benefits are guaranteed and some benefits are variable with returns based on the future performance of your life insurance company. 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 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 dependant on a number of factors including future investment performance."

12.2 Example:

- Frequency of premium payment: monthly under Salary Saving Scheme
- Age at entry: 35 years
- Policy term: 30 years
- Monthly Premium: Rs.400/-
- Maturity Sum Assured: Rs.1,62,416/-

End of Policy Year	Total Premium Paid (Rs)	Death Benefit				
		Guaranteed	Variable		Total	
			Scenario 1	Scenario 2	Scenario 1	Scenario 2
1	4,800	1,00,000	-	-	1,00,000	1,00,000
2	9,600	1,04,800	-	-	1,04,800	1,04,800
3	14,400	1,09,600	-	-	1,09,600	1,09,600
4	19,200	1,14,400	-	-	1,14,400	1,14,400
5	24,000	1,19,200	-	-	1,19,200	1,19,200
6	28,800	1,24,000	-	-	1,24,000	1,24,000
7	33,600	1,28,800	-	-	1,28,800	1,28,800
8	38,400	1,33,600	-	-	1,33,600	1,33,600
9	43,200	1,38,400	-	-	1,38,400	1,38,400
10	48,000	1,43,200	4,000	8,000	1,47,200	1,51,200
15	72,000	1,67,200	7,640	16,000	1,74,840	1,83,200
20	96,000	1,91,200	18,520	52,000	2,09,720	2,43,200
25	1,20,000	2,15,200	39,200	1,30,000	2,54,400	3,45,200
30	1,44,000	2,39,200	76,480	3,00,000	3,15,680	5,39,200

End of Policy Year	Total Premium Paid (Rs)	Guaranteed	Maturity / Surrender Value			
			Variable		Total	
			Scenario 1	Scenario 2	Scenario 1	Scenario 2
1	4,800	-	-	-	-	-
2	9,600	-	-	-	-	-
3	14,400	8,099	-	-	8,099	8,099
4	19,200	12,942	-	-	12,942	12,942
5	24,000	18,660	-	-	18,660	18,660
6	28,800	23,180	-	-	23,180	23,180
7	33,600	27,856	-	-	27,856	27,856
8	38,400	32,744	-	-	32,744	32,744
9	43,200	37,892	-	-	37,892	37,892
10	48,000	43,360	4,000	8,000	47,360	51,360
15	72,000	75,200	7,640	16,000	82,840	91,200
20	96,000	1,05,404	18,520	52,000	1,23,924	1,57,404
25	120,000	1,35,296	39,200	1,30,000	1,74,496	2,65,296
30	144,000	1,62,416	76,480	3,00,000	2,38,896	4,62,416

12.3 Notes:

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**.

12.4 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

13. Extract from Section 41 of the Insurance Act :

No person shall allow or offer to allow, either directly or indirectly, as an inducement to any person to take out or renew or continue an insurance in respect of any kind of risk relating to lives or property in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the policy nor shall any person taking out or renewing or continuing a policy accept any rebate except such rebates as may be allowed in accordance with the published prospectuses or tables of the insurer

Note: Conditions apply for which please refer to the Policy document or contact our nearest Branch Office.