JEEVAN AADHAR – (Table No. 114)

Benefit Illustration

Introduction

Insurance Regulatory & Development Authority (IRDA) requires all life insurance companies operating in India to provide official illustrations to their customers. The illustrations are based on the investment rates of return set by the Life Insurance Council (constituted under Section 64C(a) of the Insurance Act 1938) and is not intended to reflect the actual investment returns achieved or may be achieved in future by Life Insurance Corporation of India (LICI).

For the year 2004-05 the two rates of investment return declared by the Life Insurance Council are 6% and 10% per annum.

Product summary
This plan may be offered to a person who has a handicapped dependant satisfying conditions as specified in Section 80DDA of Income Tax Act, 1961. The plan provides life insurance cover throughout the lifetime of the purchaser. The benefits under the plan are for the handicapped dependant which are partly in lump sum and partly in the form of an annuity.

The premiums paid under this plan are eligible for Income Tax relief under Section 80DDA of Income Tax Act.

Premiums:
Premiums are payable yearly, half-yearly, quarterly, monthly or through Salary deductions, as opted by you, within the selected premium paying terms of 10, 15, 20, 25, 30 or 35 years or till the earlier death. Alternatively, the premiums may be paid in one lump sum (Single Premium).

Guaranteed Additions: The policy provides for the Guaranteed Additions at the rate of Rs.100 per thousand Sum Assured for each completed policy year. The Guaranteed Additions will accrue up to age 65 of the life assured or till his/her death, if earlier.

Terminal Additions: This is a with-profits plan and participates in the profits of the Corporation’s life insurance business. It gets a share of the profits in the form of Terminal Additions. The policy will be entitled for Terminal Additions if at least 10 years premiums have been paid. The Terminal additions would depend on the future experience of the Corporation.

Death Benefit : On the death of the Life Assured, Sum Assured together with the Guaranteed Additions and terminal additions, if any, become payable. 20% of such benefit amount shall be paid in lump sum and the balance amount shall be utilized to provide an annuity of 15 years certain and for life thereafter on the life of the handicapped dependant. The annuity rates are guaranteed for this purpose.

If the handicapped dependant predeceases the Life Assured during the premium paying term of the policy, the contract ceases and the Life Assured will have the option of either keeping the policy for a reduced paid-up Sum Assured or receive the refund of premiums.

Maturity Benefit: Since this is a whole of life plan there will be no maturity benefit.

Supplementary/Extra Benefits: These are the optional benefits that can be added to your basic plan for extra protection/option. An additional premium is required to be paid for these benefits.

Surrender Value:
Since the plan has been designed for the benefit of handicapped dependant, surrender of the policy is not allowed.

Note : The above is the product summary giving the key features of the plan. This is for illustrative purpose only. This does not represent a contract and for details please refer to your policy document.

Benefit Illustration:

Statutory warning
"Some benefits are guaranteed and some benefits are variable with returns based on the future performance of your insurer carrying on life insurance business. If your policy offers guaranteed returns then these will be clearly marked "guaranteed" in the illustration table on this page. If your policy offers variable returns then the illustrations on this page will show two different rates of assumed future investment returns. These assumed rates of return are not guaranteed and they are not upper or lower limits of what you might get back as the value of your policy is dependent on a number of factors including future investment performance."

Table 114
Age ate entry: 35 years
Age of dependant: 5 years
Premium paying term: 15 years   Yearly premium: Rs.4095/-
Sum Assured: Rs.1,00,000/-

End of year	Total premiums paid till end of year	**Benefit on death during the year**				
			Variable		Total	
		Guaranteed	Scenario 1	Scenario 2	Scenario 1	Scenario 2
1	4095	100000	0	0	100000	100000
2	8190	110000	0	0	110000	110000
3	12285	120000	0	0	120000	120000
4	16380	130000	0	0	130000	130000
5	20475	140000	0	0	140000	140000
6	24570	150000	0	0	150000	150000
7	28665	160000	0	0	160000	160000
8	32760	170000	0	0	170000	170000
9	36855	180000	0	0	180000	180000
10	40950	190000	0	0	190000	190000
15	61425	240000	0	0	240000	240000
20	61425	290000	0	1000	290000	291000
30	61425	390000	0	33000	390000	423000
40	61425	400000	0	140000	400000	540000

* 20% of the amount shall be paid in lump sum and the balance of 80% shall be utilised to pay an annuity on the life of handicapped dependant. For example, if the life assured dies during 15th year, then Rs.48,000/- will be paid in a lump sum and Rs.17,530/- will be paid as yearly annuity for 15 years certain and thereafter so long the handicapped dependant survives.

i) This illustration is applicable to a non-smoker male/female standard (from medical, life style and occupation point of view) life.

ii) The non-guaranteed benefits (1) and (2) in above illustration are calculated so that they are consistent with the Projected Investment Rate of Return assumption of 6% p.a.(Scenario 1) and 10% p.a. (Scenario 2) respectively. In other words, in preparing this benefit illustration, it is assumed that the Projected Investment Rate of Return that LICI will be able to earn ***throughout the term of the policy*** *will be 6% p.a. or 10% p.a., as the case may be. The Projected Investment Rate of Return is* ***not guaranteed****.*

iii) The main objective of the illustration is that the client is able to appreciate the features of the product and the flow of benefits in different circumstances with some level of quantification.