Chapter-Four
Various Schemes of LIC

Introduction:

The life insurance contract provides elements of protection and investment. After getting insurance, the policy-holder feel a sense of protection; because, he shall be paid a definite sum at the death or maturity. Since, a definite sum must be paid; the element of investment is also present. In other words, life insurance provides financial protection against premature death and a fixed sum at the maturity of policy. Two elements of protection and investment exist in various degrees in different types of policies. These elements will vary according to the different times in the same policy. Older the policy, greater is the element of profit on investment, and vice-versa.

Having different elements in different policies, the policy-holders are free to choose the best policies according to their requirements. It would be known that no one policy is the best policy for all the policy-holders due to variance in cost, elements of investment and protection, requirements of the policy-holders and availability of the policy.\(^1\)
**Basic Elements:**

Life insurance products are usually referred to as plans of insurance. These plans have two basic elements. One is the ‘Death Cover’ providing for the benefit being paid upon the death of the insured person within a specified period. The other is the ‘Survival Benefit’ providing for the benefit being paid on survival of a specified period. The plans of insurance that provide only death cover are called ‘Term Assurance’ plans. Those plans that provide only survival benefits are called ‘Pure Endowment’ plans. If the insured person does not die within the specified period, no payment is made under a term assurance plan. Similarly, if the insured dies within the specified period, no payment is made under a Pure Endowment plan. Both these plans are like Fire Insurance policies. If the specified contingency does not happen, the policyholder does not get anything from the insurer.

All insurance plans are combinations of these two basic plans. A Term Assurance plan with an unspecified period is called a ‘Whole Life Policy’ under which the sum assured is paid on death, wherever it may occur. A Term Assurance plan along with a Pure Endowment plan when offered as a single product is called an Endowment Assurance plan, under which the sum assured is paid on survival of specified period or on earlier death. A Term Assurance plan with a Pure Endowment plan of double the value is called a Double Endowment
Assurance plan under which the amount payable on survival is double the amount payable on death.

The life insurance policies can be divided on the basis of needs of the people for life insurance. The following are the schemes implied by Life Insurance Corporation of India.
I. Children Plans
II. Family Plans
III. Old Age Plans
IV. Special Plans.

**Children Plans:**

Provision for higher education, marriages, start-in life.

1. **Jeevan Sukanya** with profit is designed exclusively for female children. The premiums under this plan are payable for a limited period only. The premium ceases from the policy anniversary following on or immediately after completion of 20 years of age by the life assured. The policy matures on the policy anniversary following or immediately after completion of 50 years by the child.

The policy provides the following benefits.

1. Before the commencement of risk, the premiums paid, excluding premiums for premium waiver benefit are refunded.
2. Full sum assured along with vested bonuses after commencement of risk but before maturity of the policy.
3. After marriage of the assured and commencement of the risk cover on the life of the husband but before the date of maturity full sum assured without bonus in case husband predeceases the wife.  

2. Jeevan Anurag: LIC’s Jeevan Anurag is a with-profits plan specifically designed to take care of the educational needs of children. The plan can be taken by a parent on his or her own life. Benefits under the plan are payable at pre-specified durations irrespective of whether the Life Assured survives to the end of the policy term or dies during the term of the policy. In addition, this plan also provides for an immediate payment of the Basic Sum Assured on death of the Life Assured during the term of the policy.

   *Death Benefit:* Payment of an amount equal to the Sum Assured under a basic plan immediately on the death of the life assured.

3. Komal Jeevan: This is a Children's Money Back Plan that provides financial protection against death during the term of the plan with periodic payments on survival at specified durations. This plan can be purchased by any of the parent or grand parent for a child aged 0 to 10 years.

   *Premiums:* Premiums are payable yearly, half-yearly, quarterly, monthly or through salary deductions, as opted by the insured, upto the policy anniversary immediately after the assured
(child) attains 18 years of age or till the life assured dies earlier. Alternatively, the premium may be paid in one lump sum (single premium).

4. Children's Deferred Endowment Assurance Plan: This is an Endowment Assurance plan designed to enable a parent or a legal guardian or any near relative of the child (called proposer) to provide insurance cover on the life of the child (called life assured). The plan has two stages, one covering the period from the date of commencement of policy to the Deferred Date (called deferment period) and the other covering the period from the Deferred Date to the date of maturity. The insurance cover on the child’s life starts from the Deferred Date and is available during the latter period. The Deferred Date in case of Plan No 41 is the policy anniversary date coinciding with or next following the date on which the child completes 21 years of age. In case of Plan No. 50, it is the policy anniversary date coinciding with or next following the 18th birthday of the child.

