

LIFE INSURANCE CORPORATION OF INDIA
CENTRAL OFFICE

Dept.: Actuarial

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

Ref: Actl/PD/2152/4

5/12/2008

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 AASTHA (PLAN No. 195)

It has been decided to introduce ‘LIC’s JEEVAN AASTHA, (Plan No. 195) a closed ended plan which would be open for sale from 8th December 2008 for a maximum period of 45 days.

The Unique Identification Number (UIN) for LIC’s Jeevan Aastha plan is 512N252V01. This number has to be quoted in all relevant documents furnished to the Policyholders and other users (public, distribution channels, etc.).

1. Introduction:

LIC’s Jeevan Aastha is a single premium assurance plan with Guaranteed Additions and Loyalty Additions, if any. The benefits and other details of this plan are given below.

2. Benefits:

a) Death Benefit:

On death during the first policy year: **Basic Sum Assured** with Guaranteed Addition.

On death during the policy term after first policy year, excluding last policy year: 1/3rd of **Basic Sum Assured** with Guaranteed Addition.

On death during last policy year: 1/3rd of **Basic Sum Assured** with Guaranteed Addition along with loyalty addition, if any.

b) Maturity Benefit:

On maturity, the **Maturity Sum Assured** along with Guaranteed Addition and Loyalty Addition, if any, shall be payable.

Maturity Sum Assured shall be 1/6th of **Basic Sum Assured**.

c) Guaranteed Addition:

The policy provides for Guaranteed Addition at the following rates:

- Rs. 100 per thousand of **Maturity Sum Assured** per year for a policy of 10 years term.
- Rs. 90 per thousand of **Maturity Sum Assured** per year for a policy of 5 years term.

d) Loyalty Addition:

Depending upon the Corporation's experience with regard to policies issued under this plan, the policy will be eligible for Loyalty Addition on death during the last policy year or on the Life Assured surviving the stipulated date of maturity at such rate and on such terms as may be declared by the Corporation.

3. Eligibility Conditions and Restrictions

- a) Minimum Entry Age : 13 years (completed)
- b) Maximum Entry Age : 60 years (nearest birthday)
- c) Minimum Basic Sum Assured: Rs.150,000
- d) Maximum Basic Sum Assured: No Limit
The basic sum assured shall be available in multiples of Rs. 30,000.
- e) Policy Term : 5 or 10 years

4. Mode of Premium Payment: Single premium.

5. Premium Rates :

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

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

6. Rebates:

Large Sum Assured Rebate on tabular premium per thousand Basic Sum Assured:

Basic Sum Assured	Term	
	5 Year	10 Year
Below Rs. 3, 00,000	Nil	Nil
Rs. 3, 00,000 to Rs.5, 99,999	Rs. 2.00	Rs 3.00
Rs. 6, 00,000 to Rs. 11, 99,999	Rs. 2.50	Rs 3.50
Rs. 12, 00,000 and above	Rs 3.00	Rs 4.00

7. Corporate Employees Insurance Scheme (CEIS) Rebate: The rebate for eligible employees of the Corporation shall be @ 2% of the Tabular premium provided policy is not taken through any Agent/ Corporate Agent/ Broker.

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

Commission to Agents and brokers is payable @ 2% of the Single Premium received. Credit to Development Officers will be @ 5% of the Single premium.

9. Guaranteed Surrender Value

The Guaranteed surrender value will be available after the expiry of 1 policy year.
The Guaranteed Surrender Value shall be 90% of the Single premium paid excluding any extra premiums, if any.

10. 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 Maturity Sum Assured and Guaranteed Additions accrued. The discount factors shall be the special surrender value factors used for Endowment Assurance plan, which will depend on the policy term and the duration elapsed since commencement of the policy.
The Guaranteed Addition for the last policy year during which the policy is surrendered, will be added on proportionate basis.

11. Loans

Loan facility is available under this plan, after completion of one policy year.
The rate of interest charged for the loan amount would be determined from time to time by the Corporation.

12. Underwriting, Age proof and Medical Requirements :

Instructions will be issued separately by Underwriting and Reinsurance Department.

13. Suicide Clause:

No claim under the policy shall be paid except to the extent of 90% of the Single Premium paid, in case the Life Assured commits suicide (whether sane or insane at the time) at any time within one year from the date of commencement of risk and the Corporation will not entertain any other 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 serviced (where the policy records are kept) at least one calendar month prior to death

14. Normal requirements for claim :

The normal documents which the claimant shall submit while lodging the claim in case of death of the Life Assured shall be the claim forms accompanied with original policy document, proof of title, proof of death, 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.

On maturity or on earlier surrender, 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.

15. Cooling-off period :

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

16. Back-dating interest :

The policies can be dated back within the financial year, as usual. Back- dating interest will be charged at the rate of 10%. for dating back in excess of one month. The interest shall be charged even where the policy is back dated to a lean month.

17. Policy stamping :

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

18. Reinsurance

Normal procedure for Reinsurance will apply.

19. 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.

20. Accounting of Income and Outgo :

Instructions regarding the accounting procedure to be followed under the plan shall be issued separately by Finance & Accounts Department, Central office.

21. Proposal Form :

Proposal Form No. 300 or 340 as the case may be along with the declaration to be signed by the proposer as per Annexure 3 shall be used under this plan.

22. Policy Document :

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

Secretary-in-Charge (Actuarial)

Encl: 1) [Annexure-1](#)
2) [Annexure-2](#)
3) [Annexure-3](#)