CHAPTER - V

THE THEORETICAL ANALYSIS OF THE FEATURES OF THE PRODUCTS OF LIC OF INDIA

Initially the LIC introduced only whole Life Policy. Later endowment Policy was introduced. As on date there are a number of plans with the LIC. Each plan was an insurance product. The fundamental principles of Life Insurance was the same for all products. However, to attract more policy holder’s more and more Life Insurance Products were introduced by the LIC. So, an attempt is made in this chapter to briefly state the features of a few such plans of LIC which are considered significant for this study.

5.1 WHOLE LIFE POLICY

Any one can take this policy at the age of 12 years to 60 years. The minimum premium payment term is five years and maximum term is 55 years. Minimum sum assured shall be Rs. 50,000/- and there is no maximum limit. The salient features of this policy is that this policy is meant for the benefit of the nominees but if one attains 80 years the policy holders himself can receive the terminal benefits. The premium can be paid in all possible modes. At the end of the maturity the sum assured plus bonus will be payable. Loan can be taken against this policy at 9% interest. For obtaining housing loan the policy can be assigned as a security. The policy has got surrender value. The policy is also given term rider option. This policy is mostly suitable to those who preferred to pay low premium, expecting high risk coverage and a financial security to family.
5.2 ENDOWMENT POLICY

Any one can take this policy at the age 12 years to 65 years. The minimum premium payment term for this policy is five years and maximum 55 years. The minimum sum assured shall be Rs. 50,000/- and there is no maximum limit. All modes of payment of premium are allowed. The sailent feature of this policy is that the policy holder himself can receive the terminal benefit if he alives at the end of the term of the policy. If he dies in the middle the nominees can get the sum assured plus approved bonus. Like whole life policy this policy can also be used for getting loan and for giving it as security.

The endowment policy is differentiated as limited payment endowment policy under which the policy holder can get the maturity benefit after the endowment period is over. The policy holder can choose the premium payable term from a minimum period of five years to a maximum 50 years. However the policy holder can select the premium payment term as his choice under flexibility. If the policy holders dies in the middle, the nominees can get the sum assured plus approved bonus.

5.3 CHILDREN'S DEFERRED ENDOWMENT ASSURANCE

The policy can be taken by the parents or the legal guardians or any other near relative of the child to provide for the child's future by payment of a very low premium. This policy covers the risk of this child at the selected age. This policy has two stages one stage is from the date of commencement of the policy to the deferred date. i.e. the date of commencement of risk. The second stage is the period from the deferred date to the maturity date. If the child dies in the middle the nominee can receive the sum assured plus approved bonus. No loan can be obtained against this policy and this policy cannot be assigned for obtaining housing loan. No medical examination of the child is necessary if the
defendant period is 10 years and more. This policy is suitable for those who are interested in providing a large sum assured to the child. However this policy can not be taken under salary savings scheme.

5.4 MONEY BACK POLICY

Any one can take this policy at the age 13 years to 50 years. The maximum maturity age can be fixed at 70 years. Minimum premium payment term is 20 years and maximum is 25 years. This policy can also be used for obtaining loan at 9% and this policy can be assigned for housing loan. The salient features of this policy is that a portion of the sum assured will be paid once in five years. If the policy holder dies in the middle full sum assured plus bonus will be paid to the nominee. The survival benefit already paid once in five years will not be deducted.

5.5 JEEVAN MITRA

Any one can take this policy at the age of 18 years to 50 years. The maximum maturity age is 70 years. Minimum premium payment term for this policy is 15 years and maximum term is 30 years. This policy can be used for getting loan at 9% interest and this policy can be used for housing loan assignment. The sailent feature of this policy can be used for housing loan assignment. This salient feature of this policy is that it provides double risk cover and triple risk cover endowment policy. To cover the accident risk an extra premium of Re 1 per thousand of sum assured shall be paid. The maximum sum assured shall be 50 lakhs. Under this policy if the policy holder dies naturally double benefits will be given and if the policy holder dies due to the accident triple benefit will be given. i.e. three times of sum assured plus approved bonus.
5.6 JEEVAN SAATHI

