

LIFE INSURANCE CORPORATION OF INDIA
CENTRAL OFFICE

Dept.: Actuarial

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

Ref: Actl/PD/2156/4

11th February, 2009

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 VARSHA (PLAN No. 196)

It has been decided to introduce **LIC’s Jeevan Varsha** (Plan No. 196) a close ended plan which would be open for sale from 16th February, 2009 to 31st March, 2009.

The Unique Identification Number (UIN) for this plan is 512N254V01. 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 Varsha is a money back 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 policy term excluding last policy year: Sum Assured with accrued Guaranteed Additions.

On death during last policy year: Sum Assured with accrued Guaranteed Additions along with Loyalty Addition, if any.

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>9-year plan</u>	<u>12-year plan</u>
3 years	15%	10%
6 years	25%	20%
9 years	--	30%

c) Maturity Benefit

For policy term of 9 years: 60% of the Sum Assured along with Guaranteed Additions and Loyalty Addition, if any, will be payable.

For policy term of 12 years: 40% of the Sum Assured along with Guaranteed Additions and Loyalty Addition, if any, will be payable.

d) Guaranteed Addition:

The Guaranteed Addition will accrue for each policy year at the following rates:

- Rs. 65 per thousand **Sum Assured** per year for a policy of 9 years term.
- Rs. 70 per thousand **Sum Assured** per year for a policy of 12 years term.

In case of a death claim or surrender of fully paid up policy (applicable for policy term of 12 years), the Guaranteed Additions for the policy year of death or surrender will be added fully.

In case of surrenders and paid-up policies, the Guaranteed Additions for the policy year in which the last premium is received will be added on proportionate basis. For example, if two months' premiums have been received for the policy year, then 2/12th of the Guaranteed Additions for that policy year shall be added.

e) 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 Sum Assured: Rs.75,000/- for ECS monthly mode
Rs 50,000/- for other modes
- b) Maximum Sum Assured: No limit
- c) Minimum age at entry: 15 years completed.
- d) Maximum age at entry: 66 years (nearest birthday) for policy of term 9 years
63 years(nearest birthday) for policy of term 12 years
- e) Maximum age at maturity: 75 years nearest birthday
- f) Policy Term : 9 & 12 years
- g) Premium Paying Term:9 years

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

Age at entry for the life assured is to be taken as age nearest birthday except for the minimum age at entry i.e. 15 years.

4. Mode of Premium Payment : Yearly, Half yearly, Quarterly and Monthly (through ECS only)

5. Premium Rates

The tabular premium rates per thousand Sum Assured are given in **Annexure 1**.
The extra premium rates are given in **Annexure 2**.

6. Grace Period For Payment Of Premium:

A grace period of one month but not less than 30 days will be allowed for payment of yearly or half-yearly or quarterly premiums and 15 days for monthly premiums.

If death occurs within this period and before the payment of the premium then due, the policy will still be valid and the Sum Assured shall be paid after deduction of the said premium as also unpaid premiums falling due before the next Policy anniversary.

If premium is not paid before the expiry of the days of grace, the Policy lapses.

7. Rebates

Mode Rebates:

Rebates are available at the following rates:

Yearly mode : 2% of tabular premium

Half-yearly mode: 1% of the tabular premium

Sum Assured Rebates:

<u>Sum Assured</u>	<u>Rebate on tabular premium %o Sum Assured</u>
Less than Rs.1, 00,000/-	Nil
Rs 1, 00,000 and above but less than Rs.2,00,000	Rs 2.00
Rs 2, 00,000 and above but less than Rs.5,00,000	Rs 3.50
Rs. 5,00,000 and above	Rs 5.00

8. Corporate Employees Insurance Scheme (CEIS) Rebate: The rebate for eligible employees of the Corporation shall be @ 5% of the Tabular premium provided policy is not taken through any Agent/ Corporate Agent/ Broker.

9. 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:

1st Year : 10%

Thereafter : 5%

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

Brokers :

1st Year : 15%

Thereafter : 5%

Development Officer's Credit: 40% of 1st year's premium.

10. 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, 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), and 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 Guaranteed Additions from the due date of first unpaid premium. However, the accrued Guaranteed Additions will remain attached to the reduced paid-up policy.

Notwithstanding the benefits available under a fully in force policy, in the case of a reduced paid up policy, no survival benefits shall be payable and the paid up value along with the accrued Guaranteed Additions, if any, shall be payable only in lump-sum on the expiry of policy term or death of life assured, if earlier.

If after at least three full year's premiums have been paid in respect of this policy any subsequent premium be not duly paid, in the event of death of the Life Assured within six months from the due date of first unpaid premium, the benefits will be paid as if the Policy had remained in full force after deduction of (a) the premium or premiums unpaid with interest thereon until the date of death, and (b) the unpaid premiums falling due before the next Policy anniversary.

If after at least five full year's premiums have been paid in respect of this policy any subsequent premium be not duly paid, in the event of death of the Life Assured within one year from the due date of first unpaid premium, the benefits will be paid as if the Policy had remained in full force after deduction of (a) the premium or premiums unpaid with interest thereon until the date of death, and (b) the unpaid premiums falling due before the next Policy anniversary.

11. 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 allowable under this policy is equal to 30 percent of the total amount of the premiums paid excluding the premium for the first year, all extra premiums that may have been paid and the amount of survival benefits paid earlier.

The cash value of any existing guaranteed additions will also be payable.

12. 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 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 cash value of any existing guaranteed additions will also be payable.

13. 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:

If the Policy has lapsed, it may be revived during the life time of the Life Assured, but within a period of 5 years from the date of first unpaid premium and before the date of maturity, on submission of proof of continued insurability to the satisfaction of the Corporation and the payment of all the arrears of premium together with interest at such rate as may be fixed by the Corporation from time to time compounding half-yearly. The Corporation reserves the right to accept at original terms, accept with modified terms or decline the revival of a discontinued policy. The revival of the discontinued policy shall take effect only after the same is approved by the Corporation and is specifically communicated to the Life Assured.

14. 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.

15. Underwriting, Age proof and Medical Requirements :

U & R department will issue instructions.

16. 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.

17. 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, 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.

18. 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.

19. 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.

20. Policy stamping :

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

21. Reinsurance

Normal procedure for Reinsurance will apply.

22. 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.

23. Proposal Form :

Proposal Form No. 300 or 340, as the case may be, shall be used under this plan.

24. Policy Document :

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

Secretary-in-Charge (Actuarial)

ENCL : [Annexure – 1 & 2](#)