Bonuses: This is a with-profits plan and participates in the profits of the Corporation’s life insurance business after the deferred date. 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 a part of the guaranteed benefits of the plan.
5. Marriage Endowment Or Educational Annuity Plan: This is an Endowment Assurance plan that provides for benefits on or from the selected maturity date to meet the Marriage/Educational expenses of the named child.

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

6. Jeevan Kishore with profit plan further curtails the age from which the risk on child’s life is covered. As provisions of this policy, risk commences either two years from the date of commencement or from the policy anniversary following immediately after the completion of 7 years of age, whichever is later, contrary to participation in bonus from the deferred date, or the risk date or vesting date, this policy allowed either from the risk date, 5 years from the commencement of the policy, whichever is later.  

7. Jeevan Chhaya: - “Jeevan Chhaya” introduced in March 1991 can be considered to be a combination of Jeevan Mitra and Money Back plans couples having a child of age less than one year can avail of this plan in order to ensure that an adequate financial provision is made for higher education of the child. The child should not have completed one year of the date of or
mother or each one of them individually can take policies or under this plan. 

8. Child Career Plan: This plan is especially designed to meet the increasing educational and other needs of growing children. It provides the risk cover on the life of child not only during the policy term but also during the extended term (i.e. 7 years after the expiry of policy term). A number of survival benefits are payable on surviving by the life assured to the end of the specified durations. 

9. Children's Money Back: Yet another innovative plan has been introduced by LIC with effect from 16th January, 1995. The Plan envisages full and complete growth of the child. The plan provides for educational as well as start-in-life expenses – a series of financial benefits at the time when child needs them most. Under a policy of Rs. 5 lakh sum assured, 10,00,000/- lakh is paid as survival benefit on the policy anniversary immediately after the child completes 18 years of age. A similar amount is paid on the policy anniversary two years hence. The amount is increased to Rs. 1.5 lakh as survival benefits payable on the policy anniversary immediately after completion of 22 years of age. A similar amount is paid on the policy anniversary two year hence. The guaranteed additions at the rate of Rs. 80/- per thousand sum assured are payable on the maturity date, i.e., the policy anniversary immediately after commencement.
Family Plans:

Protection of the interests of the family against loss of income due to death of the bread-winner.

1. The Endowment Assurance Policy: This policy not only makes provisions for the family of the Life Assured in the event of his/her early death but also assures a lump sum at a desired age. The lump sum can be reinvested to provide an annuity during the remainder of his/her life or in any other way considered suitable at that time.

Premiums: Premiums are usually payable for the selected term of years or until death if it occurs during the term period.

Bonus: The amount assured if not paid by reason of his/her death earlier, will be payable at the end of the endowment term where it can be invested in an annuity provision for the rest of the policyholder's life or in any other way he/she may think most suitable at that time.

2. The Endowment Assurance Policy-Limited Payment: Just as in the case of limited payment whole life polices, here, too, the payment of premium can be limited either to a single payment or to a term shorter than the policy. The endowment is, however, payable only at the end of the policy term, or on death of the policy holder if it takes place earlier.
3. **Jeevan Mitra (Double Cover Endowment Plan)**: 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 the buyer of the policy, 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 a 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.

4. **Jeevan Mitra (Triple Cover Endowment Plan)**: 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 the buyer, throughout the term of the policy or earlier death.
**Bonuses:** 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 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.

5. **Jeevan Anand:** This plan is a combination of Endowment Assurance and Whole Life plans. It provides financial protection against death throughout the lifetime of the life assured with the provision of payment of a lump sum at the end of the selected term in case of his/her survival.

**Premium:** Premiums are payable yearly, half-yearly, quarterly, monthly or through salary deductions as opted by the policy buyer throughout the selected term of the policy or till 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. Bonuses will be added during the selected term or till death, if it occurs earlier. Final
(Additional) Bonus may also be payable provided the policy has run for certain minimum period.

6. New Janaraksha Plan: This is an Endowment Assurance plan that provides financial protection against death throughout the term of plan. It pays the maturity amount on survival to the end of the term.

Premiums: Premiums are payable yearly, half-yearly, quarterly, monthly or through Salary deductions, as opted by the policy buyer, throughout the term of the policy or earlier death. After at least two full years’ premiums have been paid, full insurance cover is available even when premiums are not paid for up to three years.

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. Final (Additional) Bonus may also be payable provided a policy has run for certain minimum period.

