Chapter III

BRIEF INTRODUCTION & POLICIES OF LIFE INSURERS

LIFE INSURANCE CORPORATION OF INDIA

LIC was established on 1st September 1956 by an Act of Parliament with the objective of spreading life insurance much more widely and in particular to the rural areas with a view to reach all insurable persons in the country, providing them adequate financial cover at a reasonable cost.

The Corporation is a body corporate having perpetual succession and a common seal. Its mission is to ensure and enhance the quality of life of people through financial security by providing products and services of aspired attributes with competitive returns, and by rendering resources for economic development. Its values are caring, courtesy, initiative, innovative, integrity, transparency, quality, participation, relationship, trustworthiness and reliability.

LIC had sole monopoly of transacting life insurance business in India until 1999.

PLANS MARKETED BY LIC

LIC offers a basket of schemes to meet the varying needs of individuals, their family and even for retired people.

The plans offered by LIC to the people of our country are highlighted in short as under

I. INDIVIDUAL PLANS

Each individual’s requirements and needs are different from that of others. LIC offers a wide range of products to individuals to choose from depending on their insurance needs.

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1 www.licindia.org and various policy brochures of Life Insurance Corporation of India
A. Plans for Children

(i) Jeevan Anurag

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 basic sum assured amount on death of the life assured during the term of the policy.

(ii) Children’s Deferred Endowment Assurance Plan-Vesting at 21

This plan of assurance is designed to enable a parent or a legal guardian or any near relative of the child to provide for the child, by payment of a very low rate of premium, the risk under which will commence at a selected age.

The policy envisages two stages, one covering the period from the date of commencement of the policy to the deferred date (that is the date of commencement of risk on the child’s life) called the deferment period, and the other covering the period from the deferred date to the date on which the policy emerges as a claim by the death of the child or its survival to a stipulated date. A combined policy is issued covering both the periods.

Policy under the scheme is not issued in case deferment period is less than four years or for maturity ages other than quinquennial. Risk starts at completion of 21 years of age.

(iii) Children’s Deferred Endowment Assurance Plan-Vesting at 18

This plan of assurance is designed to enable a parent or a legal guardian or any near relative of the child to provide for the child, by payment of a very low rate of premium, the risk under which will commence at a selected age.

The policy envisages two stages, one covering the period form the date of commencement of the policy to the deferred date (that is the date of commencement of risk on the child’s life) called the deferment period, and the other covering the period from the deferred date to the date on which the policy emerges as a claim by
the death of the child or its survival to a stipulated date.

A combined policy is issued covering both the aforesaid periods. Policy under the scheme is not issued in case deferment period is less than four years or for maturity ages other than quinquennial. Risk starts at completion of 18 years of age.

(iv) Komal Jeevan

It is the plan that take cares of the education expenses which may arise in future time and which can be very expensive. Under this plan payment of premium ceases on policy anniversary immediately after the child attains 18 years of age. The plan, besides offering risk cover, also offers payment of sum assured in installments at age 18, 20, 22 and 24 years and Guaranteed and Loyalty additions, if any, at the age 26 years.

(v) Marriage Endowment or Educational Annuity Plan

With the help of this policy one can earmark money exclusively for the marriage or higher education of children- two major responsibilities in the life of every family person.

Under this plan the policy moneys and bonus are paid only at the end of the selected term, irrespective or whether the policy holder survives till the term or not, i.e. the survival or death benefit is payable at the same time. Unlike in the case of other endowment policies, the policy benefits in the case of Marriage endowment/ Educational Annuity Plan are not released to the policy holder’s family in case of his premature death, but retained by LIC and released only at the end of the originally secreted term.

(vi) Jeevan Chhaya

Couples having a less than one year child (not an adopted child) can avail themselves of this plan, in order to ensure that an adequate financial provision is made for the higher education of the child. The child should not have completed one year of age on the date of Registration of the proposal. Either father or mother or each one of them individually can take policies under this plan under non-medical scheme.
(vii) Jeevan Kishore

This policy is designed to provide insurance cover to children between the age group of 0 to 12 years. Under the policy the risk will commence either after completion of 2 years of commencement of policy or on the immediate anniversary after the completion of age of 7 years of the child, which ever is later will be applicable.

B. Plans for Handicapped Dependents

(i) Jeevan Aadhar

The Plan has been specially designed to make provision for maintenance of handicapped dependants. Under the Plan an individual or member of Hindu Undivided Family can take an assurance on his/her own life to provide for payment of a lumpsum and an annuity to the handicapped dependant. The payment will be made to the nominee under the policy, who will be either the handicapped dependant or any other person or a trust, all for the benefit of the handicapped dependant.

(ii) Jeevan Vishwas

This plan is Endowment with guaranteed and loyalty additions. Guaranteed Additions at the rate of Rs. 60% of basic sum assured will accrue at the end of each completed policy year while the policy is in force for full sum assured and will be payable on the date of maturity or earlier death of the life assured. Loyalty addition on the life assured, surviving the date of maturity, or on earlier death after five years, if any may be paid at such rates and on such terms as may be declared by the Corporation.

C. Endowment Assurance Plans

(i) The Endowment Assurance Policy

Being an endowment assurance policy, this plan is a part for people of all ages and social groups who wish to protect their families from a financial setback that may occur owing to their demise. This policy not only makes provisions for the family of the Life Assured in event of his 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
Brief Introduction & Policies of Life Insurers

his life or in any other way considered suitable at that time.

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

(ii) 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.

Such 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 hereto.

(iii) Jeevan Mitra (Double Cover Endowment Plan)

Besides the usual benefits offered by any endowment insurance plan, this policy provides for an additional insurance cover equal to the sum assured in the event of a policy holder’s death during the term of the policy. In other words, the death claim in the case of this policy is twice the basic sum assured, but if the policy holder services the full term of the policy he will get only the basic sum assured plus accumulated bonus as payment and maturity.

This policy can not be allowed for people engaged in hazardous occupations.

(iv) Jeevan Mitra (Triple Cover Endowment Plan)

This plan is apt for people of all ages and social groups who wish to protect their families form a financial setback that may occur owing to their demise. The amount assured if not paid by reason of his death earlier will 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 may think most suitable at that time.

However, the death claim in case of the policy is thrice the basic sum assured. The policy is not issued to people engaged in hazardous occupations.
(v) **Jeevan Anand**

This plan is a combination of the Whole Life Plan and the most popular Endowment Assurance Plan. The plan provides the pre-decided Sum Assured and bonuses at the end of the stipulated premium paying term, but the risk cover on the life continues till death. This policy not only makes provisions for the family of the Life Assured in event of his early death but also assures a lump sum at a desired age.

(vi) **New Janraksha Plan**

This plan is ideal for farmers and workers. As the farmers have to depend on the vagaries of the climate while workers are subject to changes in trade cycles, depressions, strikes, labour disputes etc, a unique policy has been introduced to protect their interests ever in case of default of premiums. New Janraksha Plan continues to provide full life insurance cover to the assured for three years, even when the premium payments are stopped due to certain reasons, provided that at least 2 years premiums have been paid.

**D. Plans for High Worth Individuals**

(i) **Jeevan Shree-I**

This is Endowment Assurance Plan offering a choice of many covenant premium paying terms. Premiums are payable yearly, half-yearly, quarterly, monthly or through salary deductions, as opted, throughout the premium paying term or till earlier death. Alternatively premium may be paid in one lump sum (Single premium) as well.

It provides financial protection against death throughout the terms of plan with the payment of maturity amount on survival to the end of the policy term.

(ii) **Jeevan Pramukh**

This policy is basically designed for people who prefer exclusive life style be they be professional, industrialist, estate owner, NRI, film star or an individual successful in his own area of work. Apart from basic sum assured on maturity or death, the policy also provides for guaranteed addition for first five years and reversionary bonuses thereafter.
E. Money Back Plans

(i) Money Back Policy - 20 years

Unlike 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 20% of the sum assured becomes payable each after 5, 10, 15 years, and the balance of 40% plus the accrued bonus become payable at the 20th year.

An important feature of this policy 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.

(ii) Money Back Policy-25 years

This policy also have the same features as Money Back Policy 20 years except the term and criteria of payment at regular intervals. Here 15% of the sum assured becomes payable each after 5, 10, 15 and 20 years, and the balance 40% plus the accrued bonus become payment at the 25th year.

(iii) Jeevan Surabhi

Under Jeevan Surabhi Plan the maturity term is more than the premium paying term and the risk cover increases every five years. There are three terms available to choose from-

<table>
<thead>
<tr>
<th>Policy Term</th>
<th>Premium Paying Term</th>
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<tbody>
<tr>
<td>15 years</td>
<td>12 years</td>
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<tr>
<td>20 years</td>
<td>15 years</td>
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<tr>
<td>25 years</td>
<td>18 years</td>
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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.
(iv) Jeevan Rekha

Jeevan Rekha Policy is a combination of whole Life Plan and Money Back Plan. This policy not only makes provisions for the family of the Life Assured in event of his early death but also assured a lump sum at a desired age.

(v) Bima Bachat

LIC’s Bima Bachat is a money-back policy which offers financial security and assurance to the policy holder and his 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 is available till the date of maturity.

F. Special Money Back Plan for Women

(i) It is an exclusive money back plan designed for women. It provides free insurance cover for three years if first two years premium has been paid. It enjoys the option to encase survival benefits as and when needed.

This plan provides the insured the flexibility of paying premium in advance and avail a premium rebate of 4% per annum. Survival benefits are in the form of 20% of the sum assured at the end of 5, 10 years for 15 year term and at the end of 5,10,15 years for 20 year term. The balance is payable on maturity plus Guaranteed Additions plus bones, if any.

G. Whole Life Plans

(i) 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 the term of 40 years from 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.
(ii) 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 ordinarily vigorous and most productive years of life. He need not pay any premium in the later stages of life if and when his conditions might become adverse.

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. 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 also available.

(iii) The Whole Life Policy- Single Premium

The policy has the same features as of whole Life Policy-Limited Payment but here only one time premium is to be paid.

With Profits Single Premium policies do 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.

H. Term Assurance Plans

(i) Two Year Temporary Assurance Policy

The Two Years 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. This policy caters to the individuals who specifically require insurance cover against risk for a short period of two years, for instance person who are required to go on tours for a year or so.

(ii) 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 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 plan to a later date when, perhaps a better choice could be made. Under this plan the policy holders get an option of converting an policy into endowment assurance or limited payment whole life assurance.

(iii) Anmol Jeeval

It is a unique plan where on maturity no amount is paid to the insured if he survives the insurance term but in case of the death of the insured during the policy term the family gets the sum assured amount.

I- Joint Life Plan

(i) Jeevan Sathi

This policy is issued on the lives of the husband and wife provided the female’s life belongs to Category I or is actively engaged in her spouse’s business. In case of death of one of the policy holder the surviving partner gets the sum assured, the premium is stopped and on death or maturity full sum assured along with bonus is paid back.

Jeevan Sathi Policy protects the incomes of both husband and wife and also grants equivalent benefits to their survivors in case neither survives the policy term and period.

J- Decreasing Term Assurance to Cover Home Loan Repayment

(i) Mortgage Redemption Assurance Policy

The Mortgage Redemption Assurance policy is designed to meet the requirement of the policy holding individual who seeks to ensure that all his outstanding loans and debts are automatically paid up in the event of his demise.

The policies are usually issued only to male lives aged 50 years or less. 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. This policy is suitable for middle aged to elderly professionals whose dependents might need assistance in clearing their debts in case of their unexpected demise.
K. Pension Plans

(i) Jeevan Nidhi

Jeevan Nidhi is a with profits Deferred Annuity (Pension) plan. On survival of the policyholder beyond term of the policy the accumulated (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.

(ii) Jeevan Akshay-III

In this policy only single premium is paid in lump sum. The minimum purchase price is Rs 50,000/- or such amount which may secure a minimum annuity of Rs 3000/- per annum. The minimum age for this plan is 40 years and maximum age is 79 years.

(iii) New Jeevan Dhara I and New Jeevan Suraksha - I

Under this plan the minimum age for start of pension is 50 where as the maximum age for the same is 79 years. The policy can be purchased any time in between the age of 18 to 65 years.

L. Unit Plans

(i) Jeevan plus

Jeevan Plus is a unique Unit Linked Whole Life Plan that offers the twin benefits of investment plus insurance cover throughout the life. It offers selecting the premium option from either single premium or regular premium. The proposed insure can even decide the level of premium he wishes to pay. The premium paid under this policy is applied to purchase units. The value of units in the unit fund may increase or decrease depending on the investment return of the assets representing the chosen fund.

M. Special Plans

(i) Bima Gold

It is a special plan introduced by LIC on completing 50 years of its successful journey and is treated as Golden Jubilee Plan. Bima Gold is a money back policy
which offers financial security to the policy holder and his family. It requires the policy holder to pay only one premium and the insurance cover is available till the date of maturity. Policy term can be chosen starting from 12 years to 20 years.

(ii) **Bima Nivesh - 2005**

Bima Nivesh - 2005 is a plan with compound rate of guaranteed additions and loyalty additions. This is the revised version of our popular Bima Nivesh Plan 2004 and is introduced to meet the overwhelming demand for a single premium plan. 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.

(iii) **Jeevan Saral**

Under this plan death cover will be same irrespective of age at entry and term. The sum payable at maturity however differs for different entry ages and terms. This plan is very appropriate for employees seeking life cover through Salary Savings Schemes.

II. **GROUP SCHEMES**

Group Insurance Scheme is life insurance protection to groups of people. This scheme is ideal for employers, associations, societies etc and allows to enjoy group benefits at really low costs.

(i) **Group Term Insurance Scheme**

Group (team) Insurance Scheme is meant to provide life insurance protection to groups of people. Administration of the scheme is on group basis and cost is low. Under Group (Term) Insurance Scheme, life insurance cover is allowed to all the members of a group subject to some simple insurability conditions without insisting upon any medical evidence. Scheme offers covers only on death and there is no maturity value at the end of the term.

(ii) **Group Insurance Scheme in lieu of Employee’s Deposit Linked Insurance (EDLI) Scheme, 1976**

All employees to whom the Employee’s Provident Fund and Miscellaneous Provision Act, 1952 applies, have a Statutory liability to subscribe to Employee’s
Deposit Linked Insurance Scheme, 1976 to provide for the benefit of Life Insurance to all their employees. Under the scheme as amended with effect from 24th June, 2000 the insurance benefit is equal to the average balance to the credit of the deceased employee in the Provident Fund during the last 12 months, provided that where such balance exceeds Rs. 35,000 insurance cover would be equal to Rs. 35,000 plus 25% of the amount in excess of Rs. 35,000 subject to a maximum of Rs. 60,000. Thus if the length of service is not adequate and/or the salary is low the average balance may be substantially less as such the benefit to the employee’s family is either inadequate or non-existent.

However, under Sec. 17(2A) of the Act, employer may be exempted from contributing to this scheme. If he/she has provided for better insurance benefits through alternative scheme. LIC’s Group Insurance Scheme in lieu of EDLI has been accepted as one such best alternative.

(iii) Group Gratuity Scheme

Under the payment of Gratuity Act, 1972 it is employer’s statutory liability to pay 15 days salary for every completed year’s service to each of his employee on their exit, for any reason after five years of continuous service, subject to maximum limit of 3.5 lacs. Thus it is a liability on the part of employer for which he can maintain a liability account in the form of Trust to be managed privately or by LIC and paying the amount every year to the trust.

In case of LIC managed trust, the job of investment and actuarial valuation is taken by the Corporation free of charge and in addition, interest is paid by the Corporation on the accumulated funds.

Thus Group Gratuity (Accumulation) scheme provides for convenient mode of funding the statutory obligation of an employer under the payment of Gratuity Act.

(iv) Group Superannuation Scheme:

To provide the pension benefits to employees, an employer has two alternatives under the provisions of Rule 89 of Income Tax Rules-1962

1. Create a privately managed trust fund and when a member retires purchase
annuity from LIC to provide pension for such retiring member.

2. Entrust the management of the pension fund to an insurer by purchasing its Group Superannuation scheme.

The Group Superannuation Scheme provides attractive yield on the fund and also solves the liquidity problem of employers related to provision of pension for employees on their retirement. Under the scheme an employer contributes a certain fixed percentage of salary of each member. Such contributions are accumulated by LIC which is utilised for providing pension to the employee on his retirement.

