Vol 4 Issue 6 Dec 2014 ISSN No :2231-5063

International Multidisciplinary Research Journal

Golden Research Thoughts

Welcome to GRT

RNI MAHMUL/2011/38595 **ISSN No.2231-5063**

Golden Research Thoughts Journal is a multidisciplinary research journal, published monthly in English, Hindi & Marathi Language. All research papers submitted to the journal will be double - blind peer reviewed referred by members of the editorial board.Readers will include investigator in universities, research institutes government and industry with research interest in the general subjects.

Address:-Ashok Yakkaldevi 258/34, Raviwar Peth, Solapur - 413 005 Maharashtra, India
Cell : 9595 359 435, Ph No: 02172372010 Email: ayisrj@yahoo.in Website: www.aygrt.isrj.org

Golden Research Thoughts
ISSN 2231-5063
Impact Factor : 2.2052(UIF)
Volume-4 | Issue-6 | Dec-2014
Available online at www.aygrt.isrj.org

DIFFERENT PLANS OF LIFE INSURANCE CORPORATION

D.D. Pujari

Associate Professor Department of Commerce and Management Studies
Sangmeshwar College, Solapur

Abstract:- As individuals it is inherent to differ. Each individual's insurance needs and requirements are different from that of the others. LIC's Insurance Plans are policies that talk to you individually and give you the most suitable options that can fit your requirement.

Keywords: Life Insurance,policies

INTRODUCTION

The LIC has always been responsive to the needs and aspirations of its policyholders and has come out with a number of need-based plans from time to time. The policyholders, who want the return of lumpsum amount at selected future date can have endowment plan. Those who want lumpsum payment at periodical intervals can have Money Back and Jeevan Surbhi Plans. For the working couples, LIC has developed Jeevan Saathi and Jeevan Sarita Plans to provide insurance coverage to the children along with the provision for their higher education. Jeevan Kishor, Jeevan Chaya and Jeevan Balya Plans are available too. Those who want high-risk coverage with low premium can have Bima Kiran and Bima Sandesh Plans. For single premium payments Bima Nivas Plan has been introduced. Provision for regular monthly income during the policyholders' old age can be made through Jeevan Dhara and Jeevan Akshay and Jeevan Suraksha Plans. The New Janaraksha Plans meet the insurance needs of agriculture market segment to a great extent. (Provision for educational expenses of children through Bal Vidya single premium plan has been introduced by LIC.) LIC, thus has introduced different kinds of plans considering varying needs, changing preferences, and growing expectations of customer. That is to say that, considering social & economic needs of the people, LIC has been introducing suitable plans from time to time. These plans can be classified as…

A] Protection Line Plans of LIC.
B] Pension Line Plans of LIC.
C] Investment Line Plans of LIC.

A] Protection Line Plans -

As explained earlier, LIC after having experienced different needs of different persons has introduced equally different kinds of policies, so that no aspect of life escapes its ambit the main object of these policies is to provide protection against the risk of life. All life insurance plans can be divided into two groups, namely

1.Whole Life Assurance Plans.
2.The Endowment Assurance Plans.

Under whole Life plans, claim is paid only after the death of the policyholder. But under endowment plan, the amount is paid at the end of the selected terms or at death if it occurs earlier.

1)The Whole life Assurance plans -

This plan runs throughout the Life time of the policyholder. The maturity amount is paid to the nominee only on death of the policyholder. The low premium and high-risk covers is an important advantage of this plan. The whole life assurance plan is divided into four types to suit the needs of different people.

i)The Whole-life Policy -

Under this scheme of insurance the policy holder pays the premium as long as he lives and the policy moneys are payable only after his death. The policy is available as with profit and without profit basis.

ii)The Limited Payment Whole Life policy -

This is the scheme under which the policy holder pays the premium for a selected period. The sum assured is paid only in the event of death to the dependents of the assured. The policy can be issued with profit or without profit basis.

iii)Convertible whole life policy -

This policy runs as whole life policy for first 5 years without bonus. Then the policyholders will have an option to convert the policy into an endowment policy with bonus and the term is fixed to his convenience. The term can be fixed at the time of taking the policy, then, the policy will be issued under definite conversion clause. When the policy term is more than 25 years the maximum premium paying term will be restricted to 25 years.

iv)Anticipated whole Life policy -

This policy combines the benefit of whole life limited payment policy and anticipated payments of five yearly intervals and as such, it is designed to provide two distinct types of benefits in one policy. It provides insurance protection for the family and in addition helps to meet various short term needs through periodical payments. The maximum premium ceasing age is 70 years, unlike ordinary whole-life assurance where full sum assured is payable in the event of death of the sum assured only, irrespective of periodical payments paid earlier.

