

LIFE INSURANCE CORPORATION OF INDIA
CENTRAL OFFICE

Dept.: Product Development

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

Ref: CO/PD/16

29th February, 2012

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 VRIDDHI (PLAN No. 808)

It has been decided to introduce **LIC’s JEEVAN VRIDDHI** (Plan No. 808), a close ended plan which would be open for sale from 1st March, 2012 for a maximum period of 120 days.

The Unique Identification Number (UIN) for LIC’s Jeevan Vriddhi plan is 512N268V01. 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 Vriddhi is a single premium non-linked plan which provides for payment of Guaranteed Maturity Sum Assured along with Loyalty Addition, if any, on maturity. Under this plan death benefit is the Basic Sum Assured. The benefits and other details of this plan are given below.

2. Benefits:

a) Death Benefit:

On death of the life assured during the policy term, Basic Sum Assured i.e. 5 times of single premium excluding extra premium, if any, shall be payable.

b) Maturity Benefit:

At the end of the policy term maturity benefit equal to the Guaranteed Maturity Sum Assured along with Loyalty Addition, if any, shall be payable. Guaranteed Maturity Sum Assured will depend on the entry age of the Policyholder and the single premium excluding extra premium, if any.

c) Loyalty Addition:

Provided the policy is in full force at the time of maturity, then depending upon the Corporation’s experience with regard to the policies issued under this plan, the policy will be eligible for Loyalty Addition on the stipulated date of maturity at such rate and on such terms as may be declared by the Corporation.

The Loyalty Addition payable shall be based on the Guaranteed Maturity Sum Assured.

3. **Eligibility Conditions and Restrictions**

- a) Minimum Entry Age : 8 years (completed)
- b) Maximum Entry Age : 50 years (nearest birthday)
- c) Mode of premium payment : Single premium
- d) Minimum Single Premium : Rs.30,000/-
- e) Maximum Single Premium : No Limit

The Single Premium shall be in multiple of Rs. 1000/-

- f) Policy Term : 10 years

Age at entry of the Policyholder is to be taken as age nearest birthday except for the minimum age at entry i.e. 8 years.

4. **Benefit Table :**

The Guaranteed Maturity Sum Assured per thousand single premium excluding extra premium, if any, for different age at entry are given in **Annexure 1**.

The class – I extra premium rates per thousand **Basic Sum Assured** are given in **Annexure 2**.

5. **Rebates:**

Incentive for higher single premium (excluding extra premium, if any) by way of increase in Guaranteed Maturity Sum Assured is as under:

Single Premium	Increase in Guaranteed Maturity Sum Assured
Below Rs. 50,000	Nil
Rs. 50,000 to Rs. 99,000	1.25%
Rs. 100,000 and above	3.00%

6. **Corporate Employees Insurance Scheme (CEIS) Rebate:** The rebate for eligible employees of the Corporation shall be @ 2% of the Guaranteed Maturity Sum Assured provided policy is not taken through any Agent/ Corporate Agent/ Broker.

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

Commission to Agents, Corporate Agents and brokers is payable @ 2% of the Single Premium received.

Credit to Development Officers will be @ 5% of the Single premium.

8. **Guaranteed Surrender Value**

The Guaranteed Surrender Value will be available after expiry of one policy year.

The Guaranteed Surrender Value shall be 90% of the Single premium paid excluding any extra premium, if any.

9. **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 Guaranteed Maturity Sum Assured. The discount factors shall be the special surrender value factors used for Endowment Assurance plan, which will depend on the duration elapsed since commencement of the policy.

The Special Surrender Value factors per Rs. 100 Guaranteed Maturity Sum Assured for duration 1 and 1.5 years are 44.52 and 45.97 respectively.

10. Loans

Loan facility is available under this plan, after completion of one policy year subject to following conditions:

- a) Loan can be granted after completion of one policy year subject to a maximum of 70% of Surrender Value.
- b) The rate of interest to be charged on loans granted under this plan will be **10.25% p.a. compounding half-yearly** and the same would be subject to review from time to time by the Corporation.
- c) No foreclosure action should be taken under this plan even if there is a default in payment of loan interest.

11. Underwriting, Age proof and Medical Requirements :

U & R Department will issue instructions.

12. Suicide Clause:

The policy shall be void if the Life Assured (whether sane or insane at the time) commits suicide at any time within one year from the date of commencement of risk and the Corporation will not entertain any claim under 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 applicable death benefit of this policy) 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.

13. Service Tax:

Under this plan, the amount of service tax as per the prevailing rates shall be payable by the policyholder on single premium including extra premium, if any. The amount of Service Tax paid shall not be considered for the calculation of Basic Sum Assured and also for any other benefits payable.

Service tax, if any, shall be as per the Service Tax laws and the rate of service tax as applicable from time to time.

The instructions regarding issues related to service tax will be issued by Finance & Accounts Department, Central office, separately.

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 policyholder 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.

The refund of single premium to the policyholder subject to following deductions:

1. Stamp duty on policy;
2. Actual cost of medical examination and special reports, if any;
3. Mortality charges as per c.o. circular ref: Actl/1819/4 dated 23.08.2002. For substandard lives, the mortality charge shall be increased by multiplying with the factor given in above said circular.

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% p.a., 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.

17. Policy stamping :

Policy stamping charges will be 20 paise 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 shall be used under this plan.

22. Policy Document :

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

Executive Director (Marketing/Product Development)

Encl: Annexure 1 & 2