(v) Group Savings Linked Insurance Scheme

Under this scheme the premium charged has two components-Risk Premium and Savings Premium. Risk premium is utilized to offer life cover and savings premium is accumulated in member’s account which also earns interest on accumulated fund presently @8% compounding yearly.

(vi) Group Leave Encashment Scheme

Group Leave Encashment Scheme of LIC helps the employers in funding of their leave encashment liability.

(vii) Group Mortgage Redemption Assurance Scheme

‘Group Mortgage Redemption Assurance Scheme’, is a Group Insurance Scheme for the borrowers of housing/vehicle loans from financial institutions where loan is recovered under EMI. Under the Scheme, the premium is payable in a single installment covering a decreasing life cover. Insurance cover every year will be almost equal to the loan outstanding at the anniversary date of each borrower. In case of death of the member during the coverage period, the claim proceeds are used to square of the outstanding loan.

III. SOCIAL SECURITY SCHEMES

(i) Janashree Bima Yajona:

The objective of this is to provide life insurance protection to the rural and urban poor persons below poverty line and marginally above the poverty line.
(ii) Shikha Sahayog Yojana

This is a scholarship scheme launched on 31.12.2001 for the benefit of children of members of Janashree Bina Yojana, studying in ix to xii standards. If a student fails and is detained in the same standard, he will not be eligible for scholarship for the next year in the same standard. Scholarship of Rs. 300/- per quarter per child will be paid for maximum period of 4 years. The benefit is restricted to two children per member (family) only.

(iii) Krishi Shramajik Samajik Suraksha Yojana

This scheme provides life insurance protection, periodical lump sum survival benefits and pension to agricultural workers. The workers included under the scheme are those engaged in farming, dairy farming, production, cultivation, growing and harvesting of any horticulture commodity, raising of livestock, bee-keeping or poultry farming and any activity performed on the farm as identical to or in conjunction with farm operators.

The member pays Rs. 365/- per annum as premium under the scheme. Lump sum survival benefits will be provided at the end of every 10th year after entry into the scheme till the member attains 60 years of age.

Pension will be paid to the member on reaching age 60. The amount of pension will depend upon the accumulated balance in his account and the annuity rates at that time. Further, if member has paid for a minimum period of 10 years, then at least Rs. 100/- per month pension will be payable.

HDFC STANDARD LIFE INSURANCE COMPANY LIMITED

HDFC Standard Life Insurance Company Limited is a joint venture between HDFC, India’s largest housing finance institution and Standard Life Assurance Company, Europe’s largest mutual life company. The company was incorporated on 14 August, 2000 and it got the certificate of registration from IRDA on 23rd October, 2000. Finally the company started its operations from 12th December, 2000.
I - INDIVIDUAL PLANS

A. Savings Plan

(i) Endowment Assurance Plan

It is a participating (with profits) insurance plan that provides for meeting long
term financial goals. In case of unfortunate death of the life assured it extends
financial support to the family by way of lumpsum payment which includes sum
assured plus bonus additions, if any. However, on survival of the assured during the
policy term the payment is made to the policyholder.

(ii) Unit Linked Endowment Plan

Unit Linked Endowment Plan offers an investment opportunity with options to
pick the investment plan of his choice. The insured chooses the premium and
investment fund or funds from the following options. At the end of the policy term,
the policyholder receives accumulated value in his funds. In case of unfortunate
demise during the policy term the beneficiary receives the sum assured or the value of
fund which even is greater.

Available Funds to choose from

- Liquid Fund
- Secure Managed Fund
- Defensive Managed Fund
- Balance Managed Fund
- Growth Fund

(iii) Children’s Plan

Children’s Plan is designed to provide a lumpsum to the child at maturity. It
also provides financial security to the child in the future, even in case of insured

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2 www.hdfclife.com and various policy brochures of the company.
parent’s unfortunate death during the policy term. Children’s Plan receives simple reversionary bonuses, which are usually added annually.

(iv) Unit Linked Young Star Plan

Unit Linked Young Star Plan is an endowment plan developed for taking care of children’s future requirements related to their education, professional career, wedding expenses etc.

(v) Money Back Plan

It is a participating (with profits) insurance plan that offers payment of cash lump sums, each of which is a proportion of the basic sum assured, at 5 year intervals during the term of the policy. On survival up to maturity, a payment equal to the basic sum assured plus any bonus additions less the cash lump sums paid earlier is provided. In case of unfortunate death of the life assured within the term of the policy, the basic sum assured plus any bonus additions is provided, which is over and above the earlier payouts.

B. Investment Plans

(i) Single Premium Whole of Life Insurance Plan

Single Premium Whole of Life Insurance Plan is suited to meet the long term investment needs. It is participating (with profits) plan where the money is invested in With Profit Fund with the aim to provide secure and stable long term growth.

A compound reversionary bonus is added every year to the policy on its anniversary. In addition, on death, surrender or on the guaranteed dates, a terminal bonus might be payable. It requires a single premium to be paid.

C. Protection Plans

(i) Term Assurance Plan

It is a plan under which a sum assured is payable in case of death of the life assured during the term of the contract. One can choose the lumpsum that would replace the income lost to one’s death. Since this non-participating (without profits) plan is a pure risk cover plan, no benefits are payments on survival to the end of the
term of the policy.

(ii) Loan Cover Term Assurance Plan

This plan provides a lumpsum on the unfortunate death of the life assured during the term of the plan. The lumpsum will be decreasing percentage of the initial sum assured. As the outstanding loan decreases as per loan schedule, the cover under the policy decreases. Since this is non participating pure risk cover plan, no benefits are payable on survival to the end of the term of the policy.

D. Pension Plans

(i) Personal Pension Plan

Personal Pension Plan is a participating (with profits) plan which is basically a savings contract, designed to prove an income for life after retirement. It provides a notional lump sum on retirement, comprising of sum assured plus any attaching bonus. Subject to the prevailing regulations, part of this lump sum can taken in the form of cash and the rest converted to an annuity at the rate then offered by the Company or any other insurance company who will accept such business.

(ii) Unit Linked Pension Plan

Unit Linked Pension Plan is an insurance policy that is designed to provide a retirement income for life with the freedom to invest premiums in investment fund or funds of one’s choice, available with the company. This plan is designed to offer potentially higher market linked returns. In the event of unfortunate demise of the insured life during the policy term the spouse will receive cash lump sum to help him or her manage their retirement years. On survival till the term, the insured will receive the accumulated value of funds which will be used to provide pension income.

(II) GROUP PLANS

(i) Development Insurance Plan

It is an insurance plan that offers life cover to a specified group of people for a term of one year. On the death of any member of the group insured during the year of cover, a lump sum is paid to the member’s beneficiaries to meet some of the
immediate financial needs following their loss. Where the death is due to an accident, an additional lump sum will be paid equal to half the sum assured. There are no benefits paid at the end of the year of cover and there is no surrender value available at any time.

(ii) Gratuity Plan

Most employers have a statutory obligation to pay a gratuity to its employees on termination of employment, which is in the form of one off payment. The Gratuity amount depends upon the salary and the number of years of service, so will therefore increase with time. The HDFC Group Unit Linked Plan for Gratuity offers employers and gratuity scheme trustees a flexible and cost effective way to fund the gratuity liability.

(iii) Leave Encashment

Many employers provide their employees with the option of encashing the leave to their credit at the time of retirement or resignation. Accounting standard 15 requires that an actuarial valuation of a company’s leave encashment liability be carried out and reflected in the books of accounts. The HDFC Leave Encashment Plan offers employers a flexible and cost effective way to fund this Leave Encashment liability. The plan helps an organisation by creating a fund that can be built up for the purposes of meeting out the future leave encashment liability.

(iv) Group Term Insurance

Group Team Insurance is an insurance plan that provides insurance cover to the employees of the organisation and provides financial security to their families in event of unfortunate death of the employee during the term of the policy. However on surviving the term no benefits are available. It is one year renewable term insurance plan.

ICICI PRUDENTIAL LIFE INSURANCE CO. LTD.

ICICI Prudential Life Insurance Company is a joint venture between ICICI Bank, a premier financial power house, and Prudential, a leading international financial services group headquartered in United Kingdom. ICICI Prudential was
amongst the first private sector insurance companies to begin operations in December 2000 (19th December, 2000) after receiving approval from Insurance Regulatory Development Authority (IRDA).

ICICI Prudential’s equity base stands at Rs 925 crore with ICICI Bank and Prudential holding 74% and 26% stake respectively. In the financial year ended March 31, 2005 the company garnered Rs. 1,584 crore of new business premium for a total sum assured of Rs. 13,780 crore and wrote nearly 6,15,000 policies. The company has a network of about 56,000 advisors, as well as 7 bancassurance and 150 corporate agent tie-ups.

PLANS MARKETED BY ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED

I - INDIVIDUAL PLANS

A. Savings Solutions

(i) Secure Plus

Secure Plus offers the insured life three levels of cover (sum assured) for the same amount of total annual contribution. One has the option to choose amongst Basic, Standard and Enhanced level of cover, as given below.

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<thead>
<tr>
<th>Level</th>
<th>Formula</th>
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<tbody>
<tr>
<td>Basic</td>
<td>(Term-5) x Annual Premium</td>
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<tr>
<td>Standard</td>
<td>(Term)x Annual Premium</td>
</tr>
<tr>
<td>Enhanced</td>
<td>(Term+5) x Annual Premium</td>
</tr>
</tbody>
</table>

One have the flexibility of shifting between the three levels of cover as per the changing requirements.

In the unfortunate event of death, the insured’s family’s financial future is protected by an amount, which is equal to the sum of chosen cover level and the value accumulated in the policy. However, if the insured survives the policy term accumulated value of the policy is paid to him on maturity.

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3 www.iciciprulife.com and various policy brochures of ICICI Prudential Life Insurance Co. Ltd.
(ii) Cash Plus

Cash Plus includes all the features of secure plus and at the same time provides additional facility of liquidity to the insured life in the form of an option of withdrawing 10% of the accumulated value of the policy every year, after the first five years of the policy. This facility helps in taking care of liquidity expenses of life.

(iii) Save ‘n’ Protect

It is a fixed term policy that combines savings with life cover. In this plan one pays premium regularly during the term. In case of death of the life assured up to the age of 7 years, the basic premium will be returned without interest. On the death of life assured after the age of 7 years the beneficiary will get the sum assured, the guaranteed additions @3.5% compounded annually for the first four years of the policy and vested bonuses. The same is returned in case the insured lives long the entire policy term.

(iv) Cash Back

Cash Back is a fixed term policy of 15 or 20 years, in which premium are paid throughout the term of the policy. It provides survival benefits payments at regular intervals in the form of 10%, 15%, 20% and 25% of the sum assured at the end of 4, 8, 12 and 16 years of policy term. On maturity 50% of the sum assured plus guaranteed additions plus vested bonuses are paid to the life insured. In case of the death of life assured during the term of the policy full sum assured along with guaranteed additions @3.5% compounded annually for the first four years of the policy and vested bonuses would be paid to the beneficiary, irrespective of survival benefits paid earlier.

(v) Life Time

Life Time is a unit linked insurance plan in which the premium paid by the life insured less mortality and administrative charges, is invested in the investment plan chosen by him from the options of Maximiser, Balancer, Protector or Preserver Plan offered by the Company. In case of death of the life assured the nominee will receive the higher of either the death benefit chosen, less any withdrawals, or the value of the units. It also provides an option of partial or complete withdrawals of funds anytime
(vi) Life Link II

Life Link II is a single premium market linked insurance plan which provides life insurance cover with the opportunity to stay invested in stock market. Under this policy one can also make partial withdrawals after completion of one policy year from the accumulated value of the units in the policy, thus ensures liquidity. In event of unfortunate death the beneficiary will receive higher of the value of units or the initial death benefit, less any withdrawals.

(vii) Premier Life

Premier Life is a limited premium paying unit linked insurance plan that offers life insurance cover till the age of 75 years. It offers four limited premium payment term options i.e. 3 years, 5 years, 7 years and 10 years to chose from.

(viii) Invest Shield Life

Invest Shield Life is a regular premium unit linked insurance plan with an assurance of capital guarantee i.e. invested premiums plus declared bonus interests are guaranteed on death or maturity. Under this plan one chooses a specific level of protection (sum assured) as per his needs, based on multiple of his annual premium. The premium so paid after making some deductions is invested in the unit fund of the insured as per Net Asset Value at that time. The policy term under this plan ranges between 10 to 30 years. The plan also provides additional insurance for 10 years after the maturity, for an amount of 50% of the sum assured.

(ix) Invest Shield Cash

Invest Shield Cash is a market linked insurance plan that provides capital guarantee on invested premiums and declared bonus interests along with flexible liquidity option of allowing partial withdrawals upto 10% of the value of units from the unit fund of the insured after completion of six policy years till the end of the policy term. The policy term ranges between 10 to 30 years.

(x) Invest Shield Gold

The plan includes all the features of invest shield cash except on the ground after 3 years of commencement of policy.
that it offers a limited premium paying term i.e. if gives the flexibility to choose a premium payment term of 5, 7 or 10 years for a maturity term of 10, 15 or 20 years respectively.

B. Protection Solutions

(i) Life Guard

Life Guard is a set of pure protection plans, which offers life cover at a very low cost. It is available in 3 options.

- **Level Term Assurance with return of premium**: Under this option on death of the life insured the entire sum assured will be paid. In case of survival during the policy term only the premiums paid will be returned back to the policyholder.

- **Level Term Assurance without return of premium**: Under the option on death of the life insured during the policy term the entire sum assured will be paid to the nominee. However if the assured lives long the entire term there are no survival benefits.

- **Level Term Assurance- single premium**: It offers the option of paying only a single premium for the entire policy term. On the happening of death during the term the sum assured will be paid back to the nominee. There are no survival or maturity benefits under this option.

C - Child Plans

(i) Smart Kid

Smart Kid education plan provide guaranteed educational benefits to a child along with life insurance cover for the parent who purchases the policy. The policy is designed to provide money at important milestones in the child’s life.

D. Retirement Solutions

(i) Forever Life

Forever Life is a retirement product targeted at individuals in their twenties. This pension plan provides life cover during the deferment phase. In the unfortunate
event of death of the life insured the spouse has the option to receive the sum assured with guaranteed additions and vested bonus as a lump sum or get an annuity that would provide a regular income for life. On vesting (between 50 to 70 years of age) the insured have the option to take 1/3 of the units as a lump sum and the balance in the form of annuity.

(ii) Secure Plus Pension

Secure Plus Pension offers the insured three levels of sum assured for the same amount of total annual contribution. One has the option of choosing between Basic, Standard and Enhanced level of cover, as given below.

<table>
<thead>
<tr>
<th>Cover Type</th>
<th>Multiplier</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Cover</td>
<td>(Term-5) x Premium</td>
</tr>
<tr>
<td>Standard Cover</td>
<td>(Term) x Premium</td>
</tr>
<tr>
<td>Enhanced Cover</td>
<td>(Term +5) x Premium</td>
</tr>
</tbody>
</table>

In the unfortunate event of death of the life insured the spouse is protected by a lump sum amount, which is the sum assured plus the value accumulated in the policy. Additionally, the spouse can exercise the option to draw pension from the accumulated amount.

On maturity at the end of the policy term the total accumulated value of the policy, including declared bonuses, would be used as a purchase price to give pension to the life insured. However, he will have the option of taking 1/3 of accumulated value as a lump sum and begin a pension from the rest of the amount.

(iii) Life Time Pension II

It is a single premium market linked deferred pension plan i.e. it gives freedom to choose the amount of premium and invest in market linked funds to generate high returns. On the retirement date, the accumulated value of units will be used to purchase an annuity for providing regular income for life to the insured. In case of death before retirement higher of the sum assured or the value of units will be the death benefit.

(iv) Invest Shield Pension

Invest Shield Pension is a regular premium unit linked pension plan with an
assurance of capital guarantee i.e. invested premium along with declared bonus interests on death or maturity. At the end of the term i.e. maturity, the higher of the value of units or guaranteed value will be used to purchase an annuity (pension). On death, during the policy term sum assured along with the higher of the value of units or the guaranteed value will be used to purchase an annuity or can be taken as lump sum by the nominee.

(v) Golden Years

Golden Years is a limited premium paying unit linked pension plan that offers insurance cover till the age of 75 years. It offers four limited premium payment term options i.e. 3 years, 5 years, 7 years and 10 years to choose from.