Endowment Assurance Plans -

These kinds of policies are very popular. The sum assured is paid either at the death of the assured or surviving at the date of maturity. There are several plans under this assurance plan.

i)Ordinary Endowment policy -

The policy is an ideal combination of both, the family protection as well as investment. The policy is taken out for a specific term and the sum assured is paid either on the life assured's death or his survival at the date of maturity. The premium is paid throughout the term or till the death of the assured, whichever is earlier. The policy is issued on with or without profit basis. Policy loans and surrender value are granted as per rules.

ii)Pure Endowment Policy -

Under this policy the sum assured is payable only on the life assured surviving the endowment term. If the assured dies during the specified term, the premium paid is returned without deduction. The policy is issued on without profit basis.

iii) Joint life Endowment Policy -

This policy is suited to husband and wife or portions of a firm. The sum assured is payable on the expiry of the terms or on the death of anyone of the lives assured during the endowment term. The premium is paid throughout the endowment term or till the death of anyone of lives assured.

iv)Anticipated Endowment Policy -

This policy is an extended form of endowment policy wherein a part of the sum assured is paid at certain intervals during the endowment terms and the balance is paid at maturity. In the event of death at any time during the policy term, full sum assured is paid irrespective of the premium installments already paid. The policy is issued for a term of 15 years, 20 years and 25 years.

v)Insurable Endowment Policy -

The plan provides the payment of sum assured if the assured dies during the selected term. However, if the assured survives the term double the sum assured is paid. The policy ensures the benefit of family provision, in the event of death with an additional advantage to make the payment of double the sum assured if he survives the selected term. Policy is issued on without profit basis. The policy is ideally suited to those persons who are confident of surviving at a particular age.

vi)Deferred Endowment policies -

Under these policies the sum assured is paid only at the end of the selected period, even if the life assured dies prior to the selected terms. The object of this policy is to make the payments for specific purposes mentioned in the policy documents. These plans are as under.

(a)Fixed term Marriage Endowment Plan -

This plan is best suited to the persons desiring to make provision for the marriage of their children. Under this plan payment of premium and ceases absolutely on the death of the proposer, but irrespective of whether he survives the term of years or dies earlier the full intended provision is payable. The Plan is without profit.

(b)Educational Policies -

This policy is ideally suited to the persons desiring to make adequate provision for the education of their children. Under this policy also, premium payment ceases on the death of the assured but the sum assured is paid only in the form of installments at the end of the selected term. The sum assured is paid in 10 equal half yearly installments, the first being paid at the end of the selected term.

vii)Two years temporary Insurance Plan -

Under this plan the sum assured is payable only if the life assured dies during this period. If he survives the period, nothing is payable. This plan is issued for without profit and premium is paid in one installment.

viii) Convertible term Insurance Plan -

Under this plan an option is available to the life assured to convert the policy either in to whole life for limited term or an endowment term as the case may be, without going in for fresh medical examination. If as a result of conversion there is an increase in premium, the policy is issued only to first class lives and therefore the persons who have crossed the age of 40 years or are engaged in hazardous occupation are not eligible for this policy. The term of policy is 5 to 7 years and the premium is paid yearly or half-yearly or single payment.

ix)Renewal Term Policy -

These policies are renewable at the expiry of the term for an additional period without medical examination but of course, the premium is increased according to the age at the time of renewal. This is beneficial to the assured whose health is deteriorating and is uninsurable at an advanced age.

x)Mortgage Redemption Policy -

The Policy is designed to meet the requirements of the institution or individual who borrowed the money, to ensure that the outstanding loan is automatically extinguished in the event of the borrower's death. The amount of the policy, payable at the end of each year is automatically reduced and is equal to the outstanding loan. In the event of death of the assured before the selected term, the amount of outstanding loan is paid by the insurance company.

xi)Guaranteed Triple Benefit Policy -

Under this policy premia are paid for a selected term and the sum assured is paid either on the maturity or at the death of assured if it happens earlier. The special feature of this policy is that there is a guaranteed payment of bonus not less than Rs. 25/- per thousand as in endowment policy. The provision for the family does not terminate but a sum equal to the original sum assured is still paid on the death of the life assured thereafter. The following benefits are available in the policy, provided it remains in full force.

a)If death occurs within the selected period -

1)The basic sum assured.
2)A guaranteed sum equal to Rs. 25/- per thousand for each full year's premium paid excluding the first year premium. The guaranteed bonus is fixed and does not depend on the profits of the insurer.

b) On survival to the selected term -

1)The basis sum assured.
2)A free paid up policy equal to the original sum assured payable at death.

The policy-holder has option in lien of the benefits mentioned in (2) above or (1) A fully paid up where life assurance policy for an increased sum assured or
(2) An increased cash payment.

The alternative benefits of a fully paid up whole life policy are allowed without medical examination provided the option is exercised not less than three years before the expiry of their selected term.

xii)The Money Back Policy -

This plan was introduced by the Corporation on 1st September, 1976. This is most popular plan of the Corporation. As this is fixed term policy, the premium has to be paid till the end of the term or till the death of the policyholder whichever is earlier. A part of sum assured is paid to the policyholder once in 5 years. This benefit is called "Survival Benefit". It is veiy important to note that the life risk cover continues for full sum assured even after payment of survival benefits to the policyholder. Also, the bonus is given on full sum assured. On the death of the Policyholder before the term of the policy, the full sum assured along with accumulated bonus is paid to the nominee. On the other hand, if the policyholder survives till the end of the term, the amount of survival benefits already paid to him will be deducted from maturity value.

