CHAPTER III
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COMMON AND DISTINCTIVE FEATURES OF LIC POLICIES

In this chapter an attempt has been made to examine the common and distinctive features of different kinds of policies issued so far.

III.1. COMMON FEATURES

The following are the common features found in almost all policies.

1. Life is assured for sum against premium
2. The premium to be paid more or less equal to the sum assured if the policyholder is alive.
3. Policyholders are entitled to bonus.
4. Loan can be obtained against LIC policy
5. A policy can be assured for a value in the middle.
6. If an assured dies his or her legal heir is entitled to get the sum assured and the bonus.
7. LIC policy cannot be negotiated or transformed
8. If premium is not paid properly policy would lapse.
9. A lapsed policy would be received subject to rules.
10. Payment of prenticing may be monthly, quatei, half yearly.
2. DISTINCTIVE FEATURES

The LIC differentiates our policy from the other policy in making changes in the features of life policies. The changes made in the features of policies are stated below policy wise.

Whole Life policy: Table 2 and 5

1. Only the nominees alone can get the sects assure.
2. For whole life policy it provides high risk cover and financial Security to family and also low premium.
3. Bonus declared is substantially high.
4. Risk is covered throughout the life of policy holder.
5. In whole life policy there are two tables.
6. Table 2: Premium has to be paid for 35 years or up to age 80 whichever is later.
7. Table 5: There is no maturity and only death benefit is paid to the nominee on death of the policy holder.

Convertible whole life policy: Table 27

1. Youngsters with low income in the beginning of their career
   Recommended for students availing study loans.
2. Option to fix the term as per the convenience of policyholder.

3. For First five years of the policy no loans is payable.

4. Premium paying Term can be fixed at the time of taking the policy.

5. When policy is more than 25 years, Premium paying term is restricted to 25 years only.

6. In case of minors only standard lives are considered.

7. Non medical (general) is allowed to professionals.

1. **Endowment policy : (Table 14th Bonus)**

   1. Under this plan, the sum assured is payable on maturity or on death of the life assured, if earlier.

   2. Most popular plan for fulfilling all long, short term financial needs.

   3. Age at entry 61 to 65 years minimum sum assured and proposal has to be returned to development officer.

   4. Sum assured and bonus is given under T.14 in addition final additional bonus is also given if premium paid for 15 years or more.

   5. If premium paid for 15 years the sum assured and bonus is given to the nominee.
2. Limited Payment Endowment plan: Table 48

1. In this plan a flexible plan for the policy holder to select the premium paying table of his choice.
2. Minimum age at entry is 12 years.
3. Maximum age at entry is 60 years.
4. Premium to be paid for a fixed term however the life risk coverage continues till the end of the policy term.

3. Money Back Policy: Table – 93 (25 Years), Table – 75 (20 Years)

1. Besides providing life cover during the terms of the policy, sum assured is paid in installments by way of survival benefits during the term of the policy.
2. It is suitable for businessman and professionals as money is available at regular intervals.
3. Minimum age at entry 13 years
4. Maximum age at entry 50 years
5. Bonus is given for the full sum assured amount.
6. Every 5 years they will give 20% to the policy holder. After 20 years they will get survival benefit and sum.
4. Jeevan Mitra Policy Table 88 (Double Cover)

1. An endowment Assurance plan with twice the sum assured payable on the death of the life assured during the policy term.
2. Extra premium is paid comparing to the other policy is get double benefit
3. Minimum age at entry 18 years.
4. Maximum age at entry 50 years.
5. Most preferred by traveling persons like sales representatives, marketing executives
6. Plan not allowed to non-earning majors like students, pilots and crew members.

5. Jeevan Mitra Policy (Table 133 Triple cover)

1. An Endowment Assurance plan with thrice the sum assured payable on the death of the life assured during the policy term.
2. Extra premium is paid for this policy
3. This is triple risk cover endowment policy
4. On maturity basic sum assured and accrued bonus given
5. Accidental death 4 times of sum assured and bonus is given, provided policy was covered for accidental benefit.
6. Jeevan Sathi Table – 89

1. A double cover joint life endowment assurance plan for husband and wife.
2. Minimum age at entry 20 years
3. Maximum age at entry 50 years
4. Wife’s income is also considered to grant insurance cover on husband’s life
5. Wife should be the proposer.
6. Husband should have been insured fully based on his own income.
7. If the survivor also dies before maturity sum assured bonus till that time is paid to the nominee.