II. GROUP PLANS

(i) Group Gratuity

Gratuity is a statutory benefit paid to the employees under the Payment of Gratuity Act, 1972 who have rendered continuous service for at least five years. The employee is eligible for 15 days of pay for each completed year of service. The employer can also structure a gratuity benefit that is higher than statutory requirement. The gratuity benefit is payable on cessation of employment (either by resignation, death, retirement or termination, etc) by taking the last drawn salary as the basis for the calculation.

Gratuity payment liability tends to increase as the salaries and tenure of employment increase annually. ICICI Prudential Life Insurance offers a unit linked group gratuity plan to help employers fund their gratuity benefits as applicable to approved gratuity funds.

(ii) Group Superannuation Plan

After a valuable professional career with an organization, employees require the security of a regular income flow when they retire. Organizations help employees secure their golden years by offering various kinds of retirement benefits that allow an employee to enjoy the same quality of life post-retirement. Group Superannuation is one such scheme facilitated by an employer for his employees, which provides a tax
efficient way to plan for retirement.

ICICI Prudential’s unit-linked Superannuation scheme (for Defined Benefit and Defined Contribution schemes) provides for substantial benefits to both employers and employees. The employer can avail of tax benefits applicable to an approved Superannuation trust. The scheme will provide for a retirement fund for each member. A member would be able to choose from various annuity options or opt for partial commutation of the accumulated corpus at the time of retirement, as per the prevailing Trust Rules.

(iii) Group Term Assurance

It is a flexible group term plan that provides for affordable cover to members of a group. It can be extended to all the employees between the ages of 18 and 65 years. The benefit under the policy is paid on the event of the member’s death to the beneficiary nominated by the member. Policy covers all proposed employees comprising the group, with a minimum group size of 25 members. However, there are no survival benefits under the policy.

III. RURAL PLANS

(i) ICICI Pru Mitra

It is an endowment plan for rural people issued for the term of 5, 10, and 15 years where the sum assured ranges between Rs. 5,000 to Rs. 20,000 and contributes for a nominal premium @ Rs. 507 to Rs 553 per ten thousand sum assured. It offers the sum assured on maturity or on death of the life insured to the nominee.

(ii) ICICI Pru Suraksha

ICICI Pru Suraksha is a regular premium policy which offers only life cover. The policy is issued for two terms i.e. 3 and 5 years term. The premium under this policy is nominal and Rs 50 for the policy of Rs 5000 and Rs 200 for the policy of Rs 20,000 are charged as annual premium. It offers death benefit to the nominee to the extent of sum assured. There are no survival benefits. This policy is issued to people in the age group of 18 to 45 years.
BIRLA SUN LIFE INSURANCE COMPANY LIMITED


PLANS MARKETED BY BIRLA SUN LIFE INSURANCE CO. LTD.  

I. INDIVIDUAL PLANS

(i) Prime Life Premier

Prime Life Premier is a plan that not only helps to save for future but also helps to reap the benefits from investments available under six investment fund options to choose from for the life insured depending on his risk profile capacity. The available fund options are Assure Fund, Protector Fund, Builder Fund, Enhancer Fund, Creator Fund and Magnifier Fund.

(ii) Prime Life

Prime Life Single Premium Plan is suitable for taking care of unforeseen eventualities the life insured may face in future. This plan gives the dual benefits of security of life insurance and investment returns. Being a single premium plan it saves the insured from the bothering of making regular payments in the form of premiums. In case of death of the life insured during the policy term higher of the policy fund or the face amount less all withdrawals paid to the beneficiary.

(iii) Life Companion

Life Companion is a money back plan that gives family protection and helps in building savings over long term. It also acts as a cushion by giving regular income at regular intervals to the life insured. In case of unfortunate death of the life insured during the policy period it provides emergency support for dependent’s needs relating to education, marriage and medical costs. On completion of the policy period the insured will receive a guaranteed amount equal to a percentage of life insurance cover plus unpaid percentage amount.

4 www.birlasunlife.com and various policy brochures of the company
(iv) Flexi Life Line

By providing insurance cover till the age of 100 years this plan is designed to provide a life time of security to the insured life. It also provides the flexibility to withdraw money from the fund at times of need. On maturity (100 years of age) the Policy Fund is paid to the life insured. In the event of the death of the insured the face amount plus policy fund is paid to the nominee but in case where the policy is bought on or prior to the 1st birthday of the life insured only policy fund is payable to the policy owner in the event death of the life insured with in the first policy year.

(v) Flexi Cash Flow

Flexi Cash Flow is a money back plan linked to units for giving efficient earnings in the long term through three investment options to choose from namely Protector, Builder and Enhancer Plans. It also pays payments at regular intervals to meet the various financial obligations at crucial junctures such as education of child or marriage.

(vi) Flexi Save Plus

This is an endowment plan linked with units. Thus a part from advantages of unit linked plan it also provides an opportunity to make large savings over a long period. Due to the compounding, it empowers the life insured with substantial amount to meet the bigger requirement of life.

(vii) Flexi Secure Life

Birla Sun Life Flexi Secure Life Retirement Plan is a Unit linked plan. The plan is designed in two phases the Build up or the Accumulation Phase and the Annuity or Payout Phase. In the Accumulation Phase the insured makes regular contributions to make funds on retirement. The insured can utilise this amount to buy an Annuity, which can take care of the post-retirement needs. In the Accumulation Phase a minimum of 20,000 under the single premium plan and Rs. 5000 under the regular premium plan are to be invested.

(viii) Flexi Secure Life II

It brings all the features of Flex Secure Life Plan except that it requires a
deposit of Rs 50,000/- under the single premium plan in Accumulation Phase.

(ix) **Classic Life Premier**

Classic Life Premier is a plan that not only helps to save for the future but also lets to reap rich benefits from the investments of one's choice, from the 5 alternatives available, to take care of that time when the capacity of person to provide protection to his family reduces. This plan provides life insurance cover 10 times the premium amount paid.

(x) **Birla Sun Life Term Plan**

This plan is designed for people who want to avail of the benefits of life insurance at a low cost. It is a low premium, pure risk coverage plan which takes care of financial commitments towards the family or dependents of the insured, should anything unfortunate happens to him. In case the insured lives long the policy term no maturity benefits will be available to him.

(xi) **Single Premium Bond**

Single Premium Bond being a unit-linked plan, offers return depending on the performance of the capital and financial markets. The principal amount is guaranteed under the plan, which gives the freedom to take risks without having to worry about the risk of the erosion of the capital, In addition, this plan not only aims at maximizing the investment return on money but also provides a life cover to provide assistance to the family in case of untimely death of the life insured.

(xiii) **Premium Back Term Plan**

Premium Back Term Plan is a unique Term Plan that offers an assured sum throughout the specified term. Unlike other term plans, this one returns the entire amount of premium that the insured pay over a period of time. Moreover, this is a low cost insurance plan. In the event of death, the coverage face amount along with premiums paid till date will be paid back to the nominee.

(xiii) **Flexi Long Term Savings**

Flexi Long Term Savings Plan is a endowment plan. Here, the insured pays premiums for 15 years. In case of unfortunate death of the life insured during the term
of the policy, the family would receive the chosen face amount and the policy fund. If the insured lives the entire term the policy fund will be available to the insured at maturity.

(xiv) **Flexi Access Money Plan**

Flexi Access Money Plan is a money back plan where the insured pays premium for 15 years and the policy allows cash withdrawals any time after 3 policy years. In case of unfortunate death during the term of the policy the family would receive the chosen face amount and the policy fund value; otherwise policy fund will be available to the insured on maturity 20% of the face amount is transferred to the holding account every five years so that one can make withdrawal if required.

(xv) **Women First**

Women First Plan is especially designed plan for women. It offers the triple benefits of a Money Back Plan, Critical Illness and Accidental Death and Dismemberment cover. In this plan the insured pays premiums for 20 years. The plan also allows cash withdrawals any time after 3 policy years.

(xvi) **My Child**

My Child is a choice of two Plans; Flexi Save Plus Endowment Plan (minor) and Flexi Cash Flow Money Back Plan (minor). With the option to add the Waiver of Premium Rider the plan ensures the fulfillment of the dreams for child.

(xvii) **Bima Kavach Yojana**

Bima Kavach Yojana has been launched for rural people keeping in mind their paying capacity and the needs of rural population. It is a three year plan and premium is paid only once in 3 years. In case of ultimate death of the policyholder during the policy period, the nominee of the policyholder will get 100 times of the premium amount paid. In case of the survival of the insured the policyholder will get his premium back with 10% bonus.
II- GROUP PLANS

(i) Group Term Insurance

It is a group protection solution designed to provide life insurance protection to the employees of the organisation at an affordable cost. In case of unfortunate death of the insured member during the term of the policy his family receives the coverage amount. However, no benefits are payable at the end of the policy period. The policy is issued for the term of one year.

(ii) Group Superannuation Plan

This plan provides for a retirement fund to purchase annuity on the life of members on their retirement. Benefits will be payable to members or beneficiaries on the vesting date which can be retirement date, death, resignation, voluntary retirement and early retirement due to ill health or approved disability. On vesting date, the Account Fund of the member minus penalties applicable, if any, will be used for purchasing annuities.

(iii) Group Gratuity Plan

Gratuity is a statutory benefit to the employees under the Payment of Gratuity Act 1972. After the employee has rendered continuous service for at least five years, he/she is eligible for 15 days pay for each completed year of service. Employer can also structure a gratuity benefit that is higher than statutory requirements. The gratuity benefit is payable on cessation of employment (either by resignation, death, retirement or termination etc), by taking last drawn basic salary as the basis for the calculation. Gratuity payment is a statutory liability for an organization and tends to increase as the salaries and tenure of employment increase annually. In case of growing organization, gratuity payout can work out to a substantial amount. If the employer pays gratuity from its current revenue, it becomes difficult to meet the liability, it is therefore beneficial that a gratuity fund is set up for prudent financial planning.

The fund can be managed by Birla Sun life’s Group Gratuity plan which is a unit based fund with market linked returns. Further when the fund yields better returns, it can decrease the employer’s contribution to the fund in future year. The employees
can be insured for the future service gratuity for full anticipated service.

(iv) Credit Guard Plan

The plan provides life cover for a group of borrowers and as such provides zero credit risk in the event of any unforeseen tragedy (death) of the borrower. Credit Guard Life Cover can be more or equivalent to the amount of outstanding credit on the borrower. The cover amount for each coverage year will decrease in tandem with the outstanding loan. The benefit of this plan to the member is that it provides ideal protection for the family from the financial debt, in case of unforeseen tragedy.

III - RURAL PRODUCTS

(i) Bima Bachat Yojana

The key objective of this product is to provide cover to economically weaker section and also to popularise the concept of life insurance and saving in IRDA define rural areas. Bima Bachat Yojana is a low premium life protection plan. One time premium for a five year term is just Rs. 100. In the event of death of the life assured during the policy term Rs. 1000/- will be paid to the beneficiary. However on survival of the life assured to maturity a benefit of Rs. 200/- will be paid.

(ii) Super Bachat Yojana

Super Bachat Yojana combines the benefits of life protection as well as super savings. It helps to save money to meet the expected long term needs. What’s more, it lets the insured to participate in the surplus profits of the Company. On maturity the sum assured plus reversionary bonus plus interim and terminal bonus will be paid. In case of death of the life assured during the first year of the policy a basic benefit of 80% of premiums paid and after the first year during the term of policy a lesser of basic sum assured plus reversionary bonuses paid or the total premiums paid to date plus interest @6% per annum will be paid.
MAX NEW YORK LIFE INSURANCE COMPANY LIMITED

Max New York Life Insurance Company Limited is a joint venture between Max India Limited a multi business corporate of India, and New York Life International of USA, a global expert in life insurance and has an experience of over 160 years in life insurance business world wide.

Max New York Life Insurance Company Limited commenced its operations in India from 26th March, 2001 and till date it has made it presence felt nation wide with a network of 54 offices in 35 cities across India.

PLANS MARKETED BY MAX NEW YORK LIFE INSURANCE COMPANY LIMITED

I - INDIVIDUAL PLANS

Max New York Life Insurance Company Limited offers a range of products designed to cater to specific individual life insurance needs.

A. Unit Linked

(i) Life Maker Unit Linked Investment Plan

In the Life Maker unit linked plan; the premiums paid are invested in funds offered by the company. The appropriate ratio of investments into these funds is determined by the insured in consultation with the Agent Advisor. These funds are invested in assets such as equities, money market instruments, investment grade corporate bonds and government securities. These funds offer a wide range of returns. One can choose to invest the premiums in one or more of these funds as per risk taking ability of the insured.

In turn, the insurer issues units, which represent the value of the policy i.e. one, can “see” the value of policy on a day by multiplying the number of units by the value of units on that day. The value of these units is called Net Asset Value (or NAV) and is normally published in newspapers on a daily basis. The NAV is based on the market value of the underlying investments in that fund i.e. equities, company bonds, government securities etc.

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5www.maxnewyorklife.com and policy brochures of the company.
B. Protection

(i) Whole Life Participating and Non-Participating Policies

A Whole Life Policy is one that defines the very basic utility of life insurance i.e. to provide for a loved one after the death of the insured. Besides providing a guaranteed death benefit, these offer protection for the insured to meet any of his/her unforeseen financial need. It does this by building a Cash Surrender Value that accumulates for the insured in the Policy and remains accessible to the insured throughout the policy’s existence provided that 3 years premiums have been paid.

Max New York Life offers two types of Whole Life Policies-

- Whole Life Participating Policy
- Whole Life Non-Participating Policy

Whole Life Participating Policy is eligible for bonuses two years after in come into effect. A Whole Life Non-Participating Policy is not eligible for bonuses. Further there is a bonus option in Whole Life Participating Policy where the policy holder can even get cash every year rather than waiting for the maturity of the policy.

Max New York’s Whole Life Policies are life long policies where the sum insured is paid back either to the beneficiary when the insured person dies or to the policyholder on a pre-scheduled date, where as the premium paying term can be for as long as one lives.

(ii) Level Term

A Level Term Insurance Policy is one of the most effective forms of insurance and one of the least expensive life insurance plans. Paying relatively low cost premiums, the insured can easily afford to protect his/her family with all the protection benefits of a life insurance plan. The Level Term Policy allows the insured’s family to take care of any large financial burden, in the unfortunate event of his/her death. This policy is particularly useful to cover any outstanding debt in the form of a mortgage, home loan, etc. In this policy the sum assured is paid only upon the death of the insured person within the term of the policy.
(iii) Term Renewable and Convertible

This Policy offers a Guaranteed Death Benefit to the beneficiaries of the insured while the Policy in force. What’s more, it also allows the insured’s family to take care of any large financial burden, in the unfortunate event of his/her death.

Max New York Life 5 year Term Renewable and Convertible Policy, which offers two unique advantages over and above all the usual benefits of a term insurance plan.

- **Renewable Benefit**

  It ensures that the Policy renews automatically every 5 years, for an additional 5 years or to age 65, whichever is earlier. This means that the policy holder is not required to submit any further evidence of insurability nor have to go through tedious paperwork, during the renewals.

- **Convertible Benefit**

  This allows the policy to convert 5 year Term Policy into a permanent (either Whole Life or Endowment) insurance plan. So, if one’s insurance needs change with time, one have the flexibility to change the Policy without having to buy a new policy or provide any further evidence of insurability.

C. Savings

(i) Super Saver Bond

The Super Saver Bond is a Life Insurance Plan that combines benefits of investment, tax savings and life insurance. This plan takes care of living needs and provides financial protection to the family in case of untimely death of the insured. It also provides double death benefit in case of accidental death of the life insured.

The Super Saver Bond is a ten year money-bank plan that provides 170% of basis sum assured, as a guaranteed living benefit. All one needs to do is to pay premium for just 8 years, an amount equal to 10% of the sum assured is paid at the end of 4th, 6th, 8th year and balance 140% of sum assured is paid on maturity. In case of unfortunate death of the life insured, 100% of sum assured is paid without deducting any money-backs that may have already been paid.
(ii) Life Gain Endowment Plan

Life Gain Endowment Plan takes care of heavy expenses related to building a home, education of children, their marriage and settlement. This plan accumulates the saving of the insured for these needs and ensures that money is available to take care of their needs. What is more important is that endowment plan comes with life cover protection.

(iii) Life Pay Money Back

Money back plans help in providing for future expenses by making available lumpsum funds at specific intervals. Additionally, in case of any unfortunate event, this plan also helps to protect the family of the insured from financial hardships. Max New York Life’s Pay Money Back Plan keeps paying a part of the sum assured at regular intervals, to take care of periodic needs of the insured life and the balance keeps growing to take care of long term saving needs.

