

LIFE INSURANCE CORPORATION OF INDIA
CENTRAL OFFICE

Dept.: Actuarial

“Yogakshema”,
Jeevan Bima Marg,
Mumbai – 400 021.

Ref: Actl/PD/2144/4

28th July, 2008

To,

All HODs of Central Office
All Zonal Offices
All Divisional Offices
All Branch Offices (through DOs)
MDC, ZTCs, STCs, NIA and
Audit & Inspection Depts of Zonal Offices.

RE: INTRODUCTION OF LIC’S JEEVAN BHARATI-I (PLAN No. 192)

It has been decided to withdraw **Jeevan Bharati Plan** (Plan No-160) with effect from 30th July,2008 and introduce ‘**LIC’s JEEVAN BHARATI–I Plan** (Plan No.192) with effect from 30th July,2008.

The Unique Identification Number (UIN) for LIC’s Jeevan Bharati – I plan is **512N247V01**. This number has to be quoted in all relevant documents furnished to the Policyholders and other users (public, distribution channels).

1. Introduction:

LIC’s Jeevan Bharati –I Plan has been designed exclusively for females. This is a money back plan having optional Accident Benefit, Critical Illness Benefit and Congenital Disability Benefit as Riders. The benefits and other details of this plan are given below.

2. Benefits:

a) **Death Benefit**

An amount equal to the Sum Assured under the basic plan along with Reversionary Bonuses, and Final Addition Bonus, if any, will be payable.

b) **Survival Benefits**

Survival benefits will be payable as given below:

<u>Survival to end of</u>	Percentage of Sum Assured under the basic plan	
	<u>15-year plan</u>	<u>20-year plan</u>
5 years	20%	20%
10 years	20%	20%
15 years	--	20%

c) **Maturity Benefit**

For policy term of 15 years: 60% of the Sum Assured under the basic plan along with vested Reversionary Bonuses and Final Additional Bonus, if any, will be payable.

For policy term of 20 years: 40% of the Sum Assured under the basic plan along with vested Reversionary Bonuses and Final Additional Bonus, if any, will be payable.

3. **Optional Benefits:**

a) **Critical Illness Benefit Rider :**

An amount equal to the Critical Illness Rider Sum Assured will be payable in case of diagnosis of defined categories of Critical Illness subject to certain terms and conditions, provided the Critical Illness Benefit cover is opted for and is in force. The maximum cover for this rider will be Rs.5 lakh under all policies of the Life Assured with the Corporation taken together including the new proposal under consideration. The Critical Illness Rider Sum Assured shall also not exceed the Sum Assured under the Basic Plan.

b) **Accident Benefit Rider :** Accident Benefit as optional rider will be available under the plan for an amount equal to the Accident Benefit Rider Sum Assured subject to the maximum of Rs.50 lakh overall limit considering the Accident Benefit Sum Assured in respect of all existing policies on the life of the Life Assured under individual and group policies including the policies taken from Life Insurance Corporation of India and other Insurance companies and the Accident Benefit Rider Sum Assured under new proposal into consideration.

c) **Congenital Disability Benefit Rider :** An Amount equal to 50% of the Congenital Disability Benefit Rider Sum Assured will be payable if the Life Assured gives birth to a child with specified congenital disabilities. This benefit is payable for a maximum of 2 such congenitally disabled children.

Rs.5 lakh is the maximum limit taking all Congenital Disability Benefit Riders under all policies of the life assured including the new proposal into consideration.

4. **Special Features**

i. **Encashment of survival benefits as and when needed:**

A policyholder can take the survival benefits on or after the due dates, but before the date of maturity. In case of deferment of a due survival benefit, the Corporation will pay increased survival benefit and the increment will be at such rate as decided by the Corporation from time to time compounding yearly for complete number of months, a fraction of a month being ignored.

This option shall be required to be exercised six months before the due date of the Survival Benefit.

To start with, the rate of increment will be 4% p.a. compounding yearly for complete number of months, ignoring fraction of a month.

ii. Flexibility to pay premiums in advance:

A policyholder will have the flexibility to pay the next yearly premium in advance (in maximum three instalments). The policyholder will be eligible for a premium rebate at such rate as may be decided by the Corporation from time to time. The premium mentioned above will also include premiums for Critical Illness Rider, Congenital Disability Benefit Rider and Accident Benefit Rider, if opted for.

