MONEY BACK PLAN – (Table No. 75)

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 is a Money Back type Assurance plan that provide financial protection against death throughout the term of plan along with the periodic payments on survival at specified durations during the term.

Premiums:
Premiums are payable yearly, half-yearly, quarterly, monthly or through salary deductions as opted by you throughout the term of the policy, or till the earlier death.

Bonuses: This is a with-profit plan and participate in the profits of the Corporation's life insurance business. It gets a share of the profits in the form of bonuses. Simple Reversionary Bonuses are declared per thousand Sum Assured annually at the end of each financial year. Once declared, they form part of the guaranteed benefits of the plan. Final (Additional) Bonus may also be payable provided policy has run for certain minimum period.

***Death Benefit*:**
The Sum Assured plus all bonuses to date is payable in a lump sum upon the death of the life assured during the policy term irrespective of the Survival benefit /benefits paid earlier.

Survival and Maturity Benefit: The percentage of Sum Assured as mentioned below will be paid on survival to the end of specified durations :

% of Sum Assured paid at the end of specified duration	
	Plan
Duration	**75**
5	20%
10	20%
15	20%
20	40%

All bonuses declared upto the maturity date will also be paid along with the final survival 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*:**
Buying a life insurance contract is a long-term commitment. However, surrender values are available under the plan on earlier termination of the contract.

Guaranteed Surrender Value:
The policy may be surrendered after it has been in force for 3 years or more. The guaranteed surrender value is 30% of the basic premiums paid excluding the first year's premium and all survival benefits paid earlier.

Corporation's policy on surrenders:
In practice, the Corporation will pay a Special Surrender Value – which is either equal to or more than the Guaranteed Surrender Value. The benefit payable on surrender is the discounted value of the reduced claim amount that would be payable on death or at maturity. This value will depend on the duration for which premiums have been paid and the policy duration at the date of surrender. In some circumstances, in case of early termination of the policy, the surrender value payable may be less than the total premiums paid.

The Corporation reviews the surrender value payable under its plans from time to time depending on the economic environment, experience and other factors.

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 the 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."

Illustration 1 (Table 75):
Age at entry: 35 years
Policy Term: 20 Years
Mode of premium payment: Yearly
Sum Assured: Rs. 1,00,000 /-
Annual Premium : Rs. 6564 /-

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	6564	100000	2400	4800	102400	104800
2	13128	100000	4800	9600	104800	109600
3	19692	100000	7200	14400	107200	114400
4	26256	100000	9600	19200	109600	119200
5	32820	100000	12000	24000	112000	124000
6	39384	100000	14400	28800	114400	128800
7	45948	100000	16800	33600	116800	133600
8	52512	100000	19200	38400	119200	138400
9	59076	100000	21600	43200	121600	143200
10	65640	100000	24000	48000	124000	148000
15	98460	100000	36000	72000	136000	172000
20	131280	100000	48000	96000	148000	196000

End of year	Total premiums paid till end of year	**Benefit on survival / maturity at the end of year**				
			Variable		Total	
		Guaranteed	Scenario 1	Scenario 2	Scenario 1	Scenario 2
1	6564	0	0	0	0	0
2	13128	0	0	0	0	0
3	19692	0	0	0	0	0
4	26256	0	0	0	0	0
5	32820	20000	0	0	20000	20000
6	39384	0	0	0	0	0
7	45948	0	0	0	0	0
8	52512	0	0	0	0	0
9	59076	0	0	0	0	0
10	65640	20000	0	0	20000	20000
15	98460	20000	0	0	20000	20000
20	131280	40000	53000	106000	93000	146000

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.

iv) Future bonus will depend on future profits and as such is not guaranteed. However, once bonus is declared in any year and added to the policy, the bonus so added is guaranteed.