(iv) Life Gain Plus-Limited Pay Endowment Plan

Life Gain Plus is a Limited Pay Endowment Plan. This plan helps the life insured to enjoy the full benefits of an endowment plan with life insurance, and requires payment of premiums over a very limited period, while the cover continues for entire tenure. This product ensures that money grows quickly resulting in a substantial lump sum on maturity.

(v) 20 Year Endowment Plan

20 year Endowment participating insurance plan is ideal for saving money for a specific purpose. The life insured guaranteed sum along with the accumulated Bonuses at the end of 20 years. It also offers a death benefit, which is guaranteed for the term of policy. Moreover, the Cash Surrender Value that accumulates in the policy can be accessed to meet unforeseen expenses even while the policy is in existence.

C. Retirement

(i) Easy Life Retirement Plan

Easy Life Retirement Plan is a comprehensive plan which gives the life insured guaranteed pension ensuring complete peace of mind during post retirement
years, by taking care of post retirement financial needs.

During the earning years the insured pays a fixed premium every year or a single premium. On the date of retirement that he chooses this policy provides with a Notional Corpus, comprising the Sum Assured, together with Pure Endowment benefits purchased out of the bonuses (if any) as declared by the Company from time to time. The insured can take up to 25% of this National Corpus in lump sum and use the balance amount, to purchase an annuity (pension).

(ii) Endowment to Age 60 Plan

Under this plan insured life gets a guaranteed sum along with accrued bonus at the age of 60. This plan is ideal for saving money for covering the expenses after retirement such as child’s marriage, self medical expenses or for financing a house for the family. In case of unforeseen event of death of the insured during the tenure of the policy, the sum insured will be paid to beneficiary.

D. Children

(i) Children’s Endowment 18/24

It is for a fixed term (up to 18 or 24 years) plan and assures a guaranteed sum on the 18th or 24th birthday of the insured. The person insured is eligible to receive the Face Amount at the age of 18 or 24 plus any bonuses that may accrue. The plan is suited for planning the financial future of children. The sum received may be used for children’s higher education, marriage etc. The Policy will automatically vest in the name of the child on the day he/she turns 18 years of age.

(ii) Stepping Stones- A Child Money Back Plan

Stepping Stones, A Child Money Back plan is a smart way to plan for and secure for child future. It is a life insurance plan with regular paybacks ensure money when is required and hence securing child’s future, whether you are there or not.

II - GROUP INSURANCE PRODUCTS

(i) Group Term Life

It is an insurance cover purchased by the employer for his employees. In case
of death of employee due to natural or accidental reasons, the entire sum assured amount is paid to the employer.

(ii) Employee Deposit Linked Insurance

Max New York Insurance Co. Ltd introduced Group Term Insurance Scheme which is simple and flexible and is a far better alternative to the Employee Deposit Linked Insurance Scheme (EDLI) because of the benefits it offers to both the employer and the employee.

Advantage to the organization is that the premium payment by the employee under the Max New York Life Group Term Insurance Scheme is usually less than the total contribution being paid by the employer to Regional Provident Fund Commissioner, particularly when average age of the group is low and the employer is a low-risk industry.

(iii) Group Gratuity

Gratuity is a statutory benefit to the employees under the Payment of Gratuity Act, 1972. After the employee has rendered continuous service for at least five years he is eligible for 15 of days pay for each completed year of service. The gratuity benefit is payable on cessation of employment either by resignation, death, retirement or termination etc by taking last drawn basic salary as the basis for the calculation.

Thus gratuity payment is a statutory liability for an organization and tends to increase as the salaries and tenure of service increases. Max New York offers Group Gratuity Scheme to take care of such liability.

(iv) Group Superannuation

Max New York Life offers a Defined Contribution Group Superannuation plan that provides for a Retirement Fund to purchase annuity on the life of members on their retirement. All members above the age of 18 are eligible for this plan.

The plan provides for contribution either from Employer or from both i.e. Employer and Employees. The contribution can be a fixed amount or as a percentage of salary of the member.

Contributions can be made annually, semi-annually, quarterly, monthly or
even in a single lump sum amount.

Benefits will be payable to members or beneficiaries on the Vesting date as per the rules of the Fund. Vesting date could typically mean the date of retirement, death, resignation, voluntary retirement, and early retirement due to ill health or approved disability. On vesting date, the Account Fund of the member minus exit load, or penalties applicable, if any, will be used for purchasing the annuities.

TATA AIG LIFE INSURANCE COMPANY LIMITED

Tata AIG Life Insurance Company Ltd. is a joint venture company which commenced its life insurance business in India from 2nd April 2001 and is backed by the Tata Group-India’s most respected industrial conglomerate with revenues exceeding Rs. 40,000 crores and American International Group Inc. (AIG)-the leading US-based international insurance and financial services organization with presence in over 130 countries and jurisdictions. Tata AIG Life combines the Tata Group’s pre-eminent leadership position in India and AIG’s global presence as the world’s leading international insurance and financial services organization. Tata AIG Life offers a broad array of life insurance coverage to both individuals and groups, providing various types of add-ons and options on basic life products to give consumers flexibility and choice.

PLANS MARKETED BY TATA AIG LIFE INSURANCE CO. LTD.⁶

I - INDIVIDUAL PLANS

A. Plans for Children

Tata AIG offers a range of insurance products to take care of children’s financial future, which include -

(i) Assure Career Builder

This money back policy provides financial assistance at key stages of the child’s life, from education to their first steps into new career. It includes lump sum payments at various stages of child’s life such as 20% of sum assured on child’s 18th

⁶ www.tata-aig-life.com and various policy brochures of the company
birthday, 20% on his/her 21st birthday, 20% on his/her 24th birthday and the remaining 40% when the policy matures on your child’s 27th birthday.

(ii) Assure Educare

It is an endowment policy designed for funding child’s education. One can choose from educare 18 and educare 21 depending on his child’s needs. It offers a guaranteed payment of 10% of sum assured plus the assured amount on maturity, further an additional guaranteed education benefit of 20% of the sum assured is also payable.

(iii) Assure Money Saver

It is a savings plan that provides cash payment in the form survival benefits at regular intervals to fund the child’s needs at critical milestones or to support ones financial obligations. The insured gets the dual benefits of life insurance coverage plus the flexibility of periodic payments. Under this policy 10% of the sum assured is paid on survival on the 3rd, 6th, 9th, 12th, 15th and 18th policy anniversaries. The remaining 40% is paid on maturity i.e. on the 21st anniversary of the policy. In addition a 10% guaranteed addition is payable on death or maturity, if the policy is in force for 10 years. In case of unfortunate death of the insured the entire sum assured is distributed to the beneficiaries, irrespective of cash payments already made.

(iv) Star Kid

Star Kid is an exceptional child endowment policy that takes care of child’s need related to education till marriage by way of periodic payments starting at the age of 18 in the form of 20% of the sum assured at the age of 18, 19, 20, 21 and 22 years.

B. Plans for Adults

(i) Assure Life Line

This policy offers high coverage at an affordable cost. It enables the family to continue maintain their current life style if something happens to the life insured. It provides cover for 1, 5, 10, 15, 20 and 25 years or until age 60.
(ii) Assure Security & Growth

It is an endowment policy that enables the insured to keep his money safe and let have it grow. This endowment policy enables the dependant to receive the sum assured in the unfortunate event of death of life insured. If the insured outlives the policy term, he will still receive the sum assured along with whole range of bonuses. This plan is ideal as a retirement planning tool as well.

(iii) Health Protector

Health Protector is a policy that is designed to protect the insured and his family against unforeseen causalities such as accident and sickness. In case of unfortunate event of the death of the life insured the family will receive the sum assured up to a maximum of Rs. 50 lakhs.

(iv) Maha Life

Maha Life Policy provides a steady income and insurance coverage for life. Under the policy premiums are paid only for the first 12 years. It offers guaranteed annual coupon of 5% of sum assured every year for the rest of the insured life from 12th policy anniversary onwards. On death or at maturity at age 100 yrs, the entire sum assured will be paid back to the insured or nominee.

(v) Maha Life Gold

This policy is a vehicle to fund the retirement. It provides a steady income and insurance coverage for life. Premiums are payable only for the first 15 years. It offers a guaranteed annual coupon of 5% of the sum assured every year for the rest of the insured’s term from the 10th policy anniversary. On death or on maturity at age 100 years the entire sum assured is paid back.

(vi) Invest Assure

This flexible insurance plan gives the security of a life insurance policy with the opportunity of enjoying high returns on insurance premium. The insured decides the length of coverage term, the amount of coverage and where the remainder of premium will be invested.
(vii) Life Plus

Under this policy if the insured outlives the 20-year term of the policy, all the premium payments will be refunded; if he dies by natural causes while the policy is in force, the beneficiaries will receive the sum assured; should he die due to accidental causes, the beneficiaries will receive double the sum assured. Premiums are paid for the first 15 years of the 20 year term.

C. Retirement Plans

(i) Assure Golden Years

Assure Golden Years is an endowment policy that provides both safety and steady returns. In the unfortunate event of death, the dependants will receive the sum assured; otherwise savings will continue to grow. Should the insured lives past the term of the policy; he will receive both the sum assured as well as all the bonuses.

(ii) Nirvana

It is a flexible pension policy which gives the dual flexibility of choosing the retirement age and the retirement fund to the insured. The insured will pay premium till the age of his retirement. At retirement age he will get the maximum of 25% of the sum accumulated as a lump sum for his immediate needs. The balance will be used to buy an annuity that pays a monthly income or pension for the rest of his life. Incase of death during the policy term sum assured plus guaranteed additions will be paid to nominee.

(iii) Nirvana Plus

This plan apart from offering the flexibility of choosing the retirement age and retirement fund to the insured, also offers 10% guaranteed additions of sum assured every 5 years. At retirement Nirvana Plus will pay 1/3rd of the accumulated fund in the insured account as lump sum and the balance amount of the retirement fund will be utilised for buying a monthly income plan that will generate monthly income or pension.
II. PLANS FOR CORPORATIONS

A. Credit Life

(i) Group Credit Card Term Insurance Protection Plan

Sometimes when a credit card holder passes away, they leave outstanding debts on their account. This protection plan provides a single lump sum benefits, equivalent to the balance outstanding as at the date of loss in the event of insured card member’s death or disability, to the policy holder i.e. credit card issuing Company.

(ii) Mortgage Reducing Term Insurance

Often an individual’s property is financed through a mortgage. If something unfortunate happens to the borrower and his payments can’t be made, his property may be repossessed by the lender.

The Group Mortgage Reducing Term Insurance Plan enables the insured to cover their mortgage obligation in case of death or disability and take advantage of lower rates applying with a group. This is issued to Mortgage Company.

(iii) Group Personal Loan Reducing Term Insurance Protection Plan

This is a reducing term life insurance designed to cover short term or unsecured loans, such as personal loans, auto loans against death or total and permanent disability of the insured member during the term of the coverage. This policy is issued to the financing institutions.

B. Employee Benefits

(i) Group Term Life Cover

It is a term plan for the group under which in case of death of the worker due to natural causes, illness or accident a payment of lump sum is made to the insured’s nominated beneficiary. The policy is issued for 1 year on renewable basis. No survival benefits are offered under this policy.

(ii) Group Term in Lieu of EDLI

This plan provides an alternative option to the companies to provide more favorable benefits to its employees and be exempted from contributing in Employees’
Deposit Linked Insurance Scheme 1976 (EDLI). The Policy provides for payment of a lump sum to the insured’s nominated beneficiary in the event of death due to natural causes, illness or death. This policy is for those compares on whom Employees’ Provident Funds & Miscellaneous Provisions Act, 1952 applies and is to contribute in EDLI scheme.

C. Group Retirement Plans

(i) Unit Linked Comprehensive Superannuation Scheme

This scheme provides higher returns to the employees on their retirement contributions. Contributions mean the annual contribution that the employer will deposit into the scheme for each employee. Contributions are usually fixed as a percentage of the employee’s salary. Individual employee accounts reflecting the total number of units is maintained. Upon retirement, the value of the units in the individual account is released to provide funds to secure 1/3rd of the optional commuted value as lump sum and the balance for purchasing retirement annuity.

(ii) Unit Linked Gratuity Scheme

This company is liable to pay gratuity to any employee (who has worked for at least five years) if he retires, resigns or gets injured or dies, further company actions like VRS or a tragic fire could create a huge financial burden on the firm in the form of gratuity payments.

Under this scheme, a fund will be created which will be managed on a unitized basis. Any contribution received will be converted into units based on the fund unit price prevailing, at the close of business, on the immediately succeeding appointed day of week, when the fund unit allocated to each employer/trustees account will be equal to the value of contributions made on behalf of the employer/trustees at the date of conversion.

(iii) Non Unit Linked Comprehensive Superannuation scheme

It is non unit linked superannuate scheme and is of two types-

Defined Benefit (BD): Defines the amount of benefit that a participant will receive at retirement. Actuarial valuation is conducted to determine the funding rate. A pooled
fund is maintained for all members of scheme. Upon retirement of a member, the amount required to secure the benefit is drawn from the pooled fund.

**Defined Contribution (DC):** Defines the annual contribution that the employer will deposit into the scheme for each employee. Contributions are usually fixed as a percentage of the employees’ salary. Individual employee accounts reflecting the contributions and the interest accumulations are maintained. Upon retirement, the individual account is released to provide funds to secure the benefits under the scheme.

On retirement 1/3rd of the optional commuted value is paid as lump sum to the employee and the balance 2/3rd is used for purchasing retirement annuity.

**(iv) Non Unit Linked Comprehensive Gratuity Scheme**

Employer is liable to pay gratuity to any employee (who has worked for at least five years) if he retires, reigns, gets injured or dies, company actions like VRS or a tragic fire could create a huge financial burden on your firm in the form of gratuity payments. The Comprehensive Gratuity Scheme, offers a Managed Trust that fulfils all the employee gratuity obligations.

**KOTAK MAHINDRA OLD MUTUAL LIFE INSURANCE LIMITED**

Kotak Mahindra Old Mutual Life Insurance Limited is a joint venture between Kotak Mahindra Bank Limited and Old Mutual of South Africa. Kotak Mahindra is the first and only Non-Banking Financial Company in India to convert to a bank, offers pragmatic, world class solutions relating to earnings, savings, investments and spending. It has entered from commercial banking to stock broking, to mutual funds, to life insurance, to investment banking to cater financial needs that encompass every sphere of life. It is one of Indian’s leading financial institutions with a group net worth of around Rs. 2000 crore and a presence in 88 cities in India and offices in New York, London, Dubai and Mauritius.

Old Mutual is one of the largest insurance companies in the world established in 1845. Today it is an international financial services group listed on London Stock Exchange and a member of Fortune Global 500 companies with assets under
management worth over US $ 270 billion.

The insurance venture commenced its operations in India under the banner Kotak Mahindra Old Mutual Life Insurance Limited from 17th May, 2001.

PLANS MARKETED BY KOTAK MAHINDRA OLD MUTUAL LIFE INSURANCE LIMITED

I. INDIVIDUAL PLANS

(i) Kotak Term Plan

Kotak Term Plan is a pure risk product that aims to cover the life at a nominal cost. One may want to take this plan to cover his outstanding debts like a mortgage, a home loan etc. Since this is a pure risk cover product, there is no maturity benefits payable on survival. This is a non-participating plan.

(ii) Kotak Preferred Term Plan

The Kotak Preferred Term Plan is designed to provide the policyholder with reduced premium rates for a sum assured of Rs. 10 lakhs and above. Males over the age of 18 years, who do not use tobacco in any form, and females over the age of 18 years are eligible for this plan. Since this is a pure risk cover plan, there are no maturity benefits. In the event of death during the term of the policy, the beneficiary would receive the sum assured.

(iii) Kotak Money Back Plan

The Kotak Money Back Plan not only covers the life, it also assures a certain percent of the sum assured as cash payment at regular intervals of every 5 years. It is a savings plan with the added advantage of life cover and regular cash inflow. This plan is ideal for planning special moments like a wedding, child’s education or purchase of an asset etc. This is a participating plan (with profits)

(iv) Kotak Capital Multiplier Plan

The Kotak Capital Multiplier Plan is a participating plan that is built in such a way that it allows the money to multiply, and gives the flexibility of using this money

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7 www.omkotakmahindra.com and various policy brochures of Kotak Mahindra Old Mutual Life Insurance Limited.
the way policy holder needs it, in regular withdrawals. This is an endowment plan, which is very flexible.

