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January 30, 2009

To,
All Zonal Managers,
All Regional Managers (CRM)
All Sr. /Divisional Managers,
M.D.C., Audit and Inspection Depts.,

**RE:- ALTERATION FROM 1) JEEVAN TARANG PLAN NO-178 TO OTHER PLANS.
2) ANY PLAN TO MONEY BACK PLAN**

Kindly, refer our earlier circular dt. 1/8/2007 Ref: CO/CRM/592/23 , where we have given the procedure for alteration from one plan to another. We are receiving queries from our offices about alteration from Jeevan Tarang plan 178 to other plans.

The matter had been referred to Actuarial Dept and it has been decided to allow the alteration from plan 178 to plan 149 and plan 75 only, from date of inception:-

1)Jeevan Tarang plan -178 to Jeevan Anand plan -149

Alteration from Jeevan Tarang to Jeevan Anand will be allowed during the premium paying term only. Please note that the maximum accident benefit cover available under Jeevan Anand plan will be Rs. 5 lakh only.

2) Jeevan Tarang plan-178 to 20 year money back plan no -75

Alteration from Jeevan Tarang plan having accumulation period of 20 yrs to Money back plan -75/20 will be allowed. However, the alteration will be allowed during first 4 years of Jeevan Tarang plan- 178. This means after alteration the first survival benefit will not fall due within 1 year from the date of alteration or alteration to money back plan is allowed before first survival benefit has fallen due.

3) Alteration from ANY PLAN to MONEY BACK PLAN :-

As per circular dt 1/8/2007 Ref: co/crm/592/23; alterations were allowed from any plan to money back plan. Now , it has been clarified that permissible alteration from any plan to a Money Back plan can only be allowed provided the first survival benefit do not fall due within one year from the date of alteration. Other conditions mentioned in the circular remain unchanged.

In addition to above, following conditions are also applicable:-

- 1) The general conditions laid down in the "Alteration manual" and the relevant circulars issued so far in respect of alterations should be adhered to before the alteration is allowed.
- 2) Alteration from regular premium policies to single premium policies and vice versa will not be allowed.

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- 3) All the conditions of the plan to which the policy is getting altered to must be satisfied.
- 4) The policyholder should otherwise be eligible for the plan to which alteration is sought i.e minimum/maximum age at entry, maximum age at maturity, minimum/maximum sum assured etc. on the effective date of such alteration.
- 5) Other usual conditions of alterations with respect to no increase in term/ premium paying term, no increase in sum assured, no decrease in premium etc. may continue to be followed.
- 6) Policy document under plan 178 should be called for cancellation and fresh policy document under altered plan should be issued after collecting policy preparation charge/alteration charge/ stamp fee from policyholder.
- 7) Agent's commission may be paid /recovered as the case may be.
- 8) Development officer's credit may be allowed /withdrawn as the case may be.
- 9) Bonus attached under the old plan policy shall be cancelled and instead the bonus declared under the altered plan shall be payable since inception of the policy. This will be irrespective of whether higher or lower bonus is available under the new altered plan.
- 10) The consideration amount required for the alteration will be the higher of the "difference in premium with interest from inception" or "difference in surrender value before and after alteration for all permissible alterations in plan and/or term."
- 11) The alteration from Jeevan Tarang plan to other plan except those mentioned above is not allowed.
- 12) Consent for reduced Bonus/ Restricted accident benefit and for other altered policy conditions, if any, should be obtained from the concerned policyholder before alteration.

The above instructions come into force immediately. Please bring the above instructions to the notice of all the offices under your jurisdictions.



EXECUTIVE DIRECTOR(CRM)

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