One can take Jeevan Saakthi Policy at the age of 20 to 50 years. The maximum maturity age is 70 years. The minimum premium payment term is 15 years and maximum term is 30 years. Policy can be used for taking loan at 9% and can be used for assigning housing loan. This policy is highly suitable for those couple who wants to take joint life risk coverage under a single policy. This policy will be issued only for a sum assured of less than Rs. 200000/-. Wife need not be an earning person. pregnant ladies are not entitled to take this policy. Likewise a female who had undergone three or more caesarean operations are also not entitled. A lady with one or two caeserans can take this policy. A lady with two caesareans can take this policy without extra premium. A lady with two caesarau operations but reached menopause stage can take this policy without extra premium. If age proof is produced and the couple has medical claim policy the maximum sum assured is 15 lakhs. The sailent feature of this policy is either or of the husband or wife dies the survivor can get the full sum assured and future payment of premiums are waived. If both husband and wife are alive upto maturity, the sum assured plus bonus will be payable.

5.7 MARRIAGE ENDOWMENT FOR EDUCATION ANNUITY

Any female can take this policy at the age of 18 and up to 60 years with a maximum maturity age of 70 years. The premium payment term of the policy starts from five years to 25 years with a minimum sum assured Rs. 50,000/-. To get accident benefit an extra premium of Re. 1 on every thousand of sum assured. Loan can be obtained against this policy and this policy can be assigned for housing loans. The sailent feature of this policy is that this policy is designed for childrens education / marriage. On maturity the policy holder can get the sum assured plus bonus. If the policy holder dies before the maturity the basic sum assured plus
approved bonus will be paid and future payment premiums are waived. Incase the policy holder dies by accident, an accident benefit equivalent to basic sum assured in addition to one basic sum assured plus approved bonus will be payable to the nominees parent can propose this policy and have to pay the premiums.

5.8 NEW JANA RAKSHA POLICY

Those who are with irregular income like farmers and businessmen can take this policy at the age of 18 to 50 years with maximum maturity age up to 70 years. The premium payment term of the policy may vary from 12 years to 30 years. Minimum sum assured shall be Rs. 30,000/-. Loan can be taken against this policy and this policy can be assigned for obtained housing loan. Premiums have to be paid till maturity or death of the policy holder whichever is earlier. Self employed women can take this policy at the age of 35. On deaths the before maturity the policy holder the sum assured plus bonus will be given. The salient feature of this policy is that if the policy holder dies, the risk is covered even during and up to three years after the premiums are paid for two years as financial security for his family.

5.9 JEEVAN KISHORE

Any one with zero years and with maximum of 12 years can take this policy. The minimum maturity age ranges from 20 years to 45 years. The term of the policy ranges from 15 years to 35 years with a minimum sum assured of Rs. 50,000/- to Rs. 40,00,000/-. However the maximum sum assured is 1,50,000/-. If the entry age is less than 10 years. No loan can be obtained against this policy and can not be surrendered. An extra premium of Re1 for every thousand of sum assured shall be paid for getting accident benefit. Either father or mother can propose the policy. Legal guardian can also propose this policy. Life risk cover will
commence from the policy anniversary after the completion seven years of age or two years from the date of commencement of policy which ever is latter. If the children are not going to school after the five years, this plan is not allowed. Even grand parents can propose this policy.

5.10 JEEVAN CHHYA

This policy was intended for a person wants to provide funds for daughters marriage. Any one at the age of 18 years to a maximum of 47 years can take this policy. The term of the policy ranges from 18 years to 25 years, maximum maturity age is 65 years with in minimum sum assured of Rs.50,000/-. Loan can be obtained against this policy. This policy can be assigned for housing loan. The sailent feature of the policy is 25% of the sum assured is given every year during the last four years of maturity to the policy holder on his survival. If the policy holder dies the nominee can get the benefits. On maturity bonus on the full sum assured and additional bonus is given along with the last 25 percent of sum assured.