(v) Kotak Endowment Plan
Kotak Endowment Plan is a protection plan that covers the life and at the same time ensures that the money does not lie idle. It invests a portion of the premium in financial instruments and ensures a considerable growth in savings. This is an endowment plan, which is very flexible. On maturity, the policyholder will receive the sum assured plus the bonus addition.

(vi) Kotak Child Advantage Plan
The Kotak Child Advantage Plan is an investment plan designed to meet the child’s future financial needs. It’s a plan that gives the child the “azaadi” to realize his dreams. The plan is a participating plan. In case of the unfortunate death of the premium payer, all the future premiums on the policy are waived but the policy continues for its term, so is the case if the premium payer becomes permanently disabled as a result of accident.

(vii) Kotak Retirement Income Plan
The Kotak Retirement Income Plan is a savings plan designed to meet post retirement needs and gives the choice to remain independent even after retirement. It is a participating plan on retirement the insured can take a lumpsum in cash upto a third of his basic sum assured or accumulation account which even is higher, and the balance of the benefit will be used to buy annuity of his choice.

(viii) Kotak Retirement Income Plan (Unit Linked)
The Kotak Retirement Income Plan is a saving plan designed to build a corpus for future. It is a unit-linked plan where money is invested in the funds of choice of policyholder to generate superior returns. The sum assured is guaranteed and one can enjoy the benefits of investing in the capital markets without worrying.

On retirement the assured can take a lumpsum of upto a third of the total amount of the basic sum assured or main account, which ever is higher, and the value of units in supplementary account. The balance i.e. two thirds will be used to buy an
annuity of the choice of insured from Kotak Life Insurance or from any other insurer at that time.

(ix) Kotak Safe Investment Plan-II

Kotak Safe Investment Plan II is an opportunity to invest in the capital markets and gain market linked, tax-free returns. The plan assures a minimum guaranteed amount in case of death or on maturity. Thus, while it invests the money in capital markets, and gives an opportunity to make high returns, it protects the downside as well. However, these returns are tax-free to the policyholder.

When one avails this plan, the premiums paid, net of charges, are converted into units and invested in any or a combination of funds selected by the insured. This plan offers a choice of five professionally managed funds to invest the money.

Money Market Fund - The portfolio consists of money market investments such as treasury bills, commercial paper, certificates of deposit, short-term deposits, bills of exchange, debentures, bonds and Government securities etc.

Gilt Fund - The portfolio primarily consists of Government securities and infrastructure debt assets as defined in the IRDA regulations as per investment pattern.

Floating Rate Fund - The fund seeks to deliver returns in line with the markets interest rate, from a portfolio invested primary in floating rate debt instructions.

Balanced Fund - The portfolio will include primarily listed Indian equity shares, debt instruments including corporate debt, Government securities and short-term investments.

Growth Fund - The portfolio will consist of a professionally managed portfolio primary invested in listed equity and equity-related investments. Security will be enhanced through holdings in Government and other debt securities, infrastructure assets as defined in the IRDA regulations together with short-term investments.

On maturity the policyholder will received either the sum assured or the market value of units, whichever is higher. Along with, the insured will receive the market value of units in the supplementary account.
In the unfortunate event of death of the life insured, the beneficiary would receive either the sum assured or the market value of units which ever is higher, plus the amount in the supplementary account.

(x) Kotak Flexi Plan

An investment cum insurance plan that can be customized to meet the constantly evolving needs. While on one hand it lets the insured to decide the amount of insurance cover that he would want, on the other hand, it invests a portion of the premium in the capital markets to ensure that the money works hard for him.

The plan also ensures that the policyholder have enough flexibility to meet his financial objective of savings and protection, both through this single plan. The plan gives the options to add lump sum injections as per convenience, and what’s more it offers the flexibility to withdraw the funds in part or in full.

This plan gives the flexibility to the policy holder to choose the portion of money that should go towards providing insurance cover and the portion that should go towards the investment corpus.

(xi) Kotak Easy Growth Plan

One can look at it as an investment plan that earns efficient returns on the money, without binding to a tight maturity date. All is needed is to make a one-time premium and let the company to invest it for him till one needs it. Against the premium amount (net of charges), the company will allocate units, which will be invested in any or a combination of the 5 professionally managed funds, listed below.

Gilt Fund - The portfolio primarily consists of Government securities and infrastructure debt assets as defined in the IRDA regulations as per the following indicative investment pattern.

Bonus Fund - The portfolio consists of highly rated debt instruments including corporate debt and infrastructure debt assets as defined in the IRDA regulations, Government securities and short term investments.

Floating Rate Fund - The fund seeks to deliver returns in line with the market interest rate, from a portfolio invested primary in floating rate debt instruments.
Growth Fund - The portfolio consists of a professionally managed portfolio primarily invested in listed equity and equity-related investments. Security is enhanced through holdings in Government and other debt securities, infrastructure assets as defined in the IRDA regulations together with short-term investments.

Aggressive Growth Fund - The portfolio consists of a professionally managed portfolio primarily invested in listed equity and equity-related investments with a balance holding in debt securities. The portfolio has potential to earn higher returns, which depends on market performance.

(xii) Kotak Premium Return Plan

This plan is sure and secure insurance option without the hassles or worries of a conventional insurance plan. With minimal and procedures, the insured gets the dual benefit of a risk cover and savings. At the end of the term, a minimum of the premiums paid by the insured will be returned. In case of death of the policyholder during the term of the plan the beneficiary will receive the death benefit i.e., sum assured less premium unpaid during the year of death.

II - GROUP PLANS

(i) Kotak Term Group Plan

The plan provides life cover for a group of employees, by paying a lump sum benefit to the beneficiary on the death of an employee. The plan is offered on a yearly renewable basis and is non-participating. It is secured via a single policy on the lives of all the employees of the Group.

(ii) Kotak Complete Cover Group Plan

The Kotak Complete Cover Group Plan (KCCG) provides life insurance cover for a group of borrowers. Under this innovative plan, the credit institutions is the beneficiary and premium is payable in a single lump sum at the beginning of the loan tenure. KCCG is a flexible plan that allows to structure insurance cover in a manner that best suit the institution and the borrowers.

To the lending institution is reduces the risk of default due to death of the borrower and at the same time increase the potential to lend higher amounts due to
such insurance cover. To the borrower it relieves the borrower’s family of the financial burden of paying the outstanding loan in case of death of the borrower.

(iii) Kotak Credit Term Group Plan

The Plan provides life cover for a group of borrowers with the same credit institution (banks, retail finance providers etc.) by paying a lump sum towards repayment of the loan amount on the death of a borrower.

The plan can be compulsory (all members join) or voluntary (subject to certain conditions).

The plan is offered on a yearly renewable basis and is non-participating. The benefit to the employee is that his estate remains intact and the family is not required to pay the outstanding loans.

(iv) Kotak Gratuity Group Plan

Kotak Gratuity Group Plan (KGGP) offers a comprehensive solution for employers to outsource the entire gratuity management in a cost effective and integrated manner. They can choose from the available three portfolios:

- Gilt Fund
- Bond Fund
- Balanced Fund

(v) Kotak Superannuation Group Plan

The Kotak Superannuation Group Plan (KSGP) is a uniquely flexible product that addresses the needs of both employers and employees in today’s volatile business environment. Under the KSGP plan, individual employee accounts are invested in one of the three investment portfolios as per each employee’s choice. Upon retirement, one-third of the accumulated corpus can be commuted and the balance corpus is used to buy an annuity. Annuities can be purchased from any provider in the market.

- Gilt Fund
- Bond Fund
- Balanced Fund
III - RURAL PLANS

(i) Kotak Gramin Bima Yojana

The Kotak Gramin Bima Yojana is an insurance plan that not only covers the life but also ensures that the money works hard and generates returns. The plan lets the policyholder to pay a one-time premium so he is saved from the bother of remembering to make annual payments.

This is a non-participating plan. This plan combines the benefits of a fixed deposit and an insurance plan. On maturity the policyholder gets 1.5 time of the single premium. However, in the event of the death of policy holder the beneficiary would receive the guaranteed death benefit, payable as follows-

- In case of death during the first 2 years of the term 100% of the single premium will be paid.
- In case of death during third year onwards till fifteenth year 500% of the single premium will be paid.

SBI LIFE INSURANCE COMPANY LIMITED

SBI Life Insurance Company Ltd. is a joint venture between India’s largest bank, State Bank of India and Cardif a leading Life Insurance company in France.

State Bank of India (SBI) is a household name, and it stands as the last word for financial strength and security in the country. SBI’s illustrious background dates back to the year 1806 when it started business, as a presidency bank, know as Bank of Bengal. Over the long journey, it has learnt to combine the best of banking practices handed down from the imperial management with the more dynamic ways of doing banking in the modern India. It has grown as a responsible giant in the banking field over the years.

Cardif is a wholly owned subsidiary of BNP Paribas, which is one the top 10 banks in the world, and the third largest in Europe. BNP is one of the oldest foreign banks with a presence in India dating back to 1860. It has 9 branches in major metros across the country.

SBI Life Insurance Company Ltd is registered as a life insurance company
with the Insurance Regulatory & Development Authority of India (IRDA) and has been issued Licence number 111 on 29th March 2001 and it commenced its operations from 15th June, 2001. The Company’s paid-up capital at present is Rs. 350 crore. SBI owns 74% of the total equity, and Cardif the balance 26%.

**PLANS MARKETED BY SBI LIFE INSURANCE CO. LTD.**

**I - INDIVIDUAL PLANS**

**(i) Dhan Vriddhi**

Dhan Vridhi is a single premium life insurance product with a term of 5 years that provides a life cover along with guarantee return of 5.75% per annum on the sum assured.

**(ii) Horizon**

Horizon is a non-participating unit linked product which aims at balancing risk return by progressively reducing investment in equity and increasing investment in safer funds as maturity comes closer. It offers two investment options before the insured life to pick.

- **Dynamic Plan**

  Here a higher proportion of money is invested in equity, thus offering higher returns over long terms.

- **Growth Plan**

  This plan offers a moderate return. Here the investment in equity decreases more rapidly as the funds are put into lesser riskier options. This leads to more balanced approach, hence lower volatility coupled with good returns in long run.

**(iii) Life Long Pension**

Life Long Pension is a retirement plan that take cares of financial needs after working age. This plan offers a minimum guaranteed return of 4% per annum on the Personal Pension Account of the insured till 31st March 2010 plus vested bonus. At

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8 www.sbilfe.co.in and various policy brochures of SBI Life Insurance Co. Ltd.
maturity one have the choice to withdraw upto 33% from personal pension account in a lump sum and the balance can be utilised for purchasing annuity.

(iv) **Money Back Plan**

Money Back Plan of SBI Life offers turn benefits of life insurance and increased cash in flow at regular intervals. The plan is available in the terms of 10, 15, 20 and 25 years and the premium payment term is less than the policy term. In the event of death of the life assured during the policy term the beneficiary would receive full sum assured and bonuses, irrespective of survival benefits already paid.

(iv) **Scholar II**

Scholar II is designed for taking care of child’s future educational needs. It offers twin benefit of savings for child’s education and securing a bright future despite the uncertainties of life. Here the life assured is the parent. It is a participating plan and guaranteed benefits are payable at regular intervals within the policy term. In the unfortunate event of death, the nominee would receive full sum assured along with vested bonus, plus survival benefits as per original schedule.

(v) **Shield**

It is a non-participating pure term insurance plan which is offered for a minimum of 5 years to a maximum of 25 years. Under this plan, one can opt for gradual increase of life cover @ 5% every year or for substantial increase of cover @50% for every 5 years. In both the options the same amount of premium throughout the entire term of the policy is paid. Thus one is avoided from the bothering of taking another insurance policy and paying more premiums. Since it is a pure term policy there are no survival benefits.

(vi) **Setubandhan**

It is an investment cum protection plan and is also open for subscription for Non Resident Indian luring abroad to bridge the gap between them and their dear ones back in India. It is a single premium product for a term of 5 and 10 years. The plan includes optional critical illness cover against six major ailments like heart attack, cancer etc. In the event of death assured amount plus annual additions will be paid to
the nominee on survival the same will be paid to the insured.

(vii) Swadhan

It is non participating term plan with added facility of return of premium. This plan on survival of the insured life for the entire term refunds back the portion or the entire premiums paid till date, to the policy holder depending upon the term chosen as under.

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<td>10 years</td>
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(viii) Edu Shield

Edu Shield is a non-participating plan. It provides level insurance cover to the education loan customers throughout the term of the loan. It is meant for the students and/or parents. Both the lives are covered separately. In case of claim, the Life Cover sum assured is payable to the Bank. The Bank will refund any surplus over the outstanding loan amount to the legal heir. No maturity benefit is payable on survival of the policy term.

(ix) Keyman

Keyman is a key member or staff of the organisation who is a major contributor to its growth and profit and where absence may affect the continuity of the business. Keyman Insurance is taken by the Company on the life of the key member of staff. The main objective of Keyman Insurance is to compensate for the financial losses suffered following the death of key member or staff of the organisation. The aim is to indemnify the company of these losses and to allow business continuity.

(x) Sudarshan

Sudarshan is an Endowment Policy designed to provide savings and protection
to the insured and his family. One can save regularly for the future. Thus at the end of the plan, the insured life will receive a substantial amount of savings along with the accumulated bonuses declared. At the same time, the family will be protected for death risk for the full sum assured.

II GROUP PRODUCT

(i) Super Suraksha

It is a group insurance policy that provides the employees pure life insurance cover at a very low cost. On the death of the employee during the policy term his family gets the financial assistance. However if the employee group survives the term there will not be any survival benefits.

(ii) Swarna Ganga

Swarna Ganga is a group insurance plan that combines security with tax-free savings; it provides life cover to the employees as a group. It also helps the employees to accumulate savings as they pay the premium. Under this plan a portion of the monthly contribution of the employee is utilized towards insurance premium and the balance is kept as a saving portion.

At the end of the fixed term, or upon retirement of the employee or his leaving the company, the savings portion is returned to him with interest. In the event of any unfortunate death, the sum assured is paid to the nominee along with the savings portion.

ING VYSYA LIFE INSURANCE COMPANY PRIVATE LIMITED

ING Vysya Life Insurance Company Private Limited entered the private life insurance industry in India on 1st September 2001, and in a short span span has established itself as a distinctive life insurance brand with an innovative, attractive and customer friendly product portfolio and a professional advisor force. It also distributes products in close cooperation with the ING Vysya Bank network. Currently, it has over 10,000 active advisors working from 46 branches (in 30 cities) across the country and over 1200 employees.

The Company with a customer base of over 1,50,000, is headquartered at
Bangalore and has established a national presence in the following cities: Ahmedabad, Bangalore, Baroda, Belgaum, Bhopal, Calicut, Chandigarh, Chennai, Cochin, Coimbatore, Delhi, Goa, Guntur, Gurgaon, Hubli, Hyderabad, Indore, Jaipur, Kolkata, Ludhiana, Mangalore, Mumbai, Mysore, Nagpur, Pure, Secunderabad, Surat, Trivandrum, Vadodara, Vijaywada, Vizag.

PLANS MARKETED BY ING VYSYA LIFE INSURANCE COMPANY PRIVATE LIMITED⁹

I - INDIVIDUAL PLANS

A. Protection Plans

Protection plans safeguard the insured income and his family’s financial future in case of his sudden demise. These plans shield him from heavy economic loss and reduce the impact of financial risk on him and those dependent on him.

(i) Conquering Life Critical Illness Plan

The Conquering Life Plan is a comprehensive critical illness cover that helps bear the financial burden of a critical illness. This is a unique health insurance benefit that helps the insurer to protect himself and his family against health and lifestyle risks.

The Conquering Life Plan is ideal because it provides protection to insured and safeguards his family’s lifestyle through an easily affordable, pure risk life cover. And more importantly, it covers him against ten life-threatening critical illness-Cancers, Heart Attack, Coronary Artery Bypass Graft, Stroke, Kidney Failure, Major Organ Transplant, Brain Tumor, Paralysis, Coma and Blindness.

In case of death of the policyholder the family will get the total sum assured or will receive the difference between the sum assured and the critical illness claim paid, if any.

