

Rs.10,388 crore Bonus from LIC to its Policy Holders for the year 2003-04

Life Insurance Corporation of India, today announced the Bonus for its policyholders for the year 2003-04 pursuant to the Actuarial Valuation as on 31st March, 2004. A surplus of **Rs.10,935 crore** has emerged as a result of valuation. Out of the Surplus declared, 95% i.e. **Rs.10,388 crore** is distributed as Bonus to the holders of with profit policies which were in-force as on 31st March 2004 and 5% of the surplus i.e. **Rs. 547 crore** is the share of Government of India as yearly dividend. The number of in-force policies has gone up from 14.11 crore to 15.62 crore as on 31st March, 2004, registering a growth of 10.7%.

Reversionary Bonus Rates:

- Whole Life Policies - **Rs.80.00** per thousand sum assured
Bonus on various plans per thousand sum assured for 16 years and above is as under. The bonus depends on term of the policy. The bonus amount is higher for long term policies.
- Endowment Type Policies - range from **Rs.51.00 to Rs. 57.00**
- Money Back, Anticipated Endowment - **Rs.46.00 (term 20 years) & Rs.51.00(term 25 years)**
- Jeevan Mitra, Jeevan Sathi, Limited Endowment Policies - range from **Rs.52.00 to Rs.58.00**
- Jeevan Surabhi Policies - **Rs.48.00 (term 20 years) and Rs.57.00 (term 25 years)**
- Jeevan Anand plan - range from **Rs.49.00 to Rs.53.00**
- Jeevan Rekha Plan - range from **Rs.39.00 to Rs.45.00.**

The Bonus rates declared by the Corporation show a marginal adjustment over last year because of the fall in average yield on investments owing to overall declining interest rate scenario.

Bonus on Pension Plans: The special feature of the valuation is declaration of bonus for the Individual Pension Plans – New Jeevan Dhara-I & New Jeevan Suraksha-I ranging from **Rs.18.00 to Rs.24.00** per thousand Notional Cash Option.

Additional Bonus:

In addition to the above Reversionary Bonuses, LIC has also declared Final Additional Bonus and Loyalty Addition to give add on value to those policyholders who keep their policies in force. The rates of Final (Additional) Bonus are upto **Rs.1,400 per thousand Sum Assured** depending upon term and sum assured of the policy for policies fulfilling the stipulated conditions. Also, as in the previous year, the Loyalty Addition in respect of Jeevan Shree policies maturing on completion of 5 years' term is **Rs.75** per thousand Sum Assured and with policy term 10 years at the rate of **Rs.125** per thousand Sum Assured.

The Simple **Reversionary Bonus** declared as a result of the valuation for all with-profit policies subject to the stipulated conditions, are as under:

I) Individual Assurances

<i>Endowment type of policies *</i> (1)				<i>Jeevan Mitra, Jeevan Sathi and Limited Endowment</i> (2)			<i>Money Back and Anticipated Endowment</i> (3)			<i>Jeevan Surabhi</i> (4)			<i>Jeevan Anand</i> (5)					<i>Jeevan Rekha</i> (6)			
<i>Policy Term</i>				<i>Policy Term</i>			<i>Policy Term</i>			<i>Policy Term</i>			<i>Policy Term</i>					<i>Policy Term</i>			
<11	11 to 15	16 to 20	>20	<16	16 to 20	>20	12 & 15	20	25	15	20	25	5	6 to 10	11 to 15	16 to 20	>20	< 11	11 to 15	16 to 20	> 20
BONUS RATES PER THOUSAND RUPEES SUM ASSURED																					
38	45	51	57	48	52	58	37	46	51	40	48	57	34	38	43	49	53	57	51	45	39
* Excluding Jeevan Mitra, (Double and Triple Cover), Jeevan Sathi, Limited Endowment, Money Back, Anticipated Endowment, Jeevan Surabhi, Jeevan Anand and Jeevan Rekha policies.																					

II) Individual Pension Plans

<i>Plan</i>	<i>Deferment Period (Years)</i>			
New Jeevan Dhara-I and New Jeevan Suraksha-I	<i>5 & Less</i>	<i>6 to 10</i>	<i>11 to 15</i>	<i>More than 15</i>
	<i>Per Thousand Notional Cash Option</i>			
	Rs.18.00	Rs.20.00	Rs.22.00	Rs.24.00

Place : Mumbai

Date: 15.9.2004