5.11 JEEVAN AATHAR

This policy is designed for the maintenance of handicapped dependent. Any one at the age of 22 years and upto 65 years can take this policy. The maximum maturity age is 75 years and the term various from 10 years to 35 years. No loan can be taken against this policy. The person paying the premium is called life assured and handihapped is called as nominee. The nominee of this policy should be handihapped dependent. On the death of life assured the nominee will be getting sum assured plus guarantee addition at Rs. 100 per 1000 of sum assured plus terminal benefit will be paid to the handihapped dependent. If the handicapped dependent dies before the contract cease the life assured will have the
option to receive refund of premiums. Premiums paid are 100% deductible under section 80 DD of income tax act.

5.12 JEEVAN VISHWA'S

Any one at the age of 20 with the maximum of 65 years can take this policy subject to maximum maturity age of 75 years. The premium payment term of the policy may vary from 40 years to 60 years. No loan can be obtained against this policy. The sailent feature of the policy is that the payment of premium in one lumpsum and the plan is issued to any people who have handicapped dependent. The handicapped dependent should be relative of the proposer. This policy can be surrendered after a minimum of three years. The surrender value of this policy is 90 percent of the total premium paid plus accrued guarantied additions. On maturity the handicapped dependent will be given sum assured plus accrued guranteed addition plus loyalty addition. 20% o the benefits is paid at maturity and the balance 80% is used to provide an annuity on handicapped dependent life. On the death of the policy holder the benefits will be given to the handicapped.

5.13 JEEVAN ANAND

Any one can take this policy at the age of 18 and upto 65 years. Minimum term of the policy is 5 years and maximum 57 years. This policy can be used for getting loans from the LIC of India and can be used for assigning housing loan. The salient feature of this policy is that it is a combination of endowment policy and whole life policy. Accident benefit is also available upto the age of 70. Even after the term of the policy the risk cover continuous till the death of the policy holder. At the end of the term the sum assured plus bonus is payable. If death occurs before the premium paying term, sum assured plus accumulated bonus is
payable. If death occurs after the premium paying term an additional amount equal to the sum assured is payable but no bonus.

5.14 KOMAL JEEVAN

Any one can take this policy at 0 age and upto 10 years. Minimum premium paying term is 8 years and maximum 18 years. No loan can be obtained against this policy and the policy cannot be assigned for housing loan purpose. This is a money back plan for children proposed by father or mother or both or any relative as a legal guardian can propose. Risk coverage starts from the policy anniversary completion of 15 year of the child or two years from the commencement of the policy which ever is later. The sailent feature of the policy is that the maturity benefit will be payable to the child 20 percent of the sum assured at the age of 18, another 20 percent at the age of 20, another 30 percent at the age of 22, another 30 percent at the age of 24 percent and finally at the age of 26 the guaranteed amount plus sum assured will be paid. Incase if the child dies before the maturity full sum assured with guaranteed addition rupees 75 for thousand of sum assured will be paid to nominee without deducting earlier installments paid.

5.15 JEEVAN BHARATI

Any one can take this policy at the age of 18 years and upto 50 years. The term of policy ranges from 15 years and 20 years. This policy cannot be used for taking loans and also cannot be assigned for housing loan. This policy is suitable for female with critical illness with a view to encourage them to save for the purpose of security and safety. This is a money back plan. This plan is not allowed for ladies. On death the sum assured plus vested guaranteed addition @ Rs. 50 per thousand of sum assured will be paid. However, survival benefit will be paid at the end of 5\textsuperscript{th} year, 10\textsuperscript{th} year, 15\textsuperscript{th} year and 20\textsuperscript{th} year. The salient feature of this
policy is an amount equal to 50 percent of sum assured (maximum rupees one lakhs) will be paid for each child if it is from with any one or more congenital disabilities benefit.

5.16 JEEVAN SHREE-I

The salient feature of this plan is that it enables the policy holders to pay their premiums in their most productive years. On maturity the basic sum assured plus vested guaranteed assurance at Rs. 50 per Rs. 1000 of sum assured will be paid. Accident benefit will also be available for the full term of the policy till 70 years of age. However, the accident benefit shall not exceed Rs. 50 lakhs under all policies taken together.

5.17 ANMOL JEEVAN - I

The salient feature of this plan is that it is allowed for physically handicapped persons with standard extra rate. The proposals will be considered on the basis of medical reports. Extra premium rates will be charged in case of sub-standard lives. This is the only plan allowed under key-man insurance. On maturity no amount will be paid to the policy holder. On the death of the policy holder during policy term sum assured will be paid to nominee.

