



CRM Department, Central Office.  
 5<sup>th</sup> Floor (Link), "Yogakshema",  
 Jeevan Bima Marg, P.O.Box No.19953,  
 Mumbai – 400 021.  
 Tel : 66598353, Fax : 22825829  
 E-mail [co\\_crm@licindia.com](mailto:co_crm@licindia.com)

Ref: CO/CRM/835/23

July 26, 2011

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

**Re: SPECIAL SURRENDER VALUE AND SETTLEMENT OF MATURITY CLAIM UNDER JEEVAN SHREE PLANS- 112 , 151, 162**

We have received the references from our offices on following 2 points.

- 1) For acquiring the special surrender value/ paid up under Jeevan shree plans, whether **premiums** or **number of premiums** should be paid for 1/10<sup>th</sup> of the premium paying term or policy term.
- 2) If last year's premiums of **premium paying term** remains to be unpaid, whether maturity claim under jeevan shree plans can be settled for full sum assured by deducting last years outstanding premiums.

As per circulars ref: co/act/1608 and co/act/1614, it has been stated that policy will acquire special surrender value after completion of 1 policy year provided the premiums have been paid at least for 1/10<sup>th</sup> of the premium paying term subject to a minimum of 1 full year's premium.

As per co/act/1952/4 , it has been decided that under Jeevan shree plans , policy will acquire paid up value after paying the premiums for at least 1/10<sup>th</sup> of the policy term sub to a minimum of 1 full year's premium. We have referred the matter to Actuarial Dept, central office and it has been clarified that Jeevan shree policies (table no 112,151,162) having regular mode of premium payment, will acquire special surrender value/ paid up value after completion of one policy year provided the **number of premiums** have been paid for at least 1/10<sup>th</sup> of the **premium paying term**, subject to a **minimum of one full years premium**. In short, policies having premium paying term upto 10 years, minimum 1 full year premiums are required to be paid ( \*). Where premium paying term is more than 10 years, number of premiums will be required to be paid of 1/10<sup>th</sup> of the premium paying term. This is explained further by some examples giving below.

Premium paying term in years	Mode of premium payment	Number of premiums payable with given mode of payment during the premium paying term of the policy	1/10 <sup>th</sup> of the premium paying term as calculated in column 3	Number of premiums required to be paid in given mode of payment
(1)	(2)	(3)	(4)	(5)
6 years	QLY	24 Qly	2.4 Quarters	4 Qly *
10 years	YLY	10 YLY	1.0 year	1 Year
12 years	Qly	48 Qly	4.8 Quarters	5 Qly **
16 years	Qly	64 Qly	6.4 Quarters	7 Qly **
16 years	HLY	32 HLY	3.2 Half-years	4 Hly **

\*\* number of premiums in column should be taken in next integer of the figures shown in column no 4.

In respect of maturity claim under Jeevan Shree policies where last years premiums of premium paying term have not been received and policy has become due for maturity claim, it has been clarified as under :-

‘ The procedure followed for payment of full maturity claim under endowment type of policies after deducting last years outstanding premiums with interest ( where the last years premiums remain unpaid) shall not be applicable to Jeevan Shree policies.’

Under Jeevan Shree plans, the policy term and premium paying term is different. Hence, if any policy under Jeevan Shree plans comes for maturity claim where last years premiums remains to be unpaid, then maturity claim is to settled for reduced paid up value and not for full sum assured. Guaranteed addition will be paid on proportionate basis as stated under circular no :- co/act/ps/2071/4 dt. 3/5/2006.

Kindly bring the provisions of this circular to the notice of all the offices under your control.

A handwritten signature in red ink, appearing to read 'Panam', is written in a cursive style.

**Executive Director (CRM)**