She will be eligible for a premium rebate of 5% p.a. for complete number of months on the portion of premium paid. The discounting factors are given in **Annexure 3**.

iii. Option to receive maturity benefits in the form of an annuity:

The policyholder will have the option (to be exercised 6 months before the date of maturity) to receive the maturity proceeds (including bonuses) in the form of an annuity. The immediate annuity rates prevalent at the time of maturity will be applicable.

iv. Auto cover :

Provided at least two years' premiums have been paid under a policy, full death cover will be admissible for a period of three years from the date of first unpaid premium. If death of Life Assured occurs during the Auto Cover period, then death benefit after deducting unpaid premiums, with interest will be payable along with the vested bonuses and Final Additional Bonus, if any.

However, claims under the Critical Illness Rider, Congenital Disability Benefit Rider and Accident benefit will not be admissible during Auto Cover period.

Further,

(i) If Critical Illness Rider is not opted for:

If any survival benefit falls due during the above 3-year auto cover period the same will be paid after deduction of unpaid premiums with interest thereon until the due date of the survival benefit, provided it is more than the unpaid premiums with interest thereon. If the survival benefit is insufficient to cover the arrears of premiums with interest thereon up to the due date of such survival benefit, then the survival benefit will be payable only on payment of such arrears of premiums with interest thereon, during the period of the aforesaid 3 years or on revival of the policy thereafter.

(ii) If Critical Illness Rider is opted for:

If any survival benefit falls due during the above 3-year auto cover period the same will be paid only on revival of the policy.

5. Eligibility Conditions and Restrictions

Basic Plan

- a) Minimum Sum Assured : Rs.50,000/-
- b) Maximum Sum Assured : Rs 25,00,000/-
- c) Minimum age at entry : 18 years completed.
- d) Maximum age at entry : 55 years nearest birthday
- e) Maximum age at maturity: 70 years nearest birthday
- f) Policy Term : 15 & 20 years

The Sum Assured shall be in multiples of Rs. 5,000

Accident Benefit Rider:

- a) Minimum Sum Assured : Rs. 50,000
- b) Maximum Sum Assured: An amount equal to the Sum Assured under the Basic Plan subject to the maximum of Rs.50 lakh overall limit considering the Accident Benefit Sum Assured in respect of all existing policies on the life of the Life Assured under individual and group policies including the policies taken from Life Insurance Corporation of India and other Insurance companies and the Accident Benefit Rider Sum Assured under new proposal into consideration.

The Sum Assured shall be in multiples of Rs. 5,000.

- c) Minimum Entry Age : 18 years completed
- d) Maximum Entry Age : 55 years nearest Birthday
- e) Policy Term : 15 & 20 years
- f) Maximum Maturity Age : 70 years nearest Birthday

Critical Illness Rider

- a) Minimum Sum Assured : Rs. 50,000
- b) Maximum Sum Assured:
An amount equal to the Basic Sum Assured subject to the maximum of Rs.5 lakh overall limit taking all critical illness riders under all existing policies of the life assured and the critical illness rider option under the new proposal into consideration.

The Sum Assured shall be in multiples of Rs.10,000/-.

- c) Minimum Entry Age : 18 years completed
- d) Maximum Entry Age : 50 years nearest Birthday
- e) Policy Term : Same as basic plan or till age 60 years nearest birthday whichever is earlier.
If PWB is opted for, then the term of the rider should be same as that of the term of the basic plan.
- f) Maximum Maturity Age : 60 years nearest Birthday

If PWB (under the Critical Illness Rider) is opted for, then the following conditions apply:

- (i) The term of all the riders opted for must be same as that of the basic plan.
- (ii) The Sum Assured of all the riders opted for must be same as that of the basic plan.

Congenital Disability Benefit Rider:

- a) Minimum Sum Assured : Rs.50,000
- b) Maximum Sum Assured : Rs 500,000
Rs.5 lakh is the maximum limit taking all Congenital Disability Benefit Rider under all policies of the life assured including the new proposal into consideration.