5.18 JEEVAN SARAL

Any one can take this policy at the age of 12 years and upto 60 years. The premium payment term of the policy ranges from 10 years to 35 years. The minimum premium shall be Rs. 250 per month upto 49 years and Rs. 400 per month from 50 to 60 years. The salient feature of this policy is that is a conventional plan and a flexible unit linked plan. In this plan one has to choose the premium he wants to pay. Once the premium is chosen the sum assured payable on the death gets determined
250 times of the monthly premium plus return on premium plus loyalty addition if any shall be paid.

5.19 JEEVAN PRAMUKH

The salient feature of this policy is that it is a with profit plan like an endowment assurance plan suitable for high networth people with convenient premium paying term of 3, 4 and 5 years. However policy premium payment term varies from 5 years to 25 years. On maturity the basic sum assured plus assured guaranteed addition at Rupees 50 per 1000 of sum assured plus simple reversionary bonus plus terminal bonus is payable. On death the same benefit as that of maturity benefit will be payable. A cooling-off period i.e. 15 days are allowed to the policy holder to return the policy to the Corporation if the terms and conditions are not satisfied by him.

5.20 JEEVAN ANURAG

Any one can take this policy at the age of 20 years and upto 60 years. Loan can be obtained against this policy and this policy can be assigned for housing loan. The salient feature of this policy is that it provides accident benefit term assurance rider and critical illness rider. If critical illness rider is opted an amount equal to critical illness rider sum assured shall be payable in case of diagnosis of defined categories of critical illness during the term of the policy.

5.21 BIMAL NIVESH

Any one can take this policy at the age of 13 years and upto 70 years premium payment term of the policy is either 5 or 10 years. This an investment plan in which one can invest a lump sum amount and expects a reasonable return. On maturity the sum assured plus component guaranteed addition plus loyalty addition is payable Rupees 50 and 55 per Rs. 1000 of sum assured component annually for 5 and 10 years term.
respectively. Incase of death the sum assured along with accrued guranteed addition will be paid.

5.22 BIMA BACHAT

This a single premium money back type plan. Survival benefits 15 percent of sum assured are paid at 3rd, 6th, 9th and 12th policy year respectively. On maturity the single premium will be paid along with loyalty addition. On death an amount caual to sum assured will be paid, apart from survival benefits, if any, paid earlier.

5.23 AMULYA JEEVAN

This is a pure term assurance plan like Anmol Jeevan. The minimum sum assured is rupees 25 lakhs and this plan is meant for physically handicapped. Minimum term of the policy is 5 years and maximum 35 years. On maturity no amount will be paid to the policy holder on death of the policy holder during the term of the policy sum assured will be paid to the nominee.

5.24 JEEVAN TARANG

This policy can be taken for a 0 year child to 60 years person with a premium payment term of 6 years. Premium payment ceases at the age of 70 years. Maximum life cover 100 years completed. The salient feature of this plan is that it provides annually 5½ percent of sum assured till the survival of the life assured. In case of death the sum assured plus bonus plus loyalty additional shall be paid. On completion of 100th anniversary of the policy holder the sum assured along with loyalty addition shall be paid.
5.25 NEW BIMA GOLD

Any one at the age of the 14 years and upto 57 or 51 or 45 years can take this policy. This is a unique with profit money back type plan. Premiums paid over the term of the plan will be paid back in instalments. On death basic sum assured will be paid to the nominee. During the extended term 50 percent of the basic sum assured will be paid provided all premiums under the policy have been paid. On maturity total amount of premium paid during the term of the policy less survival benefits paid earlier plus loyalty addition, if any, will be paid A cooling off period of 15 days are allowed.

5.26 JEEVAN AMRIT

Any one can take the policy at the age of 12 years and upto 60 years. Maximum maturity age 70 years. The term of the policy ranges from 10 years to 30 years. This plan is suitable for persons having high earnings for a short span, where in the income may decrease on stop. The premium paying capacity of such persons is quite high during period of high income. Thereafter premium comes down significantly to the extent of 1/3rd or 1/4th of the first year premium. The special feature of this plan is that the policy will participate in profits whether fully or partially paid-up. On death the sum assured plus bonus will be payable. On maturity the total premiums paid during the term of the policy plus bonus will be paid.