7. Marriage Endowment / Education Annuity policy – Table 90

1. A plan suitable for making provision for start-in-life, marriage or education of children
2. Minimum age at entry 18 years
3. Maximum age at entry 60 years
4. Good policy for persons having children less than 10 years
5. The proposer shall have to pay the premium till maturity or early death
6. On death of the policy holder before maturity
7. No amount will be paid by LIC to the nominee immediately
8. Future premiums are waived
9. Sum assured bonus is paid to the nominee only on maturity

8. New Janaraksh Policy – Table T – 91
1. Ideal or people with no regular income. It provides for death cover for a period of 3 years from the first unpaid premium, provided at 2 full years premiums have been paid.
2. Minimum age at entry 18 years
3. Maximum age at entry 50 years
4. In this policy maximum age at entry is restricted to 40 years in case of non-medical.
5. Age proof is not insisted, if sum assured is 50,000/- or less
8. Plan is not allowed to widows belonging
9. Even if the policy holder is not able to pay further premiums after paying first two years premiums, the life risk cover continues for three more years from the date of premiums unpaid.
9. **Jeevan Chhaya T –103**

1. An ideal plan to provide for child's higher education
2. Minimum age at entry 18 years
3. Maximum age at entry 45 years
4. Premium has to be paid for fixed term of the policy
5. 25% of sum assured is given every year during the last 4 years of maturity to the policy holder.
6. Joint declaration by the husband and wife regarding child birth is must, if the child is aged less than one year and policy is given under non-medical scheme
7. On maturity bonus on the full sum assured and final additional bonus if any is given along with the last 25% balance of sum assured.

10. **Jeevan Surabhi Table 106 (15 years) 107 (20 Years) , 108 (25 years)**

1. Money Back plan where premiums are payable for a limited period, with periodical increase in insurance cover.
2. For 15 years policy one has to pay premium only for 12 years.
3. For 20 years policy one has to pay premium only for 15 years.
4. For 25 years policy one has to pay premium only for 18 years.
5. In case of death of the policy holder before maturity accrued bonus is also paid to the nominee.
6. The survival benefit already paid will not be deducted from the death claim amount.

8. The risk cover increase by 50% of the sum assured once in every 5 years.

11. Asha Deep - II T – 121

1. The plan provides, besides death and maturity payments, benefits in case the life assured suffers from any of the four defined ailments like cancer, paralytic stroke, renal failure and coronary diseases.

2. This is a health insurance policy

3. The health benefit is available only after one year of taking the policy

5. On maturity or early death 50% of the sum assured and bonus till maturity death whichever is earlier is paid.

12. Jeevan Asha II T – 131

1. Minimum age at entry 18 years

2. Maximum age at entry 50 years

3. The plan provides, besides death and maturity benefits, payment towards certain surgical procedures and periodical survival benefits payments.
There is also a provision for guaranteed additions at the rate of Rs.70/-
Per thousand sum assured p.a.

4. This plan option to switch over from Jeevan Asha plan T – 129

Option 1: 2% of the sum assured is given once in two years, the for such payment will be after 3 years from the date of the policy. This amount will continue to be paid despite receiving surgical procedure benefit.

Option 2: Enhanced lumpsum benefit is payable restricted to 2 times during any emergency to meet hospital bills balance if any, is payable at maturity or earlier death.

13. Jeevan Vishwas T – 139

1. This is an endowment type plan designed for handicapped dependents whose degree of handicap may not fulfill the definition of disability laid down for Jeevan Aadhar Plan. The benefit is payable partly in lump sum and partly in the form of an annuity. The plan also provides for guaranteed and loyalty additions.

2. Minimum age at entry 20 years

3. Maximum age at entry 65 years

4. Payment is made to nominee who will either be handicapped dependent or any other person
5. Policy is eligible for high sum assured rebate.

6. Facility to surrender the annual premium policy any time after 3 years premiums have been paid 30% of the premium paid.

14. Bima plus T – 140

1. Minimum age at entry 12 years

2. Maximum age at entry 55 years

3. Term of the plan 10 years only

4. Policy can be revived within one year. From the due date of the first unpaid premium by submitting a declaration of good health...

5. Bid value of the fund units along with maturity bonus at 5% of sum assured.

15. Bima Nivesh T – 143 (Triple cover)

1. A single premium plan of assurance with compounding guaranteed additions at the rate of Rs.185/- per thousand sum assured p.a. for first 5 years and Rs.90/- per thousand sum assured p.a. for next 5 years. The same premium is payable for a given policy term, irrespective of age at entry.

2. Minimum age at entry 18 years Maximum age at entry 50 years.
3. Plan is not allowed to pregnant ladies and physically handicapped persons.

6. On death, 3 times the sum assured is given.

16. Jeevan Anand Table – 149

1. Minimum age at entry 18 years.

2. Maximum age at entry 45 years.

3. Maximum accident benefit under this plan is 5 lakhs. This benefit is inclusive of the accident benefit under the earlier Bima Kiran plan.

4. Maximum sum assured Rs.10 lakhs allowed under this plan would be inclusive of the sum assured taken under the earlier bima kiran plan.