7. Jeevan Amrit: Some people, particularly the younger ones, want to have high cover at a low cost. Further, many of them do not want commitment to pay premiums for a longer duration.
LIC's Jeevan Amrit is most suitable for such persons. Under this plan premium payment is limited to 3 or 4 or 5 years and the premium payable during the first year is higher than the premiums payable in subsequent years.

*Payment of Premiums*: The insured may pay premiums yearly or half-yearly during the premium paying term of 3 or 4 or 5 years.

8. **Jeevan Shree-I**: This is an Endowment Assurance plan offering the choice of many convenient premiums paying terms. It provides financial protection against death throughout the term of plan with the payment of 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 the insured, throughout the premium paying term or till earlier death. Alternatively premium may be paid in one lump sum (Single premium).

*Bonuses*: The policy participates in the profits of the Corporation’s life insurance business from the 6th year onwards. It will get a share of the profits in the form of bonuses. Simple Reversionary Bonuses will be declared per thousand Basic Sum Assured annually, at the end of each financial year. Once declared, they will form a part of the guaranteed benefits of the plan.
9. **Jeevan Pramukh**: 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 returns declared by the Life Insurance Council are 6% and 10% per annum.

*Product summary*: This is an Endowment Assurance plan offering the choice of three premium paying terms. It provides financial protection against death throughout the term of the plan with the payment of maturity amount on survival to the end of the policy term.

*Premiums*: Premiums are payable yearly, half-yearly, quarterly or monthly, as opted by the client, throughout the premium paying term or till earlier death.

Bonuses: The policy participates in the profits of the Corporation’s life insurance business from the 6th year onwards. It will get a share of the profits in the form of bonuses. Simple Reversionary Bonuses will be declared per thousand Sum Assured annually, at the end of each financial year. Once
declared, they will form a part of the guaranteed benefits of the policy.

**Death Benefit:** The Sum Assured along with accrued guaranteed additions and vested simple reversionary bonuses and Terminal Bonus, if any, is payable in a lump sum on death of the life assured during the policy term.

**Maturity Benefit:** The Sum Assured along with accrued guaranteed additions and vested simple reversionary bonuses and Terminal Bonus, if any, is payable in a lump sum on survival to the end of the policy term.

10. **The Money Back Policy-20 Years:** Unlike the ordinary endowment insurance plans where the survival benefits are payable only at the end of the endowment period, this scheme provides for periodic payments of partial survival benefits during the term of the policy, of course so long as the policy holder is alive. In the case of a 20-year Money-Back Policy (Table 75), 20% of the sum assured becomes payable each after 5, 10, 15 years, and the balance of 40% plus the accrued bonus becomes payable at the 20th year. For a Money-Back Policy of 25 years (Table 93), 15% of the sum assured becomes payable each after 5, 10, 15 and 20 years, and the balance 40% plus the accrued bonus becomes payable at the 25th year.
An important feature of this type of the LICI policies is that in the event of death at any time within the policy term, the death claim comprises full sum assured without deducting any of the survival benefit amounts, which have already been paid. Similarly, the bonus is also calculated on the full sum assured.

11. The Money Back Policy-25 Years: Unlike the ordinary endowment insurance plans where the survival benefits are payable only at the end of the endowment period, this scheme provides for periodic payments of partial survival benefits as follows during the term of the policy, of course so long as the policy holder is alive. For a Money-Back Policy of 25 years (Table 93), 15% of the sum assured becomes payable each after 5, 10, 15 and 20 years, and the balance 40% plus the accrued bonus become payable at the 25th year.

An important feature of this type of the LICI policies is that in the event of death at any time within the policy term, the death claim comprises full sum assured without deducting any of the survival benefit amounts, which have already been paid. Similarly, the bonus is also calculated on the full sum assured.

12. Jeevan Surabhi-15 Years: Jeevan Surabhi plan is similar to the other money back plans. However, the main differences in
the regular money-back plans and the Jeevan Surabhi are as under. Maturity term is more than premium paying term. Early and higher rate of survival benefit payment. Risk cover increases every five years. Full sum assured is paid back as survival benefit by the end of premium paying term. However, the risk cover and additional risk cover continue and the policy participates in profits till the end of policy term. Accident Benefit is restricted to the premium paying period and to the overall limit of Rs. 5 lakh on a single life.

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Accident Benefit is restricted to the premium paying period and to the overall limit of Rs.5 lakh on a single life.