5.27 FORTUNE PLUS

This is a unit linked limited payment endowment plan. Under this plan the payment of premium is limited to only 5 years. The allocated premium will be invested to buy unit in any one of the four types of fund viz. bond fund, secured fund, balanced fund and growth fund. Any one at
the age of 12 years and the maximum of 60 years can take this policy. No loan can be obtained against this policy. On death the policy holder will be paid the basic sum assured on value of unit held in policy holder fund. On maturity an amount equal to the value of the unit held in policy holders fund is payable.

5.28 MARKET PLUS POLICIES

The LIC of India introduced a new plan by name market plus policies from the 23.08.2007. Onwards and came to an end 31.03.2008. As per this policy no bonus will be paid. The policyholder can pay the premium in a lump sum payment on periodical/regular ways. The premium paid will be invested in the securities market as per the options of the policyholder in any one of the four plans prescribed by the LIC. This policy is subject to market risk. The policy holder will be paid the sum assured plus the capital gains of the investment. To cover the accident risk certain charges will be deducted from the premium and the balance will be invested in securities market. The terms and conditions of market plus policies is as follows.

5.29 JEEVAN VARSHA

The Life Insurance Corporation of India (LIC) has launched a new close-ended guaranteed additions plan, Jeevan Varsha. The money — back plan has two policy terms — 9 years and 12 years — with the premium paying term restricted to only nine years. The plan also offers payment of survival benefits for every three years. Jeevan Varsha is a regular premium plan where all modes such as yearly, half yearly and monthly are allowed and any person who has completed 15 years of age can buy this policy. The minimum sum assured for the monthly mode is Rs.75,000, while it is Rs. 50,000 for other modes. The corporation was aiming to collect Rs. 1,500 crore premium from the new policy. The
policy would offer Rs. 65 per Rs. 1,000 sum assured and Rs.70 for 12 years term. LIC officials said though guaranteed addition in Jeevan Varsha is lower than Jeevan Astha, the internal rate of return will be similar to it, taking into consideration all factors.

1. PROOF OF AGE

The mortality charge having been calculated based on the age of the life assured as declared in the proposal, in case the age is found higher than found such age, without prejudice to the corporation’s other rights and remedies, including those under the insurance act, 1938 the mortality charge shall be deductible in such case at rate calculated on the respective sum assured for the correct age of the entry, and the corporation shall deduct by canceling appropriate number of units out of policy holder’s unit account, the accumulated difference these charges for the correct age and the charges as reckoned from the commencement of the policy up to the date of sum payment with interest at such rate may be prevailing at he time of reduction.

Provided further that if the life assureds' correct age at entry such as would have made him/her uninsurable under the class or terms of assurance specified in the said schedule here to, this policy shall be void and all claims to any befit in virtue here of shall cease and determent and all money that have been paid in consequence here of shall belong to the corporation, excepting as relief, has may be lawfully granted by the corporation.
2. POLICY HOLDERS UNIT ACCOUNT

The premiums paid by the life assured, after applying the allocation rate, as specified in the policy document, shall be utilized to purchase the unit of the opted investment fund at the Net Asset Value (NAV) on the date of purchase. The units, so purchase shall be credited to a personalized investment account, called the "Policy Holder's Unit Account". The policy holder's unit account shall be subject to deduction of charges, as specified in the policy document. At any time during the policy term, the value of the policy holder's unit account shall be the number of units in the account multiplied by the Net Asset Value (NAV) of the units of that date. The NAV of units may increase or decrease depending upon the investment performance of the underlying fund.

3. FUND UNIT ALLOCATION AND INVESTMENT OF FUND

The allocated premiums will be utilized to buy units a per the fund type opted by the life assured (As shown in the schedule) out of the following 4 funds.