- c) Minimum Entry Age : 18 years completed
- d) Maximum Entry Age : 35 years nearest birthday
- e) Maximum Benefit Ceasing Age : 40 years nearest birthday
- f) Terms allowed : Same as the basic plan or till age 40 years nearest birthday, whichever is earlier.

Sum Assured will be in multiples of Rs 5000 only.

6. **Mode of Premium Payment** : Only Yearly mode of Premium Payment is allowed under this plan.

7. **Premium Rates**

The tabular premium rates per thousand Sum Assured are given in **Annexure 1**.

The extra premium rates are given in **Annexure 2**.

8. **Grace Period For Payment Of Premium:**

A grace period of one calendar month but not less than 30 days will be allowed for payment of premiums. If death of the life assured occurs within the grace period but before the payment of premium then due, the policy will still be valid and the benefits will be allowed after deduction of the said unpaid premium.

9. **Rebates**

Large Sum Assured rebates

<u>Sum Assured</u>	<u>Rebate on tabular premium %o Sum Assured</u>
Rs.1, 00,000/- and above but less than Rs. 5,00,000/-	Rs.2.00
Rs.5, 00,000/- and above	Rs 4.00.

10. **Corporate Employees Insurance Scheme (CEIS) Rebate:** The rebate for eligible employees of the Corporation shall be @ 10% of the Tabular premium provided policy is not taken through any Agent/ Corporate Agent/ Broker.

11. Commission For Agents / Corporate Agents / Brokers And D.O. Credit:

Commission rates (as a percentage of annual premium) are given below:

Agents and Corporate Agents:

1 st Year	: 25%
2 nd and 3 rd Years	: 7.5%
Thereafter	: 5%

Bonus Commission: 40% of 1st year's commission.

Brokers :

1 st Year	: 30%
Thereafter	: 5%

Development Officer's Credit: 100% of 1st year's premium.

12. Paid-Up Value

If after at least 3 full years premiums have been paid in respect of this policy, and any subsequent premium be not duly paid, this policy shall not be wholly void after the expiry of three years Auto Cover Period from the due date of First Unpaid Premium, but shall subsist as a paid-up policy for a reduced sum.

The Sum Assured of the policy shall be reduced to such a sum, called paid-up value, as shall bear the same proportion to the full Sum Assured as the number of premiums actually paid bears to the total number of premiums stipulated for in the policy , less any survival benefit paid.

The policy so reduced shall, thereafter be free from all liability for payment of the premiums, but shall not be entitled to the bonuses from the due date of first unpaid premium. However, the vested bonuses will remain attached to the reduced paid-up policy.

In the case of a reduced paid up policy, no survival benefits shall be payable and the paid up value along with the vested bonus, if any, shall be payable only in lump-sum on maturity or death of life assured, if earlier.

13. Guaranteed Surrender Value

The Guaranteed surrender value will be available after the expiry of 3 policy years, provided the premiums have been paid for at least three years. The guaranteed surrender value will be 30 percent of the total amount of the premiums paid excluding the premium for the first year, any premiums paid towards riders, all extra premiums that may have been paid and the amount of survival benefits paid earlier.

The cash value of any existing bonuses will also be paid.

14. Special Surrender Value

Special surrender value will be payable, if it is more favorable to the policyholder. The Special Surrender Value will be the discounted value of the Paid-up value (as defined in Para 12 and the existing vested bonuses. The discount factors shall be the surrender value factors used for Endowment Assurance plan.

15. Revivals :

If the due premium is not paid within the days of grace, the policy will lapse. A lapsed policy may be revived as under:

Revival during the Auto Cover Period

a) If Critical Illness Rider is not opted for:

During the Auto Cover Period, the Life Assured can pay one or more instalments of premiums with interest without submission of any evidence of health. On payment of part or full arrears of premiums with interest, the Auto Cover Period of 3 years from the due date of new FUP shall again be available during the term of the Policy.

b) If Critical Illness Rider is opted for:

During the auto cover period, the policy can be revived by payment of full arrears of premium together with interest and subject to submission of proof of continued insurability of the Life Assured to the satisfaction of the Corporation. The Corporation reserves the right to accept at original terms, accept at revised terms or decline the revival of the policy. The revival of the policy shall take effect only after the same is approved by the Corporation and is specifically communicated to the Life Assured.