B. Saving Plans

Saving plans act as a compulsory saving instrument for families when the premium is paid regularly. They work as long-term savings, enhanced by tax benefits,
which gives the insured the financial strength to achieve their life goals.

(i) Reassuring Life Endowment Plan (With Cash Bonus)

The Reassuring Life Endowment Plan with Cash Bonus fulfills the need for protection and saving. It provides an annual cash bonus (based on company’s performance) just like a fixed deposit, helps the insured to reach their financial goals and also stay protected with a life cover.

Since it is an endowment plan it takes care of heavy expenses related to building a home, providing for children’s education and marriage.

(ii) Reassuring Life Endowment Plan (Reversionary Bonus)

The Reassuring Life Endowment Plan with reversionary bonus (the bonus is earned not just on original sum assured but also on previously accumulated bonus) is a saving plan with a unique feature that enhances the life cover and hence the sum assured every year. So when the policy matures the insured receives almost double the insured sum assured. In case of sudden death of the insured his family would receive the sum assured plus reversionary bonus and final additional bonus.

(iii) Creating Life Child Protection Plan

This plan is perfect for those who have small children. One can provide for their future by setting aside a small portion of their current income. The money set aside will help children pursue their dream even when the insured is not around to take care of them. Death cover will provide immediate relief and the maturity benefit will come to child at the right time when they need it.

The Creating Life Child Protection Plan helps to ensure that children’s future is secure and prosperous, so they can pursue their dreams no matter what the future brings.

On maturity the sum assured and the accumulated reversionary bonus are paid plus final additional bonus based upon the performance of the company.

(iv) Maximising Life Money Back Plan

The Maximising Life Money Back Plan gives the benefit of protection and saving with a flexible premium payment term. The policyholder gets part of sum
assured back at regular intervals. This plan also adds annual cash bonus, just like fixed deposits.

**(v) Safal Jeevan Endowment Plan**

A product that offers comprehensive protection and saving in an easy and hassle free manner. “Safal Jeevan” is the simplest life insurance plan giving complete freedom to choose form pre-packaged solutions, and decide how much and how long one want to pay premiums. It offers death benefit, maturity benefit and has an in-build accident cover which provides additional benefit equal to the basic sum assured.

The plan provides for policy coverage terms of 10, 15 and 20 years. Premium is payable annually, half yearly and quarterly.

**C. Investment Plans**

Investment plans act as wealth creation instruments helping to create big estates for the family. It is a long-term investment. At the end of the term, the insured and his family can enjoy added returns on investment, but of course subject to market swings.

**(i) Rewarding Life Whole of Life Plan**

Rewarding Life Whole of Life Plan is an offering that enables the insured to protect, save and invest. With this plan, one can create a sizeable financial asset to pass on to their family.

The Rewarding Life Plan covers for 85 years even after the premium paying term has ended. The investment goes on increasing every year, thanks to compound reversionary bonus. This basically means that apart from the bonus earned on the sum assured, the accumulated bonus earns an additional bonus.

On survival of the term till the age of 85 the insured receives the full sum assured, the vested compound reversionary bonus and the final additional bonus. The total amount could be as much as 10 times the sum assured. In case of death during the policy term family get the sum assured, the compound reversionary bonus and the final additional bonus.
(ii) The Powering Life Limited Payment Endowment Plan

For those who have achieved financial success, ensuring that success is well protected and loved ones are cared for is an important necessity. The limited payment endowment plan does just that by allowing to pay for the policy in a short period and to enjoy the life insurance coverage and maturity benefits for a long period. ING Vysya Life Insurance can help to ensure that the family’s future is safe and secure.

The Powering Life Plan is ideal because the insured gets a life cover and their family enjoys long term financial security. With high reversionary bonus the investment grows over time. One can even customise the coverage term and choose from a range of premium payment terms.

(iii) The Fulfilling Life Anticipated Whole of Life Plan

A Whole of Life Insurance plan, as the name suggests, provides cover for the whole of policy holders life even after the premium paying term has ended.

The Fulfilling Life Plan provides the family security even after the death, apart from giving regular cash returns during the life. The special features of this plan are that the insured receives 200% of sum assured. The first 100% as money backs during the term, and the remaining 100% on death or maturity. That is why it is also known as known as Permanent Insurance.

(iv) The Best Years Retirement Plan

This plan ensures that the post-retirement years of the insured are spent in peace and comfort. And it extends the same comfort to the family by standing as a financial asset, in case of the death of the insured.

(v) Freedom Plan Unit Linked Policy

The ING Vysya Life Freedom Plan allows customizing the insurance cover to suit the insured requirements. It gives him freedom to plan his investments to suit his preferences and risk profile. This plan also offers survival benefits at regular intervals.

The premiums and top-up amounts paid by the insured, less charges are credited to an account called the Individual Policyholders’ Account (IPA) and are used to purchase units in one or more investment plans as per his choice from the
following available options. At any point of time, the balance in the IPA is represented by the number of Units multiplied by the respective Unit Price of the Units held from time to time under all the Investment plans under this policy.

<table>
<thead>
<tr>
<th>Investment Plan</th>
<th>Investment Pattern</th>
<th>Objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt Plan</td>
<td>100% of the available funds are invested in debt instruments</td>
<td>Provides safety and growth with minimum risk</td>
</tr>
<tr>
<td>Secure Fund</td>
<td>Up to a maximum of 20% of the available funds are invested in growth instruments like equity, property and the rest in debt instruments</td>
<td>Provides for growth with low risk</td>
</tr>
<tr>
<td>Balanced Fund</td>
<td>Up to a maximum of 40% of the available funds are invested in growth instruments like equity, property and the rest in debt instruments</td>
<td>Provides for higher growth with reasonable security</td>
</tr>
<tr>
<td>Growth Fund</td>
<td>Up to a maximum of 60% of the available funds are invested in growth instruments like equity, property and the rest in debt instruments</td>
<td>Provides for opportunity of high growth</td>
</tr>
</tbody>
</table>

II. GROUP PLANS

Most management follows an integrated method of arriving at compensation and benefit plans for their employees. Life insurance, health and pension benefits are viewed today as an important component of a company’s remuneration structure. Organizations wanting to attract and retain employees have given these benefits a special place in their compensation structure.

Traditionally, medical insurance was offered as a critical part of employee compensation. However, the new focus is to provide a comprehensive cover. It is now possible to provide this through Group Life and Critical illness insurance in the most cost effective and efficient manner. Group plans offered by ING Vysya Life Insurance Company Pvt. Ltd. are as under-

(i) Group Gratuity

ING Vysya Life’s Group Gratuity Plan is a way to reward employee’s loyalty. Absence of a good gratuity funding mechanism can prove to be a financial strain if the employer has to pay out huge amounts in any year. Having a group gratuity plan enables him to meet the legal obligations of providing gratuity in a hassle free
manner. It not only helps to build healthy corpus, but also offers additional insurance cover, to provide enhanced gratuity benefits in the event of unfortunate death of the employee.

(ii) Group Superannuation

ING Vysya Life’s Group Superannuation Plan is a special way to safeguard employee’s financial interests. It enables the employer to take care of his employees post retirement need by providing timely and hassle free support. It helps him build healthy corpus to provide essential financial support for retiring employees, whom the employer wish to include in the group.

(iii) Group Term Life Insurance Plan

ING Vysya Life’s Group Term Life Insurance Plan enables the employer to comprehensively safeguard his employees in case of the unfortunate death of an employee due to any reason, by providing timely relief. It provides the essential life cover for all the members he wishes to include in the group.

This policy acts as a lifeline for the family of an insured member in case something unfortunate was to happen to his life. The beneficiaries will receive a fixed Sum Assured which will act as their financial protection in their time of need.

(iv) Single Premium Level Term Plan

ING Vysya’s Single Team Assurance primarily caters to the mortgage groups-like Banks and Housing Finance companies. It ensures that the client’s families are protected in the event of an unfortunate death. Organization can ensure that their financial security is assured, when they need it most. The plan provides for payment of sum assured for the benefit of the beneficiaries in the event of death of the client.

(v) Group Critical Illness Rider

Under this plan a lump sum payment is made to the employee immediately on diagnosis. So, unlike in other medical policies, the employees don’t have to produce bills as proof of expenditure. The money paid out is not a reimbursement or linked to cost of treatment. This gives the employees the flexibility to use that money as they choose. e.g. for any expense during the course of an illness. A member can get this
benefit in addition to any existing health insurance benefit he may have. The critical illnesses covered are Critical Cancer, Heart Attack, Coronary Artery Bypass Graft, Stroke, Kidney Failure, and Major organ transplant, Brain Tumor, Paralysis, Coma and Blindness.

**BAJAJ ALLIANZ LIFE INSURANCE COMPANY LIMITED**

Bajaj Allianz Life Insurance Company Limited is a joint venture between two leading conglomerates-Allianz AG of Germany, one of world’s largest insurance companies, and Bajaj Auto of India, one of the biggest 2 & 3 wheeler manufactures in the world.

Allianz AG is a leading insurance conglomerate globally and largest asset manager in the world, managing assets worth over 996 billion Euros (Rs. 53,64,456 crores). Allianz AG has more than 110 years of financial experience in over 70 countries.

Bajaj Auto is one of the most trusted names in the Indian market for over 55 years. The joint venture started its operations in the field life insurance in India from 1st October, 2001.

**PLANS MARKETED BY BAJAJ ALLIANZ LIFE INSURANCE COMPANY LIMITED**

1. **INDIVIDUAL PLANS**

   (i) **Unit Gain**

   It is a plan that can take care of the changing requirements of the life insured throughout the life. It offers the option of combining the protection of life insurance with the attractive prospects of investing in securities through six investment options to choose from i.e. Equity Fund, Equity Gain Fund, Equity Mid Cap Fund, Dept Fund, Cash Fund, and Balanced Fund. In case of unfortunate premature death the beneficiaries are entitled to the sum assured less withdrawals or the bid price of units which ever is higher. If the age of insured is less than 7 or above 70, then bid price of units is paid.

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10 www.allianzbajaj.co.in and various policy brochures of the company.
Unit Gain also offers full flexibility of full as well as partial withdrawals by surrendering units, any time after 3 full years’ premiums are paid, the surrenders are paid out at bid value of units.

(ii) Unit Gain SP

Unit Gain SP has all the features of Unit Gain Plan the only difference is that Unit Gain SP is a Single Premium Plan and 100% of the single premium is invested in funds of the choice of insured from the six options available with the Company.

(iii) Unit Gain Plus

This plan offers protection and investment with the flexibility to choose between the minimum and maximum sum assured, given the basic level of premium. 76% of the premium paid in the first year and 97% in second year onwards is invested in funds of the choice of the insured from the five options available with the company. The options are Equity Index, Equity Plus, Balanced Plus, Debt Plus and Cash Plus.

(iv) Unit Gain Plus SP

Unit Gain Plus SP is a single premium plan where 98% of the premium paid is invested in funds of the choice of the insured from the five options available with the company.

(v) Unit Gain Premier SP

It is also a single premium plan with all the features of Unit Gain SP plan except on the feature that under this plan 105% of the single premium is invested in funds of the choice of the insured from the four options available to him. The options available are Equity Fund, Equity Gain Fund, Debt Fund and Balanced Fund.

(vi) Invest Gain

Invest Gain is a participating (with profits) endowment plan which offers saving cum protection benefits to the insured. It offers four packages to choose from:

- Invest Gain Economy - Basic Package.
- Invest Gain Gold - Double Protection.
- Invest Gain Diamond - Tipple Protection.
• Invest Gain Platinum - Four times Protection.

    In case of the death of the life insured or permanent disability during the term, the plan ensures a regular monthly income for the family @1% per month of the insured value for the term of the policy or for a minimum of 10 years whichever is more. Further all the future premiums are waived off.

(vii) Child Gain

    It is a participating (with profits) children’s money back plan and is suitable to plan for education fund till graduation (Child Gain 21) or post graduation (Child Gain 24) Premiums are payable only till age 18 of the child. Payouts begin at age 18 when the child enters the college. In case of death or accidental permanent total disability of the parent, all future premiums are waived, and 1% of the sum assured is paid monthly till the end of the policy term subject to maximum of Rs. 10,000/- per month.

(viii) Cash Gain

    Cash Gain is a unique participating money back plan and is available for the terms of 15, 20, 25 and 30 years. Cash payout is made every 1/5th of the term, ensuring that the insured receives money frequently. A total of 75% of the sum assured is paid out in the first four cash benefits. On maturity 50% of the sum assured is paid along with accrued bonuses. Hence the total/survival benefit distributed under this plan comes to 125% of the sum assured.

(ix) Swarna Vishranti

    It is a participating deferred annuity with life cover plan and enables the insured to build retirement capital. The plan provides the option to take 1/3rd of the lumpsum at vesting age and freedom to purchase annuity from the balance 2/3rd at the best available market rates.

(x) Unit Gain Easy Pension

    Unit Gain Easy Pension plan is designed to take control of the future of the life insured and ensure a retirement one can look forward to, by way of picking any one of the two packages available before him-
• Unit Gain Easy Pension Regular Premium.

• Unit Gain Easy Pension Single Premium.

The plan works in two parts- the deferment period and the annuity period. During the deferment period, the plan builds up the funds required to purchase the immediate annuity. The deferment period ends at the vesting date. One is free to choose the age of retirement (vesting date) between 45 and 70 years.

The insured have the option to take upto 1/3rd of the account value on the vesting date as a lump sum and the balance amount will be used to purchase an immediate annuity.

(xi) Health Care

Health Care is a three-year health insurance plan, providing comprehensive health cover with life insurance benefit. However, the life cover is paid only on the death of the life insured. The benefits payable for all policies under Health Care Plan put together will not exceed the maximum amount of cover available under Bajaj Alliaz Health care.

(xii) Risk Care

It is a pure term plan and offers life insurance cover at the lowest possible cost for a selected term. It is an ideal option to cover the near and dear ones against financial risk arising out of life adversities like death and permanent disability. In case of premature death during the police term, sum assured is paid to the nominee. There are no survival benefits under the plan.

(xiii) Term Care

This plan not only offers the life insured the life insurance cover at a low cost but also provides for return of premiums on maturity. The premium returned at maturity will be equal to the single premium or the sum total of equivalent annual premiums. In case of premature death of the insured life during the policy term, the full sum assured will be paid to the nominee.
(xiv) Life Time Care

Life Time Care is a with profit whole life plan which provides protection at a low cost survival benefits at the age of 80 years, thereby making sure that the insured is financially secure at time when he needs it the most.

(xv) Loan Protector

The Loan Protector Plan is a mortgage term insurance plan that covers the outstanding principal amount of a loan. It is an economical way to protect the family from the burden of repayment of loan in case of death of the loaner. This plan is designed to pay a sum insured that will be equal to the outstanding principal amount of loan due.

(xvi) Life Long Gain

Life Long Gain is a whole life protection plan with only 10 or 15 years of premium paying term. It offers guaranteed survival benefits at the rate 3% of the sum assured every year after the premium payments are over. It also provides for full and partial withdrawals any time after 3 full year’s premiums are paid. In case of unfortunate premature death of the life insured the beneficiaries will be entitled to greater of sum assured less partial withdrawals or the bid value of units.

(xvii) Swarna Raksha ROC

It is a retirement plan to help people get a regular income post retirement. It offers the fixed annuity for life and on death of the annuitant the nominee will be entitled to receive an amount that is equal to the lump sum used to purchase the annuity.

II - GROUP PLANS

(i) Group Credit Shield

It is a group term insurance scheme that provides basic insurance protection to people who have availed of credit card from an institution/back. The main feature of this plan is that is covers the risk of outstanding balance on the credit card in case of premature demise or accidental permanent disability of the primary card holder. Life insurance benefit for all members of the scheme is provided by one policy document.
that is issued to the group policy holder i.e. the institution/bank. It provides valuable cover to group policyholder against default of outstanding balance on the credit card because of ultimate death or accidental permanent total disability.

(ii) Group Term Life Scheme
   It is a group insurance scheme that provides basic life insurance protection to workers. The main feature of this plan is to cover the risk of death. Life insurance benefits to all members of the scheme are provided by one policy document that is issued to the policyholder i.e. the employer.

(iii) Group Term Life
   Group Term Life in lieu of EDLI is an alternative to provide life insurance protection to employees. A single master policy is issued to the employer to provide life insurance benefits to all the employees. Thus this policy takes care of the compulsion to provide insurance cover to the employees under the Employee’s Provident Fund and Miscellaneous Provision Act, 1952.