A. BOND FUND

There will be no exposure to equity market in this fund. The indicative port folio allocation under the fund will be as under:

1. Investment in government/government guaranteed securities / corporate debt : Not less than 80%.
2. Investment in short term such as money market instruments including (1) above : 100%.
3. Investment in listed equity shares : Nil.
B. SECURED FUND

The fund will maintain a suitable balance between return, safety and liquidity. The indicative portfolio allocation under this fund will be as under:

1. Investment in government/government guaranteed securities / corporate debt: Not less than 65%.
2. Investment in short term such as money market instruments including (1) above: 85%.
3. Investment in listed equity shares: Not less than 15% and not more than 35%.

C. BALANCE FUND

The indicative portfolio allocation under this fund will be as under:

1. Investment in government/government guaranteed securities / corporate debt: Not less than 50%.
2. Investment in short term such as money market instruments including (1) above: 70%.
3. Investment in listed equity shares: Not less than 30% and not more than 50%.

D. GROWTH FUND

The indicative portfolio allocation under this fund will be as under:

1. Investment in government/government guaranteed securities / corporate debt: Not less than 20%.
2. Investment in short term such as money market instruments including (1) above: 40%.
3. Investment in listed equity shares: Not less than 60% and not more than 80%.
The life assured will have to opt any one of the above four funds. In case no fund is opted the allocated premiums shall, by default be invested in the secured fund.

4. CHARGES

A) Premium Allocation Charge: This is the percentage of the Permian appropriated towards charges from the premium received. The balance Known as allocation rate constitutes that part of the premium which is utilized to purchase (investment) units for the policy.

The allocation charges are as below: For single premium Policies: 3.3 % For Regular Premium Policies:

<table>
<thead>
<tr>
<th>Premium Band (per annum)</th>
<th>Allocation Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>5,000 to 75,000</td>
<td>16.50%, 2.50%</td>
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<tr>
<td>75,000 to 1,50,000</td>
<td>15.75%, 2.50%</td>
</tr>
<tr>
<td>1,50,000 to 3,00,000</td>
<td>15.00%, 2.50%</td>
</tr>
<tr>
<td>3,00,001 to 5,00,000</td>
<td>14.25%, 2.50%</td>
</tr>
<tr>
<td>5,00,000 and above</td>
<td>13.50% 2.50%</td>
</tr>
</tbody>
</table>

Allocation charge for Top - up 1.25 %

B) OTHER CHARGES

The Following charges shall be deducted by cancellation of appropriate number of units of the policyholder's Unit Account:

I) MORTALITY CHARGE

This is the cost of life insurance cover. Mortality charge if any will be taken every month by canceling appropriate number of units out of the policyholders' unit Account as per the late prevalent at the time of policy. If opted for life cover charge in respect of the same, during a policy year,
will be based on the age nearer birthday of the Life Assured as at the policy anniversary coinciding with or immediately preceding the due date of cancellation of units and hence shall increase every year on each policy anniversary. Further, the charge will also depend on the health, occupations and life style of the Life Assured. The Life Cover charge per Rs.1000/-Sum Assured for standard lives is given as Annexure to this document.

II) ACCIDENT BENEFIT CHARGE

This is the charge to cover the cost of Accident Benefit rider if opted for levied every month by canceling appropriate number of units out of the policyholder's until account as per the rate prevalent at the time of policy issue. A level charge at present is at the rate of Rs. 0.50 per thousand Accident Benefit Sum Assured per policy year.

III) POLICY ADMINISTRATION CHARGE

The policy Administration charge Rs. 60/- per month during the deducted by canceling appropriate number, throughout the term of the term of the policy, will be deducted by canceling appropriate number of units out of Policyholder's unit Account.

IV) SERVICE TAX CHARGE

A service tax charge shall be levied on charges for Life cover and Accident Benefit near if any, and shall be deducted by canceling appropriate number of units out of the policyholder's Unit Account on a monthly basis as and when the corresponding Life cover and Accident Benefit charges are deducted. The level of this charge will be as per the rate Service Tax on risk premium, if any as applicable from time to time.
V) MISCELLANEOUS CHARGE

This is a charge levied for an alteration within the contract, such as reduction in policy term, change in premium mode to higher frequency, Grant to Accident Benefit after the issue of the policy etc. An alteration may be allowed subject to 2 charges of Rs 50/- which will be levied by canceling appropriate number of units out of the alteration shall take effect from the policy anniversary coincident or following the alteration only after the same is approved by the corporation and is specifically communicated in writing to the life assured.