Revival other than during Auto Cover Period

If the Policy has lapsed, it may be revived within a period of 5 years from the due date of first unpaid premium or before the date of maturity whichever is earlier, by payment of full arrears of premium together with interest and subject to submission of proof of continued insurability of the Life Assured to the satisfaction of the Corporation. The Corporation reserves the right to accept the revival at original terms, or at revised terms or decline the revival of a discontinued policy. The revival of discontinued policy shall take effect only after the same is approved by the Corporation and is specifically communicated to the Life Assured.

16. Loans

Loan facility will be available under this plan after the policy acquires paid up value. The rate of interest charged for this loan amount would be determined from time to time by the Corporation.

17. Underwriting, Age proof and Medical Requirements :

U & R department will issue instructions.

18. Participation in profits of the Corporation ::

Provided the policy is in full force, then depending upon the Corporation's experience with regard to policies issued under this plan, this policy will be eligible for a Simple Reversionary Bonus at such rate and on such terms as may be declared by the Corporation.

Simple Reversionary Bonuses shall be declared per thousand Sum Assured annually at the end of each financial year provided the policy is in full force. Once declared, they form part of the guaranteed benefits of the plan. Simple Reversionary Bonuses will be added from the date of commencement of policy until the selected policy term or till death, if it occurs earlier, provided the policy is in full force. In case of a paid up policy vested bonuses shall be payable only if at least 3 full years' premiums have been paid.

In the event of policy being surrendered, the discounted value of vested bonuses, if any, as applicable on the date of surrender, will be payable.

Final (Additional) Bonus may also be declared under the policy which shall be payable on expiry of the policy term, or on earlier death.

19. Suicide Clause:

This Policy shall be void if the Life Assured commits suicide (whether sane or insane at that 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 commencement of risk under this Policy and the Corporation will not entertain any claim by virtue of this Policy except to the extent of a third party's bonafide beneficial interest acquired in the Policy for valuable consideration of which notice has been given in writing to the branch where the Policy is being presently serviced (where the policy records are kept), at least one calendar month prior to death.

20. Normal requirements for claim :

The normal documents which the claimant shall submit while lodging the claim in case of death of the Life Assured / Policyholder shall be the claim forms accompanied with original policy document, proof of title, proof of death, proof of accident/disability, medical treatment prior to death, school / college / employer's certificate, whichever is applicable, to the satisfaction of the Corporation. If the age is not admitted under the policy, the proof of age of the Life Assured shall also be submitted.

Where the policy results into a survival benefit claim or in case of surrender of the policy, the Life Assured shall submit the discharge form along with the original policy document besides proof of age, if the age is not admitted earlier.

21. Cooling-off period :

If a policy holder is not satisfied with the "Terms and Conditions" of the policy, she may return the policy to the Corporation within 15 days from the date of receipt of the policy.

22. Back-dating interest :

The policies can be dated back within the financial year, as usual. Back- dating interest will be charged at the prevailing rate at the time of completion of policy for dating back in excess of one month. The interest shall be charged even where the policy is back dated to a lean month.

23. Policy stamping :

Policy stamping charges will be 20 paise per thousand Sum Assured under this Plan.

24. Reinsurance

Normal procedure for Reinsurance will apply.

25. Assignments/Nominations

It should be ensured that a nomination is made in the policy at the proposal stage necessarily. However, on a subsequent assignment or change of nomination, the notice of assignment or change of nomination should be submitted for registration to the office of the Corporation, where the policy is serviced. In registering an assignment or nomination the Corporation does not accept any responsibility or express any opinion as to its validity or legal effect.

26. Proposal Form :

Proposal Form No. 300 will be used under this plan. An addendum as given in **Annexure 4** is to be filled by the proposer in case she opts for the Congenital Disability Benefit Rider.

27. Policy Document :

The specimen Policy Document will be sent by the Corporate Communications Department, Central Office.

Secretary-in-Charge (Actuarial)

ENCL : Annexures – [I](#), [II](#), [III](#), [IV](#)