JEEVAN MITRA – Double Cover (Table No. 88)

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 an Endowment Assurance plan that provides greater financial protection against death throughout the term of plan. It pays the maturity amount on survival to the end of the policy 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 earlier death.

Bonuses : This is a with-profit plan and participates 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. A Final (Additional) Bonus may also be payable provided a policy has run for certain minimum period.

Death Benefit: Twice the Sum Assured plus all bonuses on the basic sum assured to date is payable in a lump sum upon the death of the life assured.

Maturity Benefit: The Sum Assured plus all bonuses declared up to maturity date is payable in a lump sum on survival to the end of the policy term.

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 value will be 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.

Company's policy on surrenders :

In practice, the company will pay a Special Surrender Value – which is either equal to or more than the Guaranteed Surrender Value. The benefit payable on surrender reflects 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 life insurance company. 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 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 dependant on a number of factors including future investment performance."

Illustration (Table 88):

Age at entry: 35 years

Policy Term: 25 years

Premium paying term: 25 years

Mode of premium payment: Yearly

Sum Assured: Rs.1,00,000/-

Annual Premium: Rs.4,750 /-

End of year	Total premiums paid till end of year	Benefit payable on death during the year				
		Guaranteed	Variable		Total	
			Scenario 1	Scenario 2	Scenario 1	Scenario 2
1	4,750	200,000	2,100	5,700	202,100	205,700
2	9,500	200,000	4,200	11,400	204,200	211,400
3	14,250	200,000	6,300	17,100	206,300	217,100
4	19,000	200,000	8,400	22,800	208,400	222,800
5	23,750	200,000	10,500	28,500	210,500	228,500
6	28,500	200,000	12,600	34,200	212,600	234,200
7	33,250	200,000	14,700	39,900	214,700	239,900
8	38,000	200,000	16,800	45,600	216,800	245,600
9	42,750	200,000	18,900	51,300	218,900	251,300
10	47,500	200,000	21,000	57,000	221,000	257,000
15	71,250	200,000	31,500	85,500	231,500	285,500
20	95,000	200,000	56,000	152,000	256,000	352,000
25	118,750	200,000	69,500	189,500	269,500	389,500

End of year	Total premiums paid till end of year	Benefit payable on maturity (Rs)					
		Guaranteed	Variable		Total		
			Scenario 1	Scenario 2	Scenario 1	Scenario 2
25	118,750	100,000	69,500	189,500	169,500	289,500

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.