

**P R E S S  
R E L E A S E**

We believe that the news contained in this release is of value to your readers. While we would thank you to publish it as soon as possible, we also readily recognize that the decision to do so rests entirely with you.

**Rs.11,784.58 crore Bonus from LIC to its Policy Holders for the year 2005-06.**

**Life Insurance Corporation has** announced the Bonus payable to its Policyholders for the year 2005-06 pursuant to the Actuarial Valuation as on 31<sup>st</sup> March,2006. A surplus of **Rs.12,404.82 crore** has emerged as a result of valuation out of which 95% i.e. **Rs.11,784.58 crore** is distributed as Bonus to the holders of with profit policies which were in-force as on 31<sup>st</sup> March,2006. 5% of the surplus i.e. **Rs.620.24 crore** is the share of Government of India. The number of in-force policies has gone up from 16.77 crore to 18.64 crore as on 31<sup>st</sup> March,2006.

**Reversionary Bonus Rates:**

- Whole Life Policies - Rs.66.00 per thousand sum assured  
**Bonus on various plans per thousand sum assured for 16 years and above is as under.** The bonus depends on terms of the policy. The bonus amount is higher for long term policies.
- > Endowment Type Policies-range from Rs.40.00 to Rs.46.00.
- Money Back, Anticipated Endowment - Rs.37.00 (term 20 years) & Rs.42.00 (term 25 years)
- Jeevan Mitra, Jeevan Sathi, Limited Payment Endowment Policies - range from Rs.43.00 to Rs.47.00.
- Jeevan Surabhi Policies - Rs.39.00 (term 20 years) and Rs.47.00 (term 25 years)
- Jeevan Anand plan - range from Rs.40.00 to Rs.44.00
- Jeevan Rekha Plan - range from Rs.33.00 (term >20 years) to **Rs.48.00 (term 10 years and less).**
- Jeevan Anurag - range from Rs.32 to Rs.35.
- Jeevan Tarang - Rs.32

- New Jeevan Suraksha-I- Rs.32 (per thousand Notional Cash Option)
- New Jeevan Dhara-I- Rs.30 (per thousand Notional Cash Option).

### **Terminal 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 long term policies in force. There is an increase in Final (Addl.) Bonus in the range of 16 % to 100%, The rates of Final (Additional) Bonus are upto **Rs.1,680 per thousand Sum Assured** depending upon plan, term and sum assured of the policy for policies fulfilling the stipulated conditions. The Loyalty Additions in respect of Jeevan Shree, New Jeevan Shree and Bima Nivesh-2002 policies ranging from Rs.40 to Rs.125 per thousand Sum Assured depending upon term of policy have also been declared.

### **HIGHLIGHTS**

1. Final Additional Bonuses have been increased by 16 % to more than 100%.
2. Interim Bonuses under all new plans issued from the year 2001 onwards, have been increased from that declared last year.
3. Interim Bonuses of old plans maintained.

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

### **Individual Assurances**

<i>Endowment type of policies* (1)</i>				<i>Jeevan Mitra, Jeevan Sathi and Limited Endowment (2)</i>			<i>Money Back and Anticipated Endowment (3)</i>		
<i>Policy Term</i>				<i>Policy Term</i>			<i>Policy Term</i>		
10 & less	11 to 15	16 to 20	>20	15	16 to 20	>20	12 & 15	20	25
BONUS RATES PER THOUSAND RUPEES SUM ASSURED									
31	36	40	46	39	43	47	30	37	42
* Excluding Jeevan Mitra, (Double and Triple Cover), Jeevan Sathi, Limited Endowment, Money Back, Anticipated Endowment, JeevanSurabhi, Jeevan Anand, Jeevan Rekha, Jeevan Anurag & Jeevan Tarang policies.									

Jeevan Surabhi (4)			Jeevan Anand (5)					Jeevan Rekha (6)			
<i>Policy Term</i>			<i>Policy Term</i>					<i>Policy Term</i>			
15	20	25	5	6 to 10	11 to 15	16 to 20	>20	10 yrs & less	11 to 15	16 to 20	>20
BONUS RATES PER THOUSAND RUPEES SUM ASSURED											
32	39	47	32	32	36	40	44	48	43	39	33

Jeevan Anurag (7)				Jeevan Tarang (8)		
<i>Policy Term</i>				<i>Policy Term</i>		
10 & less	11 to 15	16 to 20	>20	10	15	20
BONUS RATES PER THOUSAND RUPEES SUM ASSURED						
24	28	32	35	24	28	32

I) **Individual Pension Plans**

New Jeevan Suraksha-I				New Jeevan Dhara-I			
Deferment Period (Years)				Deferment Period (Years)			
<6	6 to 10	11 to 15	>15	<6	6 to 10	11 to 15	>15
PER THOUSAND NOTIONAL CASH OPTION							
Rs.18.00	Rs.24.00	Rs.28.00	Rs.32.00	Rs.18.00	Rs.22.00	Rs.26.00	Rs.30.00

Place: Mumbai

Date: 20.12.2006