15. Bima Bachat: LIC’s Bima Bachat is a money-back policy which offers financial security and assurance to the policy holder and his/her family. Bima Bachat requires the policy holder to pay only one premium. The amount paid for the premium depends on the duration of the policy taken and life insurance cover is available till the date of maturity.

16. The Whole Life Policy: This plan is mainly devised to create an estate for the heirs of the policyholder as the plan basically provides for payment of sum assured plus bonuses on the death of the policyholder. However, considering the increased longevity of the Indian population, the Corporation has amended the above provision, thereby providing for payment of sum assured plus bonuses in the form of maturity claim on completion of age 80 years or on expiry of term of 40 years from the date of commencement of the policy whichever
is later. The premiums under the policy are payable up to age 80 years of the policyholder or for a term of 35 years whichever is later. If the payment of premium ceases after 3 years, a paid-up policy for such reduced sum assured will be automatically secured provided the reduced sum assured exclusive of any attached bonus is not less than Rs.250/-. Such reduced paid up policy is not entitled to participate in the bonus declared thereafter but the bonuses already declared on the policy will remain attached, provided the policy is converted in to a paid-up policy after the premiums are paid for 5 years.

17. The Whole Life Policy- Limited Payment: This is the best form of life assurance for family provision since it enables the Life Assured to pay all the premiums during the vigorous and most productive years of life. He/she need not pay any premium in the later stages of life if and when his/her conditions might become adverse.

With Profits Limited Payments Policies do not cease to participate in profits after completion of the premium paying period but continue to share in the periodical Bonus Distribution until the death of the Life Assured. The Without-Profit option is available under Table no. 3. If the policyholder pays at least 3 years' premiums and then discontinues paying any more premium, a reduced paid-up assurance policy comes into force. Such a reduced paid-up Policy will not be entitled to participate
in the profits declared thereafter, but such Bonus as has already been declared on the Policy will remain attached, thereto. The premium paying term under this plan is five years minimum and 55 years maximum.

18. The Whole Life Policy- Single Premium: This is the best form of life assurance for family provision since it enables the Life Assured to pay the premium during the vigorous and most productive years of life, relieving him/her from the necessity of making payments later in life when they might become a burden. It is a with-profits Single Premium policy which does not cease to participate in profits after completion of the period for which premium has been paid, but continue to share in the periodical Bonus Distribution until the death of the Life Assured.

19. Jeevan Anand: This plan is a combination of Endowment Assurance and Whole Life plans. It provides financial protection against death throughout the lifetime of the life assured with the provision of payment of a lump sum at the end of the selected term in case of his survival.

Premium: Premiums are payable yearly, half-yearly, quarterly, monthly or through salary deductions as opted by the policy buyer throughout the selected term of the policy or till 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 a part of the guaranteed benefits of the plan. Bonuses will be added during the selected term or till death, if it occurs earlier. Final (Additional) Bonus may also be payable provided the policy has run for certain minimum period.

**20. Jeevan Tarang:** This is a with-profits whole of life plan which provides for annual survival benefit at a rate of 5½ % of the Sum Assured after the chosen Accumulation Period. The vested bonuses in a lump sum are payable on survival to the end of the Accumulation Period or on earlier death. Further, the Sum Assured, along with Loyalty Additions, if any, is payable on survival to 100 years of age or on earlier death.

**Payment of Premium:** Premiums can be paid yearly, half-yearly, quarterly or monthly intervals or through salary deductions over the Accumulation Period. Alternatively, a Single Premium can be paid on commencement of a policy.

**21. Two Year Temporary Assurance Policy**
The Two Year Temporary Assurance policy is designed for the insuring public who requires risk cover for a maximum of two years.
Under the Two Year Temporary Assurance policy, a single premium is required to be paid at the outset of the policy to cover the entire period of term. The proposer is required to pay the medical examination fee. The proof of age must also accompany the proposal. The policy issued will be only under the 'Without Profits' plan. The policy is not entitled to any surrender value. No loan will be granted against the Two Year Temporary Assurance policy. The Two Year Temporary Assurance policy caters to the individuals who specifically require insurance cover against risk for a short period of two years, for instance persons who are required to go on tours for a year or so.

22. The Convertible Term Assurance Policy: This plan of assurance is designed to meet the needs of those who are initially unable to pay the larger premium required for a Whole Life or Endowment Assurance Policy, but hope to be able to pay for such a policy in the near future. This plan would be found useful also in cases where it is desired to leave the final decision as to the plan to a later date when, perhaps a better choice could be made. Policy holders get an option of converting a policy into endowment assurance or limited payment whole life assurance.
It is suitable for all people with earned income under Category I and unearned incomes under Category II, basically Standard and sub-Standard lives attracting EMR classes I and II.