VI) SWITCHING CHARGE

This is a charge levied on switching of monies from one fund to another and will be levied at the time of effecting switch. Within a given policy year, 4 switches shall be allowed free of charge. Subsequent switches shall be subject to a switching charge of Rs. 100 per switch.

C) FUND MANAGEMENT CHARGE

This is a charge levied as a percentage of the value of assets and shall be appropriated by adjusting NAV at the following rates:

- 0.75% p.a. of Unit Fund for "Bond" Fund
- 1.00% p.a. of Unit Fund for "Secured" Fund
- 1.25% p.a. of Unit Fund for "Balanced" Fund
- 1.50% p.a. of Unit Fund for "Growth" Fund

This is a charge levied at the time of computation of NAV, which will be done of daily basis.
D) RIGHT TO REVISE CHARGES

The Corporation reserves the right to revise all or any of the above charges except Premium Allocation charge and charges for optional covers as and when such a need will arise. The modification in charges will be done with prospective effect with the prior approval of Insurance Regulatory & Development Authority after giving the Life Assured a notice of 3 months.

Although the charges are reviewable, they will be subject to the following maximum limit:

- Policy Administration charge: This charge shall not exceed Rs. 150/- per month during the first policy year and Rs 50/- per month thereafter, throughout the term of the policy.

- Fund Management Charge: The Maximum for each Fund will be as follows,
  
  I. Bond Fund 1.5%p.a. of Unit Fund  
  II. Secured Fund 2.0%p.a. of Unit Fund  
  III. Balanced Fund 2.5%p.a. of Unit Fund  
  IV. Growth Fund 3.0% p.a of Unit Fund

- Miscellaneous Charge: The Miscellaneous Charge shall not exceed Rs.100/-each time when an alteration is requested.

5. METHOD OF CALCULATION OF UNIT VALUES

The NAV will be computed on daily basis and will be based on investment performance, Fund Management Charge and whether Fund is expanding or contracting under each fund type and shall be calculated as under:
Appropriation price (when fund is expanding): Market value of investments held by the fund plus the expenses incurred in the purchase of the assets plus the value of any current assets plus any accrued income net of fund management charges less the value any current liabilities less provision, if any divided by the number of units existing at the valuation Expropriation any new units are allocated valuation date (before any new units are allocated).

Expropriation price (when fund is contracting): Market value of investments held by the fund less the expenses incurred in the sale of assets plus the value of any current liabilities less provisions, if any divided by the number of units existing at the valuation date (Before any units redeemed).

6. APPLICABILITY OF NET ASSET VALUE (NAV)

The premiums received up to a particular time (presently 4.15P.M. as per IRDA guidelines) by the Servicing Branch of the Corporation along with a local torque or a demand draft payable at par at the place where the applicable. The premiums received after such time by the Servicing Branch of the corporation along with a local cheque or a demand draft payable at par at the place where the premium is received, the closing NAV of the next business day shall be applicable.

Similarly in respect of the valid applications received for surrender. Death claim, switches etc up to such time by the servicing branch of the corporation the closing NAV of the next business day shall be applicable. In respect to amount available on vesting. NAV of the date of vesting of annuity shall be applicable.
7. OFFER AND BID PRICE

The Offer price is the price at which the corporation is prepared to create / all of fund units / in the opted fund in respect of this policy. The Bid price is the price at which the corporation is prepared to cancel (repurchase) Fund Units in the Fund in respect of this policy. As there is no Bid- Offer spread, the Bid price and the Offer price under this plan are equal to the NAV.

8. TOP-UP (ADDITIONAL PREMIUM)

The life assured can pay additional premium multiples of Rs. 1,000 without any limit at anytime during the term of the policy any such Top-up, net of the charges specified in the schedule of the policy. Shall be used to provide additional units and will not provide any additional risk cover under the policy. In case of regular premium policies,(where premiums are payable yearly or more frequently). Such Top-up can be paid only if all premiums due till that time have been paid under the policy.

9. DISCONTINUANCE OF PREMIUMS

In case of Regular premium policies, if premiums have not been duly paid within the days of grace under the policy, the policy will lapse the life assured will have an option to revive the policy within the specified period (desorbed in Condition 12 below).

