

Rs.13,209 crore Bonus from LIC to its Policy Holders for the year 2004-05!

The Hon'ble Finance Minister Shri P. Chidambaram announced the Bonus of Life Insurance Corporation of India, on 15th November, 2005 for its policyholders for the year 2004-05 pursuant to the Actuarial Valuation as on 31st March, 2005. A surplus of **Rs. 13,904.21 crore** has emerged as a result of valuation. Out of the Surplus declared, 95% i.e. **Rs.13,209 crore** is distributed as Bonus to the holders of with profit policies which were in-force as on 31st March 2005 and 5% of the surplus i.e. **Rs. 695.21 crore** is the share of Government of India. The number of in-force policies has gone up from 15.62 crore to 16.59 crore as on 31st March, 2005.

Reversionary Bonus Rates:

- Whole Life Policies - **Rs.71.00** per thousand sum assured
Bonus on various plans per thousand sum assured for 16 years and above is as under. The bonus depends on term of the policy. The bonus amount is higher for long term policies.
Endowment Type Policies - range from **Rs. 45.00 to Rs. 50.00**
- Money Back, Anticipated Endowment - **Rs.41.00 (term 20 years) & Rs.45.00 (term 25 years)**
- Jeevan Mitra, Jeevan Sathi, Limited Endowment Policies - range from **Rs.46.00 to Rs.51.00**
- Jeevan Surabhi Policies - **Rs.42.00 (term 20 years) and Rs.50.00 (term 25 years)**
- Jeevan Anand plan - range from **Rs.43.00 to Rs.47.00**
- Jeevan Rekha Plan - range from **Rs.34.00 to Rs.40.00**
- Jeevan Anurag - range from **Rs. 28 to Rs. 30**
- New Jeevan Suraksha - I - range from **Rs. 18 to Rs. 30 (0% Notional Cash Option)**
- New Jeevan Dhara - I - range from **Rs. 18 to Rs. 28 (0% Notional Cash Option)**

Final (Additional) Bonus:

In addition to the above Reversionary Bonuses, LIC has also declared Final (Additional) Bonus and Loyalty Addition to give add on value to those policyholders who keep their policies in force. The rates of Final (Additional) Bonus are upto **Rs.1,400 per thousand Sum Assured** depending upon term and sum assured of the policy for policies fulfilling the stipulated conditions. Also, as in the previous year, the Loyalty Addition in respect of Jeevan Shree policies maturing on completion of term upto 9 years is **Rs.75** per thousand Sum Assured and with policy term 10 years at the rate of **Rs.125** per thousand Sum Assured.

Special Reversionary Bonus :

It may be mentioned that on the 1st September, 2005, the Golden Jubilee Year celebration was inaugurated by the Hon'ble Prime Minister Dr. Manmohan Singh. On the occasion a Special Golden

Jubilee Reversionary Bonus ranging from Rs. 5/- to Rs. 50/- per thousand sum assured was announced by the Hon'ble Finance Minister Shri P. Chidambaram. That bonus was in addition to the bonus now declared.

The Simple **Reversionary Bonus** declared as a result of the valuation for all with-profit policies subject to the stipulated conditions, are as under:

I) Individual Assurances

<i>Endowment type of policies *</i> (1)				<i>Jeevan Mitra, Jeevan Sathi and Limited Endowment</i> (2)			<i>Money Back and Anticipated Endowment</i> (3)			<i>Jeevan Surabhi</i> (4)			<i>Jeevan Anand</i> (5)				<i>Jeevan Rekha</i> (6)				
<i>Policy Term</i>				<i>Policy Term</i>			<i>Policy Term</i>			<i>Policy Term</i>			<i>Policy Term</i>				<i>Policy Term</i>				
<11	11 to 15	16 to 20	>20	<16	16 to 20	>20	12 & 15	20	25	15	20	25	5	6 to 10	11 to 15	16 to 20	>20	< 11	11 to 15	16 to 20	> 20
BONUS RATES PER THOUSAND RUPEES SUM ASSURED																					
34	40	45	50	42	46	51	32	41	45	35	42	50	30	34	38	43	47	50	45	40	34
* Excluding Jeevan Mitra, (Double and Triple Cover), Jeevan Sathi, Limited Endowment, Money Back, Anticipated Endowment, Jeevan Surabhi, Jeevan Anand and Jeevan Rekha policies.																					

<i>Jeevan Anurag</i> (7)			
<i>Policy Term</i>			
<11	11 to 15	16 to 20	>20
BONUS RATES PER THOUSAND RUPEES SUM ASSURED			
20	24	28	30

II) Individual Pension Plans

New Jeevan Suraksha -I				New Jeevan Dhara-I			
<i>Deferment Period (Years)</i>				<i>Deferment Period (Years)</i>			
<6	6 to 10	11 to 15	>15	<6	6 to 10	11 to 15	>15
<i>Per Thousand Notional Cash Option</i>				<i>Per Thousand Notional Cash Option</i>			
Rs.18.00	Rs.21.00	Rs.26.00	Rs.30.00	Rs.18.00	Rs.20.00	Rs.24.00	Rs.28.00

Place : Mumbai

Date: 16.11.2005.