23. **Anmol Jeevan:** The policy is issued in multiples of Rs. one lakh for the Sum Assured above Rs. five lakh. It requires, underwriting, age proof and medical examination report. The plan is available to Standard and Sub-standard lives (upto Class VI EMR). This plan is also available to female lives (category I and II lives only) and to the physically handicapped persons subject to certain conditions.

24. **Jeevan Saathi :** This is an Endowment Assurance Plan issued on the lives of husband and wife. The plan provides financial protection against death of both the lives. It pays the maturity amount on survival of one or both the lives to the end of the policy term.

*Premiums:* Premiums are payable yearly, half-yearly, quarterly, monthly or through salary deductions as opted by insured couples throughout the term of the policy or till the first death of the lives covered, whichever is earlier.

*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 a part of the guaranteed benefits of the plan. Such bonuses are to be added till date of maturity or the second death of the lives covered, whichever is earlier. Final (Additional) Bonus may also be payable provided the policy has run for certain minimum period.

25. **Mortgage Redemption**-The Mortgage Redemption Assurance (without profits) plan is designed to meet the requirements of the policy holding individual who seeks to ensure that all his/her outstanding loans and debts are automatically paid up in the event of his/her demise.

Under the Mortgage Redemption Assurance plan (without profits), the proponent will have to bear the cost of the mandatory medical examination. The policies are usually issued only to male lives aged 50 years or lesser. The policies are subject to a condition that the insurance cover would not extend beyond 65 years. All loans must be liquidated by the time the borrower attains the age of 65. The policies bear no surrender value.\(^\text{10}\)

**Special Needs:**

LIC’s Special Plans are not plans but opportunities that knock on the door once in a lifetime. These plans are a perfect blend of insurance, investment and a lifetime of happiness!
1. **Jeevan Sneha:** Jeevan Sneha introduced on the 16th June 1997 is specially designed for women. The plan is without profits money back type plan with the added feature of guaranteed additions. Loyalty addition, encashment of survival benefits, as and when required, flexibility to pay premium in advance, in-built accident cover. Free insurance cover for a period of 3 years from the date of first unpaid premium provided at least 2 full years, premiums have been paid and option to receive pension in lieu of the maturity benefits.

2. **New Bima Gold:** It is a plan where premiums paid over the term of the plan are paid back during the policy term in installments and life insurance cover is available not only during the term but also during the extended term of the plan.

3. **Bima Nivesh 2005:** Bima Nivesh 2005 is a plan with compound rate of guaranteed additions and loyalty additions. This is the revised version of the popular Bima Nivesh Plan 2004 and is introduced to meet the overwhelming demand for a single premium plan from the customers. It is a single premium, ideal investment plan for those who have no regular income but good periodical income. Bima Nivesh 2005 is available for terms 5 and 10 years. The guaranteed surrender value is payable after the policy has run for at least one year. Term Assurance
Rider is also available by payment of a single premium at the option of the proposer.

4. **Jeevan Saral**: This is an Endowment Assurance plan where the proposer has simply to choose the amount and mode of premium payment. The plan provides financial protection against death throughout the term of the plan. The death benefit is directly related to the premiums paid. The Maturity Sum Assured depends on the age at entry of the life to be assured and is payable on survival at the end of the policy term. It also offers the flexibility of term and a lot of liquidity. Premiums are payable yearly, half-yearly, quarterly, or monthly through salary deductions as opted by the insured throughout the term of the policy or till earlier death. 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 loyalty additions which are terminal bonuses payable along with death benefit or maturity benefit. Loyalty Additions may be payable from the 10th year onwards depending upon the experience of the Corporation.

5. **Jeevan Madhur**: It is a simple savings related life insurance plan where one can pay premiums regularly at weekly, fortnightly, monthly, quarterly, half-yearly or yearly intervals over the term of the policy. Minimum installment for different
modes of premium payment shall be: Further, the premium chosen by a person shall be subject to the minimum and maximum sum assured of Rs. 5,000/- and Rs. 30,000/- respectively payable on death and maturity under this plan.

6. Jeevan Bharati: This is a with-profits plan offered to women. It provides life insurance cover throughout the term of the plan along with the periodic payments on survival at specified durations during the policy term. The plan also provides the cover against affliction of certain Female Critical Illnesses and occurrence of certain Congenital Disabilities in newly born children.