(iv) Group Superannuation Care Scheme
   It is a defined contribution scheme where a fixed percentage of salary of the member, which may not exceed 27% of the member’s salary (including employers share to the provident fund) may be paid. The scheme provides for contribution either from employer or from both the employer and employee.

   The company will manage the funds member wise and on vesting date 1/3 of the total accumulated corpus in individual member’s account will be paid as commutation, if employee receive gratuity, else commuted value is 1/2. After commutation, on the balance corpus the member can also opt for suitable type of pension either from this company or from any other company of his liking.

(v) Group Gratuity Care Scheme
   As per the payment of Gratuity Act 1972, payment of gratuity is employer’s statutory liability which keeps on increasing with number of employees, their pay scales and tenure of employment.

   Group Gratuity Care is a multi feature employee welfare scheme which takes
care of employer’s responsibility relating to gratuity payment liability. The scheme is established under the irrevocable trust, with trustees appointed by the company taking care of administration and the gratuity benefits will be paid as per Gratuity Act 1972, or as defined by the rules of the scheme.

MET LIFE INDIA INSURANCE COMPANY PRIVATE LIMITED


Met Life India benefits from its affiliated company’s 135-year old expertise and track record of establishing successful operations in emerging markets, in addition to the unique strengths of its Indian promoters.

Met Life India is headquartered in Bangalore and has offices in 9 cities and an additional 1,000 outreach points through its distribution channel partners.

PLANS MARKETED BY MET LIFE INDIA INSURANCE CO. PVT. LTD.¹¹

I - INDIVIDUAL PLANS

To deal with the ups and downs of the life successfully Met Life offers a range of products to cater to the specific need of individuals as below-

A. Accumulation

Met Life’s accumulation products offer life cover as well as investment benefits to the insured. The following policies are available under the accumulation plans.

1. Whole Life Policy

As the most basic forms of insurance, Whole Life Policy gives cover of

¹¹ www.metlifeindia.com and various policy brochures of MetLife India Insurance Co. Pvt. Ltd.
protection as long as the insured lives. As the inevitable happens the near ones get the sum assured.

(i) Met 100 (Non-Participating Limited Pay Whole Life)

   The Met 100 from Met Life is a Whole Life Policy where premiums are paid for a term of 15, 20 or 25 years. The sum assured is payable on death of the Insured to the nominee/ beneficiary or to him after he/she reaches 100 years of age. The plan is a Non-Participating one hence all premium rates, sum assured, surrender values and paid up values are guaranteed up front.

(ii) Met 100 Gold-Limited Pay Whole Life Participating

   Met 100 Gold Limited Pay Whole Life Participating is a participating, limited pay policy where one can enjoy returns on investment. The term of the plan is 15, 20 or 25 years. Bonuses, depending on the performance of the company, get added to the face amount of the policy. The plan is a participating one. No Bonus is payable for first two policy years. Thereafter a bonus as declared by the company will be credited on the policy anniversary. The participation in profit under this policy continues even after premium paying term, provided premiums have been paid for full term.

   The face amount plus accrued bonuses if payable upon survival to age 100. In case of death prior to the age 100 the amount is paid to the beneficiary.

2. Endowment Policy

   Endowment gives the right mixture of risk coverage and returns on investment to the insured. With an Endowment policy, one can get the sum assured along with bonus accumulated at the end of the term of the policy.

(i) MET Suvidha

   MET Suvidha, a flexible endowment plan, combines savings with security that provides the unique option of flexibility of choosing a term anywhere between 5-30 years. So that one can have greater flexibility in planning for various milestones in the life. Similarly premium paying term can be chosen from single premium, limited premium and regular pay options.
(ii) **MET Saral**

MET Saral policy is the easiest way to become a Lakhpati. This policy is offered for a term of 5 years or 10 years at the end of which the insured receives the sum assured as a lumpsum of a lakh. This policy is available in semi annual and annual mode only.

3. **Money back policy**

As the most popular accumulation across consumers in different stages of their life money back pays back lump sums throughout the term of the policy, at regular intervals. These periodic lump sums are usually a percentage of the sum assured and the insurance continues through the term of the policy.

(i) **MET Sukh Money Back Non-Participating**

The plan allows the insured to plan his expenses that might incur at different stages of life. Apart from having life cover, could get money back (depending on the sum assured) at regular 5 years intervals. The plan is for the term of 20 years.

Provided the policy is in full force, a guaranteed addition of Rs. 100.00 per Rs. 1,000 of Face Amount will be added to the Face Amount at the end of each policy anniversary and will be payable either on the date of maturity or on earlier death of the life insured.

(ii) **MET Bhavishya**

This is a non-par money back policy that provided guaranteed returns that specially designed to meet children's educational expenses at different stages. The policy is suitable for parents having children between the age 0-12 and parents in the age group 20-50 years old.

**B. Multi Purpose**

The needs in life keep changing with time and there is no reason to keep buying new insurance products to keep pace with the changing responsibilities. To take care of these changing needs Met Life has introduced the following Multi Purpose Plans.
(i) MET Ultimate

MET Ultimate is an insurance plan that keeps evolving to suit every stage of life. It is a plan that covers the insured till age 100, with an investment plan linked to guaranteed as well as market interest rates.

(ii) MET Smart

MET Smart is a transparent, unit linked whole life plan that matures at age 100. The premium paid is used partly for insurance cover and the balance is invested in funds to buy units.

C. Protection plans

Protection plans, as the name implies, protects the loved ones against liabilities that might be left out, should something unfortunate happen to the insured. For instance, if the insured have a home loan pending, Protection Plans pay off the balance amounts on his demise and lets them enjoy the asset.

MetLife offers a comprehensive plan that allows providing that all-important shelter for the family against life's uncertainties.

(i) MET Suraksha-TROP

MET Suraksha TROP is a non-participating term assurance plan that offers for large sum assured at very economical rates. It has a term of 15 and 20 years with three-premium paying options namely single, limited (3 years limited pay) and regular pay for both the policy terms. In case of death of the insured during the policy term, the term assurance with return of premium is the sum assured. In case the insured lives long the term the maturity benefit is the return of premium and 10% guaranteed additions.

(ii) MET Suraksha-TA

Met Suraksha-TA has policy term of 5, 10, 15, 20 and 25 years and level term to age 60 years. Met Suraksha has three premium paying options namely single, limited (3 year limited pay) and regular pay for all policy terms. In case of death the insured during the policy term-term assurance is the sum payable but in case the insured lives long the term no maturity benefit will be available under this plan.
(iii) MET Mortgage Protector Single Pay / Limited Pay

Met-Mortgage Protector Single Pay / Limited Pay are specially designed to protect the dependents against the liabilities incurred on a housing loan. Available in terms of 5 to 25 years. The Met Mortgage Limited pay version continues even after the premium paying term is over.

D. Retirement plans

A day comes in everyone's life that one look forward to with anticipation and some anxiety too the first day of retirement. A time when finances are crucial. A time when one wants to be sure that he is financially independent and secure MetLife introduces comprehensive plans that allow building a fund to enjoy financial security on retirement.

(i) MET Pension – Participating Deferred Annuity:

MET Pension is a participating endowment and a participating immediate annuity. It offers three premium paying terms – single, limited (3 years and 5 years) and regulars pay. In case of the death of the policyholder during the endowment phase, there will be return of premium plus bonus, if any. However, there will be no death benefit during the annuity phase for the beneficiary of the policy.

In case of survival the amount of maturity benefit at the end of endowment phase is equal to the face amount plus guaranteed addition plus bonuses if any. In case of annuity, 1/3 of the maturity benefit will be paid out as a lump sum, tax free. The balance must be used to convert into a life annuity either with MetLife India Insurance or with any other insurance company offering annuities as the insured wishes.

(ii) MET Advantage – Unit Linked Pension Plan

Met advantage is a unit linked pension plan, which comes with six investment options and seven annuity options.
### Investment options

<table>
<thead>
<tr>
<th>Fund option</th>
<th>Target asset allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multiplier</td>
<td>100% in equities</td>
</tr>
<tr>
<td>Accelerator</td>
<td>20% in bonds* and a maximum of 80% in equities</td>
</tr>
<tr>
<td>Balancer</td>
<td>50% in bonds* and a maximum of 50% in equities</td>
</tr>
<tr>
<td>Moderator</td>
<td>80% in bonds* and a maximum of 20% in equities</td>
</tr>
<tr>
<td>Protector</td>
<td>100% in bonds*</td>
</tr>
<tr>
<td>Preserver</td>
<td>100% in Government securities</td>
</tr>
</tbody>
</table>

* Bonds refer to a portfolio of Government Securities and High Investment Grade Corporate Bonds.

### Annuity options

There are seven immediate annuity options available with Met Advantage. These are as follows:

- **Life annuity**: Here, the insured will receive an annuity during the lifetime after which, it will stop.

- **Life annuity with return of purchase price**: This would mean that the insured shall receive an annuity during his lifetime after which, it will stop. The purchase price will be payable to the nominee on the death of the insured.

- **Life annuity with return of balance (Purchase price less pensions received)**. In this case, the insured shall receive an annuity during his lifetime after which, it will stop. The purchase price, less the pensions already received if any, shall be payable to the nominee on the death of the insured.

- **Annuity for 5 years certain and life, thereafter**: This means that the insured/nominee shall receive an annuity for a certain period of 5 years and for life, thereafter, if the insured survives 5 years after commencement of annuity.

- **Annuity for 10 years certain and life, thereafter**. Here, the insured/nominee shall receive an annuity for a certain period of 10 years and for life, thereafter, if the insured survives 10 years after commencement of annuity.

- **Annuity for 15 years certain and life, thereafter**: In this case, the insured/nominee shall receive an annuity for a certain period of 15 years and for
life, thereafter, if the insured survives 15 years after commencement of annuity.

- **Joint life last survivor spouse annuity**: This means that the insured shall receive an annuity during his lifetime after which it will stop. The named surviving spouse would receive the annuity for life after the death of the insured.

  MetLife also offers the flexibility to buy a pension from any other insurer of one's choice, at the time of vesting. So, one has the freedom to take the best offer available in the market.

### II. GROUP BUSINESS

Across the world, corporation striving to be more productive, look at meeting the key needs of their employers through exceptional employee benefit programmes that can help them attract and retain the best people.

MetLife through its group insurance products help employers and employees select the right mix of the life insurance and service features to fit their given situation, making group to work with financial freedom.

**(i) MET Group Life**

Met Group Life is a highly convenient yearly term insurance product which pays a face amount to the member against risk of death. It provides financial security to the family and dependents of the employee. The face amount is non taxable in the hands of beneficiary. For employers this plan serves as a strong retention tool and as a loyalty building measure.

**(ii) MET Group Life in lieu of EDLI**

All employers to whom the Employee’s PF and Miscellaneous Provisions Act, 1952 applies have a statutory obligation to subscribe to Employee’s Deposit Linked Insurance Scheme 1976. Met Group Life in lieu of EDLI allows employees to enjoy a better premium to coverage ratio.

The insurance benefit is equal to the average balance to the credit of the deceased employee in the Provident Fund during the last 12 months.
(iii) Met Gratuity

Met Gratuity is a unit-linked non-participating scheme of MetLife, and is designed to help the organization to scientifically estimate their gratuity liability along together with providing flexible plan features such as providing two investment fund options-Debt and Balanced. It also allows switching between investment fund options. The scheme will be administered through the creation of the trust.

AMP SANMAR ASSURANCE COMPANY LIMITED

AMP Sanmar Assurance Company Limited is a joint venture in the field of life insurance between Sanmar Group which is a leading industrial group in South India (Chennai) and one of the top corporations in the country that helped pioneer industrialisation in India for over six decades and AMP of Australia a leading international financial services group with over 150 years with core business in Insurance, Asset Management and Financial Planning. The joint venture commenced its operations in India in the field of life insurance from 28th January, 2002. The company has been purchased by Reliance group and its name has been changed to Reliance Life Insurance Company Limited.

PLANS OFFERED BY AMP SANMAR ASSURANCE CO. LTD.

I - INDIVIDUAL PLANS

A. Savings Plans

(i) Subha Shree

It is a special endowment policy designed for people who wish to combine savings with extended security. The unique feature of this policy is that life protection continues for five years after one have stopped the payment of premium. Payment of sum assured at the end of premium paying term and extension of life cover thereafter for the full sum assured for a period of 5 years, are characteristics of the policy.

The full sum assured under the policy will be paid at the end of the premium paying term instead of waiting till the maturity of the policy, that is, a full five years in advance. Again, at the end of the policy term, the full bonuses will be paid.

12 name changed to Reliance Life Insurance Co. Ltd.
13 www.ampsanmar.com
If death takes place during the term when the premiums are still being paid, the full sum assured along with accrued bonus up to the date of death will be paid immediately. But if death takes place after all the premiums have been paid, an amount equal to the sum assured under the policy along with accrued bonuses up to the date of death will be paid immediately. This will be in addition to the sum assured already paid at the time of completion of premium paying term.

(ii) Yuva Shree

This child protection insurance policy is designed for people who wish to save money for a future time when there will be a recurring need for substantial amounts of money which involve expenditure for higher education as and when the son or daughter is studying to become an Engineer, a Doctor or specialize in some other field, or is perhaps planning to go abroad.

A unique feature of this policy is that the risk cover continues for the full sum assured even though the periodical payments are being made. This policy also participates in the profits for the full term of the policy.

An amount equal to the sum for which the policy has been taken will be paid to the family immediately; this will not be affected by any survival benefits already released. This will also not affect the four instalment amounts and bonus payable and that will be paid as provided for, in case death claim occurs earlier.

(iii) Dhana Shree

Dhana Shree is a money back plan which pays back lump sum amount to the insured at regular intervals so that one can meet any immediate financial requirement relating to admission of child in school or college, daughter’s engagement, renovation of home and so on. The money is payable in installments. The installments are paid at the end of every third year. The entire vested bonus is paid along with last installment on the date of maturity of the policy. In case of death of the life insured the full sum assured under the policy along with accrued bonuses up to the date of death, will be paid immediately. The installment amounts already paid will not be deducted from the claim amount.
(iv) **Nitya Shree**

It is a whole life plan and ensures security for the family in the unfortunate event of suddenly passing away of the insured life. It provides a high risk cover at a very low cost. The duration for which the premiums are to be paid is decided at the beginning. The longer the duration, the lower is the premium.

Even though the insured have paid premiums only over a limited premium paying term, the life cover continues up to age 85. The insured have the option of extending the cover even after age 85.

On attaining 85th birthday the insured can choose to terminate the policy. In that case he will be paid the sum assured as well as the accrued bonuses. If he do not wish to avail of this maturity option at age 85, then the risk cover continues till your 99th birthday, or is terminated earlier in case of death.

In case of death of the life insured during the policy term an amount equal to the sum for which he has been taken the policy along with the accrued bonus till date of death will be paid to the family immediately.

(v) **Divya Shree**

Divya Shree is a pure endowment plan where the insured decides how much he would like to set as sum assured based on the current financial position and the expected future expenses. One also gets to choose how long he would like the policy to operate. Then all is needed is to pay single premium or regular premium for the policy term.

As soon as the insured pays his single premium, or as long as he continues to pay regular premiums, the policy will participate in the profits. This means that each year, declared bonuses, the amount of which may vary from one year to the next, will accumulate over the policy term will be paid to the insured along with the basic sum assured when it falls due.

In the unfortunate event of loss of life before the maturity date, the family will receive the full sum assured plus accumulated bonuses till that date.
B. Pension Plans

(i) Bhagya Shree

Bhagya Shree is a flexible package that provides freedom of choice in choosing the type of investment, life cover, vesting options such as commuting and annuity options.

Contributions made to Bhagya Shree pension are invested in any of the investment options- Capital Secure Fund and Balanced Fund, preferred by the insured. At the time of vesting a choice of annuity plans are available for choosing suitable pension for the insured. A maximum of $33\frac{1}{3}$% of the accumulated funds can be commuted and the balance can be utilized to purchase annuity.

C. Investment Plans

(i) Kanaka Shree

Kanaka Shree is a Unit Linked insurance plan which invests a part of premiums of the insured life in various investment funds and as such the insured can enjoy investment benefits and insurance benefits at the same time.

D. Protection Plans

(i) Raksha Shree

Raksha Shree is a term assurance plan designed for those who only want life cover for the protection of their family against the sudden death of insured life, and do not wish to save for themselves. In case of death of the life insured during the term of the policy an amount equal to the sum assured will be paid to the nominee immediately. On survival for the entire term no benefits are payable.

