MICRO INSURANCE DEPT

(AS PER DRAFT CIRCULAR)

BHAGYA LAKSHMI

(PLAN NO . 839)

(NON-PAR LIMITED PAYMENT PROTECTION ORIENTED MI PLAN WITH RETURN OF 110% OF TOATAL AMOUNT OF PREMIUMS PAYBLE ON MATURITY)

INTRODUCTION

- New Micro Insurance plan as per IRDA’s new regulations
- Insurance cover is available to all individuals just like any other plans of the Corporation

ELIGIBLE LIVES

- To all earning male and female lives. No income proof required
- Minimum Age at entry: 18 years (completed)
- Maximum Age at entry: 55 years (nearest birthday)
- Maximum Age at maturity: 65 years (nearest birthday)
- Both standard and non standard age proofs acceptable for verifying age

AMOUNT OF INSURANCE

- Minimum Sum Assured: Rs 20000/-
- Maximum Sum Assured: Rs 50000/- (S.A. in multiple of Rs. 1000)
- Premium payable calculated on Sum Assured opted for by policy holder
- Premium to be payable depending on Age + Sum Assured + MTY.term
- Service Tax if any to be borne by the policy holder. Presently exempted from service tax.

ELIGIBILITY CONDITIONS AND RESTRICTIONS

- Policy term : 7 to 15 yrs
- Premium Paying term is less than 2 yrs. From policy term

  Minimum Sum Assured : Rs 20000/-
- Maximum Sum Assured : Rs 50000/-

  (Sum Assured shall be in multiples of Rs 1000/-)

NO PREMIUM PAYBLE FOR LAST TWO YRS OF THE MATURITY TERM OF THE POLICY

MODES OF PREMIUM PAYMENT

LIC
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LIFE INSURANCE CORPORATION OF INDIA

The modes of premiums payable

YLY/HLY /QLY /MLY

MODE REBATES

YLY MODE : 2% OF TABULAR PREMIUM

HLY MODE : 1% OF TABULAR PREMIUM

OTHER MODES : NIL

TAXES

- Taxes shall be as per the Tax laws and the rate of tax as applicable from time to time.
- The amount of tax including service tax as per the prevailing rates shall be payable by the policyholder on the premiums including extra premium, if any. The amount of Tax paid shall not be considered for the calculation of benefits payable under the plan.
- The instructions regarding issues related to taxes will be issued by Finance & Accounts Department, Central office, separately.

Presently exempted from service tax.

GRACE PERIOD FOR PAYMENT OF PREMIUM

- A grace period of two calendar months but not less than 60 days will be allowed for all modes of payments.

BENEFITS

UNDER AN INFORCE POLICY

- MATURITY BENEFIT

SUM ASSURED ON MATURITY= **110% OF TOTAL AMOUNT OF PREMIUM PAYBLE DURING TERM OF THE CONTRACT**

(EXCLUDING TAXES AND EXTRA PREMIU IF ANY)

- DEATH BENEFIT

SUM ASSURED ON DEATH= **BASIC SUM ASSURED UNDER THE POLICY**

PAID –UP VALUE

- **Paid-up value :**

POLICIES WITH PREMIUM PAYING TERM LESS THAN 10 YRS= AFTER AT LEAST TWO FULL YRS PREMIUMS PAID

POLICIES WITH PREMIUM PAYING TERM MORE THAN 10 YRS= AFTER AT LEAST THREE FULL YRS PREMIUMS PAID

AUTO COVER

- **AT LEAST THREE FULL YRS PREMIUMS PAID** = DEATH OF LA WITH IN **SIX MONTHS** FROM THE DUE DATE OF FUP (SUBJECT TO DEDUCTION OF UNPAID PREMIUMS DUE BEFORE THE NEXT POLICY ANNIVERSARY & INTEREST THEREON UPTO DATE OF DEATH)
- **AT LEAST FIVE FULL YRS PREMIUMS PAID** = DEATH OF LA WITH IN **TWELVE MONTHS** FROM THE DUE DATE OF FUP (SUBJECT TO DEDUCTION OF UNPAID PREMIUMS DUE BEFORE THE NEXT POLICY ANNIVERSARY & INTEREST THEREON UPTO DATE OF DEATH)

SURRENDER VALUE / GUARANTEED SV

- Surrender Value and Guaranteed Surrender Value factors are given in the circular

LOAN & REVIVAL

- Loan facility not available
- If renewal premium is not paid within the said grace period, policy stands lapsed which mean no insurance coverage subject to auto cover.
- To revive such policy, declaration of good health from policy holder along with due premiums + interest thereon is to be paid.
- However he can revive the policy within 2 years of unpaid premium

UNDERWRITING

- Available to all earning male and female lives.
- Proposal not to be clubbed with other plans of corporation for SUC consideration.
- No medical required. No special reports. Proposal accepted on declaration of good health by prospective customer. If health declared is not good then no acceptance of proposal.
- Standard/non standard age proofs accepted.
- Back Dating not allowed.

COOLOING OFF PERIOD

- If a policyholder is not satisfied with the "Terms and Conditions" of the policy, he/she may return the policy to the Corporation within 15 days from the date of receipt of the policy. The refund of premium to the policyholder shall be subject to the deductions:-
- Stamp duty on policy.
- Proportionate risk premium for the period on cover as per prevalent rules

ILLUSTRATION
AGE = 20 YRS

MATURITY TERM	7 YRS		10 YRS		15 YRS	
PREM. PAYING TERM	5 YRS		8 YRS		13 YRS	
S.A.	25000	50000	25000	50000	25000	50000
PREM PER 1000	127.45		64.35		37.20	
MLY MODE	266	531	134	268	77	155
QLY MODE	797	1593	402	804	232	465
HLY MODE	1577	3154	796	1593	460	921
YLY MODE	3123	6245	1577	3153	911	1823

COMMISSIONS RATES
(MI AGENTS-IRDA REG 2005)

	1st Year	Subsequent Years
•	10%	7.5%

COMMISSIONS RATES
(INSURANCE AGENTS & CORPORATE AGENTS)

1st Yr	2nd & 3rd Yrs	Subsequent Years
10%	7.5%	5%

COMMISSION RATES
(BROKERS)

1st Yr	2nd & 3rd Yrs	Subsequent Years
10%	5%	5%

MAIN HIGHLIGHTS

- **NO PREMIUM PAYBLE FOR LAST TWO YRS OF THE MATURITY TERM OF THE POLICY**
- **PRESENTLY NO SERVICE TAX**
- **GUARNTEED MATURITY VALUE OF 110% OF TOTAL PREMIUM PAYBLE**
- **REBATE OF 2% ON YLY MODE AND 1% ON HLY MODE OF TABULAR PREMIUM**
- **A GRACE PERIOD OF TWO CALENDAR MONTHS BUT NOT LESS THAN 60 DAYS FOR ALL MODE OF PEREMIUM**
- **AUTO COVER FOR SIX MONTHS AFTER RECEIPT OF AT LEAST 3 YRS PREMIUM AND AUTO COVER FOR TWELVE MONTHS AFTER RECEIPT OF AT LEAST 5 YRS PREMIUM**

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LIFE INSURANCE CORPORATION OF INDIA

धन्यवाद
Thank You