*Premium:* Premiums at yearly intervals are payable throughout the term of the policy or till earlier death. After at least two full years’ premiums have been paid, full insurance cover is available even when premiums are not paid for up to three years. Premium for congenital disability benefit ceases at policy anniversary after the life assured completes the age of 40 years.

Bonuses after the first 5 years: This is a with-profit plan and participates in the profits of the Corporation’s life insurance business after 5 years. 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 a 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.

**Old Age Plans:**

Old Age Plans are Individual Plans that gaze into the future and foresee financial stability during the old age. These policies are most suited for senior citizens and those planning a secure future, so that they never give up on the best things in life.

1. **Jeevan Suraksha:** Jeevan Suraksha plans was introduced on 15th August 1995. It enables the individuals to provide for the retirement income from a chosen date. The policy is with life cover but can be taken without life cover under certain conditions. The policy holder taking policy with life cover provides minimum of 50% of the target pension to spouse on death during the deferment period. Spouse’s pension is not provided under without life cover plan. On vesting, the policy holders, have the option to receive 25% of the notional cash option in lump sum and the balance in annuity. 9

2. **Jeevan Nidhi:** LIC's Jeevan Nidhi is a with profits Deferred Annuity (Pension) plan. On survival of the policyholder beyond term of the policy, the accumulated amount (i.e. Sum Assured + Guaranteed Additions + Bonuses) is used to generate a pension (annuity) for the policyholder. The plan also provides a risk
cover during the deferment period. The USP of the plan being the pension can commence at 40 years. The premiums paid are exempt under Section 80CCC of Income Tax Act.10

3. Jeevan Akshay: This is an Immediate Annuity plan, which can be purchased through a lump sum payment as a Single Premium. The plan provides for annuity payments which are available throughout the life time of an annuitant. Various options are available for the type and mode of payment of annuities.11

4. New Jeevan Dhara: These are Deferred Annuity plans that allow the policyholders to make provision for regular income after the selected term.

Premiums: Premiums are payable yearly, half-yearly, quarterly, monthly or through Salary deduction, as opted by the policy holder, throughout the term of the policy or till earlier death. Alternatively, the premium may be paid in one lump sum (single premium).

Tax Benefits: Tax relief under Section 80ccc is available on premiums paid under New Jeevan Suraksha I (Table No.147). The premiums paid under New Jeevan Dhara I (Table No.148) qualify for tax relief under Section 88.
Bonuses: These are with-profit plans and participate in the profits of the Corporation’s annuity / pension business. Policies get 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 a part of the guaranteed benefits of the plan. Final (Additional) Bonuses may also be payable provided policy has run for a certain minimum period.

5. New Jeevan Suraksha: These are Deferred Annuity plans that allow the policyholders to make provision for regular income after the selected term.

Premiums: - Premiums are payable yearly, half-yearly, quarterly, monthly or through Salary deduction, as opted by the policy holders, throughout the term of the policy or till earlier death. Alternatively, the premium may be paid in one lump sum (single premium).

Tax Benefits: - Tax relief under Section 80ccc is available on premiums paid under New Jeevan Suraksha I (Table No.147). The premiums paid under New Jeevan Dhara I (Table No.148) qualify for tax relief under Section 88.

Bonuses: These are with-profit plans and participate in the profits of the Corporation’s annuity / pension business. Policies get 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 a part of the guaranteed benefits of the plan. Final (Additional) Bonuses may also be payable provided policy has run for a certain minimum period.

6. **Jeevan Adhar**: This plan may be offered to a person who has a handicapped dependant satisfying conditions as specified in Section 80 DDA 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 the client, 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).

7. **Jeevan Vishwas**: This is an Endowment Assurance plan designed for the benefit to the handicapped dependants.

**Premiums**: Premiums are payable quarterly, half-yearly or yearly throughout the term of the policy or till the earlier death. Alternatively, the premium may be paid in one lump sum (single premium).
Guaranteed Additions: The policy provides for the Guaranteed additions at the rate of Rs.60 per thousand Sum Assured for each completed policy year while the policy is in full force. The Guaranteed Additions are payable at the end of the policy term or on earlier death.

Loyalty Additions: 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 loyalty additions which are terminal bonuses payable along with death or maturity benefit. Loyalty addition may be payable from the fifth year onwards depending on the experience of the Corporation. 12
Reference:


6. Ibid p.64

7. www.licindia.com/Insurance plans


9. www.licindia.com/Insurance plans