II GROUP PLANS

(i) Group Term Assurance

Group Term Assurance is a one year renewable term assurance contract. The benefit is payable on the happening of the contingency during one year. However no benefits are payable on survival to the end of the year. At the end of the year, the contract may be renewed.
(ii) EDLI

All establishments with at least 10 full-time permanent employees and to whom the Employee’s Provident Fund and Miscellaneous Provisions Act, 1952 applies, have a statutory liability to subscribe to Employee’s Deposit Linked Insurance Scheme (EDLI), to provide for life insurance for all their employees. However, the employer can opt for alternative insurance plans and the Central Provident Fund Commission has approved AMP Sanmar Group Term Life Assurance Policies to be offered as an alternative to employee’s Deposit Linked Insurance Scheme, 1976 (EDLI).

(iii) Group Gratuity

Group Gratuity product is designed for corporate sector to help employers plan and create fund to fulfill their future obligations in a systematic manner. This plan provides financial security to employees at retirement or at the time of leaving the job.

(iv) Group Superannuation

This scheme provides for talking care of pension benefits for the employees of an organisation at the time of retirement. The employees can make annual contributions that will be deposited into the scheme for each employee. Contributions are usually fixed as a percentage of employee’s salary. The employee can also make voluntary contributions into the Superannuation Fund. AMP Sanmar immediate annuity provides the employees with the opportunity to covert their benefit into a pension that will provide competitive investment returns. The scheme offers three fund options-Group Capital Secure Fund, Group Balanced Fund, and Group Growth Fund for investment of contribution based on risk capacity.

AVIVA LIFE INSURANCE COMPANY PVT. LTD.

Aviva Life Insurance Company Private Limited is a joint venture between Dabur, one of India’s oldest and largest group of companies with consolidated annual turnover in excess of Rs 1543 crores and is a leading producers of traditional healthcare products in India, and Aviva Plc of England, which is UK’s largest and the world’s sixth largest insurance group and has more than £ 291 billion of assets under
management.

Besides this joint venture, Aviva has a long history in India dating back to 1834. At the time of nationalisation of Life Insurance business in India, it was the largest foreign insurer in India in terms of compensation paid by the Government of India.

With the opening of insurance sector for private players Aviva again entered in the life insurance business in collaboration with Dabur and commenced its business on 6th June, 2002. Aviva holds 26% stake in the joint venture and the Dabur Group holds 74% share.

**PLANS MARKETED BY AVIVA LIFE INSURANCE CO. PVT. LTD.**

I. INDIVIDUAL PLANS

(A) Plans for Protection

(i) Life Long

Life Long is a whole life unitized protection cum saving plan. It can be purchased for any life between 18 to 60 years. The premium paid is used to purchase units at their current purchase price on the date of allocation. All benefit payments are made by encasing units in the policy account.

(ii) Life Shield

Life Shield is a pure term insurance plan that pays out a sum insured to the family in case of unfortunate event of death of the life insured before the maturity date. In short Life Shield is a low cost insurance plan which guarantees a lump sum amount in case of death of the insured during the term of the policy.

B. Plans for Savings

(i) Easy Life Plus

Easy Life Plus is a unitized fixed term, protection cum savings plan that provides cover against death as well as accidental death, permanent total disability.

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14 www.avivaindia.com and various policy brochures of Aviva Life Insurance Co. Pvt. Ltd.
due to an accident. The policy is issued for fixed terms of 10, 15, 20 or 25 years. The annual premium can be any amount between Rs. 6,000 to Rs. 50,000. On payment of each premium, units are allocated to the unit account at the purchase price of the unit at the date of allocation. Policy value is determined by multiplying the number of units in the policy account by the selling price of the unit. The sum insured is calculated by multiplying the chosen annual premium with the cover level. The cover level is 10 times the annual premium for all ages.

For example, if the annual premium is Rs. 10,000, then the sum insured will be Rs. 100,000. In case of accidental death or permanent total disability due to an accident at least 20 times the annual premium will be paid.

The minimum age at entry is 18 and maximum age is 50 years with the maximum age at maturity being 60.

(ii) Young Achiever

Young Achiever is a regular premium fixed term, protection cum savings plan for the child and can be purchased on the life of any one of the parents with the child as the nominee.

The age of the insured (parent) should be between 21 to 55 years on last birthday and age of the child should be between 0 to 17 years. However, the maximum age of insured (parent) at maturity of the policy is 65 years (maximum age of the child at maturity cannot exceed 21 years or 25 years).

Young Achiever can be purchased for any amount ranging from minimum sum insured of Rs. 36,000 (subject to a minimum annual premium of Rs. 6,000) to a maximum sum insured of Rs. 10,000,000.

The policy term depends on the present age of the child. It is determined as follows:

If child’s age is between 0-13 years on last birthday, the policy term will be: 21 minus age of child at entry. For example, if the age of the child is 10 years at the time of buying the policy, then the policy term will be 11 years (21-10).

If the child age ranges between 14-17 years on last birthday, policy term will
be: 25 minus age of child at entry. For example, if the age of the child is 15 years at the time of entry, then the policy term will be 10 years (25-15).

The minimum policy term is 8 years. The premiums paid are used to purchase units at their current purchase price on the date of allocation. The policy value is determined by multiplying the total number of units in the unit account of the insured by the selling price of the unit.

(iii) Life Bond 5
Life Bond 5 is an investment plan which requires the life insured to pay for only five years with a policy term of 10 to 15 years.

The minimum age at entry is 18 years and the maximum is 65 years. The minimum annual premium is Rs. 25,000 with a Sum Insured five times the annual premium. The maximum annual premium is Rs. 100,000 with declaration of good health.

Life Band offer is a single premium unitised savings plan designed to provide the maximum benefit of investment return and the security of investment to match the medium term savings needs. It can be purchased for any life between 1 and 75 years of age. There is no restriction to maximum or minimum policy term and the insured can hold units as long as he wish and continue to get the benefits of the investment returns from the funds chosen by him from profit fund, unit linked fund i.e. Secured, Growth and Balanced Fund. In the unfortunate event of death a lump sum 101% of the value of initial single premium units in the unit account will be paid without any deduction.

(v) Life Saver
Life Saver is designed to meet specific long-term savings needs such as education and wedding costs for children with the added reassurance of life cover to meet those costs. In the unfortunate event of death of life insured before the policy matures a lump sum equivalent to the higher of the value of units in respect of regular premiums or the sum insured is paid to the family. Life Saver ensures availability of a lump sum fund to the insured survival at the policy term.
(vi) Pension Plus

Pension Plus is a tax efficient personal pension plan that is designed to help earn a regular income even after the insured life stops working. Through this plan, he builds a fund till retirement which provides him financial security on retirement. Pension Plus can be purchased for any life between 18 to 65 years of age. The minimum age at maturity is 40 years and the maximum age at maturity is 70 years. One has the option of either paying regular premiums or paying a single premium. One has also the option of increasing the policy term through a written communication at least three month prior to the maturity date. The premiums paid are used to purchase units for the policy holders. In case of death the nominee will receive either a lump sum amount or have an option of purchasing an annuity immediately. Full surrender of the policy is permitted any time after two policy years, provided regular premiums have been paid for the first two years. Single premium policies can be surrendered any time subject to deduction of surrender penalty, if any.

(vii) Save Guard

Save Guard is a whole life term insurance plan with limited premium paying period of 10, 15, 20, 25 or 30 years. It is a simple product one you can purchase a policy just by giving declaration of good health.

The minimum age at entry is 18 years and the maximum age is 50 years. The minimum premium is Rs. 12,000 and the maximum annual premium is Rs 1, 20,000. The sum insured is 10 times the annual premium.

Save Guard offers three Unit Linked investment fund options of Secure, Growth and Balanced which gives the flexibility of choosing how the money should be invested in terms of the risk and the security of the return on the investment.

In case of death of the insured during the policy term sum insured or fund value which ever is higher will be paid to the nominee.

(viii) Life Bond Plus

Life Bond Plus is a unit linked, single premium investment cum protection plan designed to provide for maximum benefits of investment. The sum insured is five times the initial single premium. The premium paid is used for purchase of unit’s at
all current price on the date of allocation for the policyholder. In case of unfortunate death of the life insured during the policy term the higher of sum insured or policy value with respect to initial single premium is paid to the beneficiary.

(ix) Treasure Plus

Treasure Plus is a savings cum protection plan that makes the money grow. One can choose of investing Rs 12,000/-, Rs 18,000/-, Rs 24000/-, Rs 36,000/-, Rs 48,000/- or Rs. 60,000/- annually for a period of 10, 15 or 20 years. One gets insurance cover that is 120 times the monthly premium. Treasure Plus provides liquidity through facility of partial withdrawals. Partial withdrawals are available during the last 5 years of policy term provided all due premiums under the policy have been paid and the policy fund value after partial withdrawals is not less than Rs. 20,000/-.

II. GROUP PLANS

(i) Corporate Life

Corporate Life is a product designed primarily for organisation to provide life cover to their employees. This is a group term insurance product which provides cover against risk of death of the employee. However on survival no benefits are available.

(ii) Credit Net

Credit Net is a product designed for banks, finance companies and financial institutions one which offer credit cards, auto loans, consumer durable loans and personal loans to their customers. This is a yearly renewable group term insurance scheme which provides death cover on group basis for the creditor groups i.e. it takes care of the outstanding credit in the name of the creditor.

(iii) Superannuation

Group Superannuation is a defined contribution unit-liked plan, designed primarily for the corporate sector to provide pension benefits to their employees at the time of retirement. The employer can make a contribution of up to 15% of basic salary of the employee towards this fund. The employee can also make voluntary contributions into the superannuation fund. The product offers five fund options of
Cash, Debt, Secure, Balanced and Growth with two free switches every year and a capital guarantee on Cash, Debt and Secure funds.

(iv) Group Gratuity

Group Gratuity product is a unit-linked product designed primarily for the corporate sector to help employers plan and create a fund to fulfill their future obligations in a systematic manner. This product aims to provide a well-planned fund giving tax benefits to the employer and above all financial security to employees at retirement or at the time of leaving.

(v) Credit Plus

Credit Plus is a product specially designed for Micro Finance Institutions who provide loans to individuals in the rural and social sectors and who would also like to provide some financial security to the families of these individuals (members) from the burden of paying debt in case of death of the member. This is a yearly renewable group term insurance scheme with death cover on group basis.

(vi) Loan Suraksha

Loan Suraksha is a single premium product designed primarily for the Banks and other Financial Institutions to provide life cover to their housing loan and car loan customers. This is a group term insurance product, which provides cover against risk of death. The Bank/Financial Institution is the master policyholder.

(vii) Group Shield

Group Shield is a product specially designed for institutions, co-operatives and NGOs, who are operating in the rural and social sectors and who would like to provide some financial security to their member’s families.

This is a yearly renewable group term insurance scheme which provides death and accidental permanent total disability cover on group basis.

The minimum and maximum sums insured would be Rs. 25,000/- and Rs. 50,000/- respectively.

The sum insured would be the same for all the members.
III - RURAL PLANS

(i) Amar Suraksha

Amar Suraksha is a life insurance plan which guarantees to pay a lump sum amount in the unfortunate event of death of life insured during the term of the policy. On survival through the duration of the policy, the entire premium amount is returned without interest. The policy can be bought for the term of 5, 10, 15 or 20 years. As such it is a term insurance with premium back plan.

(ii) Jana Suraksha

Jana Suraksha is a pure term insurance plan which offers low cost life insurance which guarantees to pay a lump sum amount in case of death of life insured during the term of the policy. One has the flexibility to choose from regular premium payments or single premium payments. In case of single premium payment, no further premium is payable.

SAHARA INDIA LIFE INSURANCE COMPANY LIMITED

The Sahara Pariwar’s latest foray is in the field of life insurance business is Sahara India Life Insurance Company Limited which has been granted license by IRDA on 6th February, 2004 and it commenced its operations from 31st October 2004. Sahara India Life Insurance Company Limited is the first wholly and purely private Indian company without any foreign collaboration to enter the Indian life insurance market.

PLANS MARKETED BY SAHARA INDIA LIFE INSURANCE COMPANY LIMITED15

A. Endowment Assurance

(i) Sahara Nidhi

Sahara Nidhi is an endowment assurance policy which takes care of life’s many ups and downs, children’s education and marriages, providing for a family house. It also provides financial security against unfortunate death and living too long by creating an immediate asset.

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B. Money Back Assurance

(i) Sahara Sampann

This policy returns the money at regular intervals for meeting the recurring financial requirements of the insured and also provides enhanced risk cover after every 5 years to take care of increasing responsibilities. This policy is available for the term of 15 and 20 years.

C. Pension Plans

(i) Sahara Amar Jeevan

With the help of this plan one can plan his retired life by saving in small amounts during his working life. These savings grow to create a substantial corpus to provide for a sizable regular income during the retired life.

D. Unit Linked Plans

(i) Sahara Sanchay

Sahara Sanchay a unit linked plan offers a unique blend of risk coverage and market linked returns. Keeping in mind the long term nature of life insurance contract and the need to keep the funds of the policy holder secure a balanced fund is offered initially to all the policyholders. After the first policy anniversary the policyholder shall have the option of choosing from other funds offered by the company.

BROAD CLASSIFICATION OF INSURANCE PRODUCTS OFFERED BY ALL LIFE INSURERS

Going through the range of products being offered by various life insurance companies presenting various features one can generally get confused to which type of product to pick. For the convenience the insurance products can broadly be classified, based on their features as under:

A. Products for Individuals:

(i) Whole Life Policy: As the name suggests whole life assurance policy lasts for the whole of assured life, the sum being payable at death only. In other words under this policy the insured is provided the insurance cover for his entire life. Premiums in whole life policies may be paid in three ways- Single Premium
Plan, Limited Premium Plan and Continuous Premium Plan. It is the best-suited policy for those who wish to provide for family protection after one’s death.

(ii) **Endowment Policy:** Endowment is a type of life insurance contract which provides for the sum assured to be paid either at death or after the fixed number of years which ever comes first. Thus under this plan the insurance company promises to pay a stated amount of money to the beneficiary at once, if the insured dies during the life of the policy called the endowment period or to the insured himself if he survives up to the end of the endowment period.

(iii) **Term Insurance Policy:** A term insurance policy is the oldest form of policy. Here the insurance company makes the payment only if the life assured dies within the term of the policy. In other words it is a contract between the insured and the insurer whereby the insurance company promises to pay the face amount of the policy if the insured dies before a certain date or age. However, if the insured does not die during the specified time, the contract expires and is treated as cancelled and the insured gets nothing.

(iv) **Money Back Policy:** This is a changed version of endowment plan. Unlike ordinary endowment plan where the survival benefits are payable only at the end of endowment period, this policy provides for periodic payments of partial survival benefits during the term of the policy, of course so long as the policy holder is alive.

(v) **Annuity/Pension Plans:** Apart from various life insurance products there are various annuities which are issued by life insurance companies. Strictly speaking, annuities are not contracts of life insurance but are the form of a pension, provided by annuitants from their own savings. Annuity has been defined as a contract whereby the insurer in return for a certain sum of money paid in a lump sum or by installments agrees to pay the annuitant an annual amount (an annuity) either for a specified period or for so long as the annuitant is alive, as may be determined by the contract of annuity.

(vi) **Unit Linked Policy:** These are the latest entrant in the insurance market in India and are becoming most popular among the private sector insurance
companies. Under the unit linked insurance policy a specific sum of money out of the paid premium is invested in shares and debentures in the stock market and the insured is allotted units for this invested amount. As the market performs the value of units is appreciated (NAV) resulting in high appreciation in the funds of the insured. However NAV is market determined and is a risky investment. Thus unit-linked policies provide for insurance cover as well as appreciation in funds to the insured.

**B. Products for Groups:**

Both the Public and Private Sector Life Insurance Companies are offering various group insurance schemes for providing protection to groups of people. These schemes are ideal for employers, associations; societies etc and allow enjoying group benefits at low cost. The important types of Group Products offered by insurance company’s are-

i) Group Term Insurance Plans  
ii) Group Insurance Schemes in lieu of EDLI Scheme  
iii) Group Gratuity Scheme  
iv) Group Superannuation Scheme  
v) Group Mortgage Redemption Scheme  
vi) Group Leave Encashment Scheme

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