

LIFE INSURANCE CORPORATION OF INDIA
CENTRAL OFFICE

Dept.: Actuarial

?Yogakshema?,
Jeevan Bima Marg,
Mumbai ? 400 021.

Ref: Actl/PD/2172/4

27/10/2009

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 NISCHAY (PLAN No. 199)

It has been decided to introduce ?LIC?s JEEVAN NISCHAY, (Plan No. 199) a closed ended plan which would be open for sale from 29th October, 2009 till 31st March 2010. This plan shall be offered only to our existing policyholders.

The Unique Identification Number (UIN) for LIC?s Jeevan Nischay plan is 512N258V01. 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 Nischay is a single premium assurance plan with Loyalty Additions, if any. It shall be offered, without any medical examination, only to the existing policyholders of the Corporation whose previous policies have been accepted at standard rates and have at least one policy inforce. Further, the policyholders who have only an annuity/ pension plan without risk cover shall not be eligible for this plan. The benefits and other details of this plan are given below.

2. Benefits:

a) Death Benefit:

On death during the first policy year: 5 times the single premium excluding extra premium, if any.

On death during the policy term after first policy year, excluding last policy year: Maturity Sum Assured

On death during last policy year: Maturity Sum Assured along with loyalty addition, if any.

b) Maturity Benefit:

On maturity, the Maturity Sum Assured along with Loyalty Addition, if any, shall be payable. Maturity Sum Assured would depend upon age at entry for a fixed amount of premium.

c) 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 : 18 years (completed)
- b) Maximum Entry Age : 50 years (nearest birthday)
- c) Minimum Single Premium : Rs. 10,000
- d) Maximum Single Premium : Rs. 10,00,000
- The Premium shall be in multiples of Rs. 1,000/-.
- e) Policy Term : 5, 7 and 10 years
- f) Minimum / Maximum Maturity Sum Assured : There is no specific minimum and maximum Maturity Sum Assured. It will depend on the single premium paid.
- g) Maximum Basic Sum Assured (First Year Death Benefit) : **Lower of-**
Rs. 50,00,000
and
50% of total Sum Assured (total death benefit) under all existing in force policies

Age at entry for the life assured is to be taken as age nearest birthday except for the minimum age at entry i.e. 18 years.

4. Mode of Premium Payment: Single premium.

5. Premium Rates :

Maturity Sum Assured rates per Rs.1000/- Single Premium are given in **Annexure I**.

6. Incentive for the large premium:

For large policies the tabular Maturity Sum Assured shall be increased as follows:

Premium	Increase in Maturity Sum Assured (as % of tabulated Maturity SA)		
	Term ? 5 years	Term ? 7 years	Term ? 10 years
Rs. 10,000 to Rs. 24,999	Nil	Nil	Nil
Rs. 25,000 to Rs. 49,999	3.00%	3.75%	4.50%
Rs. 50,000 to Rs. 99,999	4.00%	5.25%	6.50%
Rs 1,00,000 and above	5.25%	6.75%	8.50%

7. Corporate Employees Insurance Scheme (CEIS) Rebate: The rebate for eligible employees of the Corporation shall be offered in the form of increase in Maturity Sum Assured provided the proposal is submitted directly and not through any Agent/ Corporate Agent/ Broker. The tabular Maturity Sum Assured shall be increased by 2%.

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 extra premium, if any.

10. Special Surrender Value

The Special Surrender Value will be the discounted value of the Maturity Sum Assured. 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.
Special surrender value will be payable, if it is more favorable to the policyholder.

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:

This policy shall be void if the Life Assured commits suicide (whether sane or insane at that 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 maximum of (i) 90% of the Single Premium paid excluding any extra premium paid, or (ii) third party's bonafide beneficial interest acquired in the policy for valuable consideration (but limited to the death benefit available under this policy) of which notice has been given in writing to the branch where this policy is being presently 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 8.75% 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 of Death Benefit available in first year 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. Proposal Form :

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

21. Policy Document :

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

Chief In-charge (Actuarial)

Encl: [Annexure I](#)