(i) Where at least 3 full years premiums have been paid, the Life cover and Accident Benefit cover, if any, shall continue during the revival period.
During this period the charges for life cover and Accident Benefit cover, if any, shall be taken as usual by came collecting applicationumber of unisons of into policyholder's unit Account every month. This will continue to prove relevant risk covers for:

(i) Two years loan the due date of first unpaid premium, or
(ii) The date of vesting or
(iii) Till such period that the policyholder's unit Account reduces to one annualized premium, whichever is earlier.

The benefits payable under the policy in different contingencies during this period shall be as under:

A. IN CASE OF DEATH

Life cover Sum Assured plus fund Value of units held in the policyholder's Unit Account, if life cover is opted for. If life cover is not opted for, then only fund value of units held in the policy holder's Unit Account is payable.

B. IN CASE OF DEATH DUE TO ACCIDENT

Accident Benefit Sum Assured in addition to the amount under A above, if Accident Benefit is opted for.

C. IN CASE OF SURRENDER

Fund Value If units held in the policy holder's Unit Account Surrender value, however, shall be paid only after completion of three policy years.

D. ON VESTING

Fund Value of units hold in the policyholder's Unit Account.
E. COMPULSORY SURRENDER

The policy shall be terminated compulsorily in following cases.

(i) The balance of one policyholder's unit Account, at all times shall be subject to a minimum balance of one annualized premium. In case the policyholder's unit account, if any, shall be revived to the policyholder's.

(ii) In case the policy is not revived during the revival period, the policy will expire and the life cover and accident Benefit cover, if any, shall not be deducted thereafter. Fund value of units shall be refunded to the policyholder.

If, Where The policy lapses without payment of at least 3 years premiums the Life Cover and Accident Benefit cover, if any, Shall cease and no charges for these benefits shall be deducted, However deduction of all the other charges for these benefits shall under such a lapsed policy shall be payable as under

F. IN CASE OF DEATH

Fund Value of units held in the policyholder's units Account.

G. IN CASE OF DEATH DUE TO ACCIDENT

The amount under F above.

H. IN CASE OF SURRENDER

Fund Value of units / money value of units, as the case may be, held in the policyholders unit Account. Shall be payable after the completion of the third policy anniversary.
CONCLUSION

Whole life policy is meant for the benefit of the nominees. Endowment policy provides the terminal benefits to the policy holder but it dies in the middle the nominees will get the benefits. For children's feature the parents and guardians can purpose a policy. For periodically getting benefits one can prefer money back policy. For double risk cover and triple risk cover Jeevan Mitra policy is preferable. Jeevan Sakthi policy is a joint policy covering the risk of wife and husband simultaneously but either of the two can get the benefit if one dies. Policies also available for marriage and education of children. Jeevan Jana Raksha policy is meant for irregular income corners and the risk covers upto three years after the premiums are paid for two years. The necessity of paying premium periodically is not found in Jeevan Jana Raksha policy. Jeevan Kishore Policy is a insurance product for child from 0 to 12 years. Jeevan Chhya provides terminal benefits during the last four years of maturity. Jeevan Aathar policy is taken for a physically handicapped nominee. Jeevan Vishwas is also a policy for a physically handicapped nominee but the premium shall be paid in one lump sum. Jeevan Anand policy is a combination of endowment and whole life policy. Komal Jeevan is a policy for a child and the benefits are payable at 18, 20, 22, 24 and 26th years respectively as periodical benefits.

Jeevan Bharathi is a policy for the benefit of a child who suffers from congenital disability benefit. Premiums can be paid in the most production years in Jeevan Shree-I policy Anmal Jeevan-I covers the risk of physically handicapped on the basis of medical report under Jeevan Saral 250 times of monthly premium shall be paid as benefit. Under Jeevan Prakmukh the high networth people can pay the entire premium
within 5 years at their convenience. Under Jeevan Anurag accident benefit and ethical illness rider sum assured one can invest a lump amount. Bimal Bachat is a single premium policy is an investment to buy unity in the market. In market plus policy the premium paid will be invested in the security market at the option of the policy holder.