5. In addition to benefits available under Bima Sandesh plan, this plan provides Loyalty addition, in-built accident cover and free term cover after maturity, if the policy is in full force on the date of maturity.

18. Jeevan Rekha Table – 152

1. Minimum age at entry 13 years

2. Maximum age at entry 65 years

3. The plan is a combination of whole life and money back plan

4. Plan is allowed to physically handicapped persons belonging to Group ‘A’.

5. Sum assured and vested bonus is payable to the nominee on death of the policyholder, irrespective of survival benefits paid already.
19. Anmol Jeevan Table – 153

1. Minimum age at entry 18 years
2. Maximum age at entry 50 years
3. It provides risk cover at a low cost of premium
4. Plan is not allowed to physically handicapped persons
5. Plan is allowed standard and substandard lives
6. No claims concession will be applicable to this policy
7. On maturity no amount will be paid to the policy holder
8. On death of the policyholder sum assured will be paid to the nominee.

20. Jeevan samridhi, Table – 154,155,156,157

1. Minimum age at entry 13 years
2. Maximum age at entry 58 for 154, 55 for 155, 50 for 156, 45 for 157
3. For businessmen and professionals as money is available at regular intervals
4. Policy can be surrendered for cash after premium have been paid for minimum 3 years
5. Loyalty addition is payable if the policy is in full force and premium have been paid for at least five years.

21. Bima Nivesh Table – 158

1. Minimum age at entry 18 years
2. Maximum age at entry 70 years
3. Suitable for persons who want to invest lumpsum amount and expect a decent return besides availing tax benefit
4. Medical examination is must for sum assured above Rs.10 lakhs
5. If the policyholder dies before maturity of the policy sum assured along with accrued guaranteed addition will be paid.

CHILDREN POLICIES

22. Jeevan Kishore Table – 102

1. Minimum age at entry 1 year
2. Maximum age at entry 12 years
3. Policy is given on the life of the child male or female
4. If father is not alive mother can propose
5. If both the parents are not alive, legal guardian can propose
6. Lumpsum amount is useful for child marriage or start in life.
7. Medical exam is not necessary upto 10 years of the child.
8. parents insurance need not be insisted on insurance upto Rs.1lakhs
23. Jeevan Sukanya Table — 109

1. Minimum age at entry 1 year
2. Maximum age at entry 12 years
3. Premium has to be paid up to 20 years age of the girl

24. Bal Vidya Table — 135

1. Minimum age at entry 0 years
2. Maximum age at entry 12 years
3. Two different premiums for Rs.25, 000/- and Rs.50, 000/- sum assured.
4. Duke dates of all survival benefits are determined based on the age of the child.

25. Komal Jeevan Table — 159

1.1. Minimum age at entry 0 year
1.2. Maximum age at entry 10 years
3. This is money back plan for children
4. Risk cover starts from the policy anniversary after completion of 7th year of the child or 2 years. From the commencement of the policy whichever is later.
5. At age 18 – 20%, 20 – 21 %, 24 – 30% Final maturity amount will be paid at the end of the final premiums.
CONCLUSION

In this chapter common and distinct features has been given conclusion. In this life is assured for sum against premium policyholder are entitled to bonus. LIC policy cannot be negotiated or transformed. The LIC differentiate one policy from the other policy in making some changes. In whole life plan a low cost insurance plan where the sum assured is payable on the death of the life assured. In endowment plan the sum is payable on maturity or on death of the life assured, if earlier.

In Jeevan Anand this is a unique with profits plan which combines the features of the Endowment and Whole life plans. In the Anmol Jeevan this plan is a pure Term assurance plan for terms of 10 to 20 years. Plans for children various Children’s plan are available children deferred endowment assurance. Jevan Sukanya is a plan specially designed for girls.

Plans for handicapped dependents jeevan Aadhar is a limited payment whole life policy with guaranteed addition. Jeevan Vishwas is a Endowment type plan designed for handicapped dependents whose degree of handicap may not fulfill the definition of disability laid down for the Jeevan Aadhar plan. Double and Triple cover benefits is there in LIC where extra premium is paid New Jana Raksh ideal for people with no regular income. Marriage Endowment Educational Annuity.
A Plan is suitable for making provision for education. Money back plan besides providing life cover during the term of the policy the sum assured is paid in installments by way of survival benefits. Jeevan sathi a double cover joint life Endowment Assurance plan for husband and wife. Asha Deep the plan provides besides death and maturity payments, contingent benefits in case the life assured further from any four defined ailments Jeevan Asha II.

The plan provides besides death and Maturity benefits, payments towards the cost of certain surgical procedures and periodical survival benefit payments, Bima plus a unity linked plan provides an opportunity for the discerning investor to benefit from the returns available in the capital market. Bima Plus other a choice of three funds secured, balance and risk with different risk provides depending on different patterns.