Under this policy, apart from the risk cover, the money becomes available at regular intervals. This amount may be used for short term financial needs like purchase of household durable or for children's education or the amount received as survival benefit can be reinvested in any secured investment so that the policy-holder will have a substantial lump-sum amount at the end of the term of the policy.

xiii) Multipurpose Policy -

This policy is designed to meet the several life insurance needs in one. The need may be a provision for old age, family protection, education, marriage, start in life of the children etc. This policy assures a sound provision for the expenses of the family, in the event of early death of the breadwinner.

xiv)The New Jana-Raksha Policy -

This policy has been introduced for the benefit of the rural public, where the problem of non payment of premium in time arises. A special provision has been introduced in the policy conditions so that the policy is continued to provide full insurance cover for three years or payment of an initial extra single premium. Therefore this policy is highly advisable for people with irregular income including farmers, milk vendors and petty businessmen. Another feature of this policy is that the proof is not insisted if the sum assured is less than or equal to Rs.25,000/- and age extra is not charged for self declaration provided the term is 20 years and age is less than or equal to 40. The other benefits available are the same as those applicable for an endowment assurance.

xv)Children Deferred Assurance -

This policy is most suited to a parent or guardian or a nearest relative of a child who wishes to take insurance policy, the risk under which will commence at a selected age. The premium is paid by the proposer during the minority of the child and there after the child himself on attaining maturity. The policy is taken out in the name of the child and the parent is merely a contracting person on behalf of the child. Under this policy the risk starts at the age of 18 years or 21 years as may be desired by the proposer. However, the new children's deferred assurance policy promises for the commencement of the risk at the age of 12 years instead of 18 or 21 years with effect from 1-7-1985.

Thus this policy develops habit of thrift among the child from the very beginning; it also helps parents to take policy at very low premium and if the policy is discontinued before attaining majority cash value is available for meeting specific purposes.

xvi)Children Anticipated policy -

This policy is an extended form of the old children deferment policy already discussed above with the special attraction of refund of half of the premium paid from the commencement of the policy to the deferment date. Other features are the same as under children deferred policy.

xvii)Progressive protection policy -

This policy is useful for the young man on his way up to provide additional insurance for additional responsibilities. The plan is identical to endowment with special features that sum assured is automatically increased by half the initial sum assured at the end of 5 years and again by half the initial sum assured at the end of 10 years. The premium is also increased with the increase in sum assured. The plan is ideally suited to those having less income at initial stage but expect a rise in the near future.

xviii) Jeevan Mitra Policy -

This is a double risk cover endowment policy with fixed term. On survival of the policyholder till the end of the term, he will get sum assured plus bonus. But, on unfortunate death of the policyholder before the maturity of the policy, the nominee will get double the amount of sum assured plus bonus. If the policy is with accident benefit cover and the policyholder dies in an accident, the nominee would get 3 times the sum assured plus bonus. The financial planning for short term and long term needs are made through this policy.

ixx) Jeevan Saathi Policy -

This policy is ideally suited to the working couples. The sum assured is payable at the first death of either of the two lives assured but the policy still remains for full sum assured and the sum assured is payable to the other living person at the end of the maturity. However if the other surviving person also dies during the period of the policy the sum assured is paid to the nominee along with the bonus. The surviving assured is not required to make further premiums as soon as the first assured dies. Instead of taking two endowment policies on the lives of husband and wife, one Jeevan Saathi can be taken.

xx)Bima Sandesh Policy -

This is a fixed term life risk cover policy without bonus. In case the policyholder survives till the end of the term, he receives the total amount of premium paid, In case of earlier death of the policyholder; the nominee gets full sum assured. Only standard lives are covered under this policy. The age at entry should not be less than 18 years and not more than SO years.

xxi) Bhavishya Jeevan or Special Endowment Policy -

This policy has been introduced to meet special needs of the film artists and professionals on foreign assignment, who have a very short span of their earning life. The income of such person is higher over a limited period and its continuation is uncertain. Under this policy premium is paid higher during first 5 years than to the premium payable during the balance of the term.

xxii) Jeevan Kishor -

This policy is on the life of the children between 1 and 12 years old and the coverage of risk starts when the child becomes 7 years old provided at least 2 years have elapsed from the date of commencement of the policy. This policy will become eligible for bonus when the risk commences, provided the policy has run for 5 years, but the bonus will be paid on maturity for the entire term. The main attraction of this policy is that it provides for a lumpsum when the child grows up and this can be used either for higher education or as a start in life for budding professions.

xxiii) Jeevan Sukanva -

This is a policy designed specially for a female child aged between 1 and 12 years. Premium has to be paid up to the age of 20 years of the girl. Life risk cover starts from age 7 or 12 years from the commencement of the policy whichever is later. Policy term will be up to age 50 of the girl. At the age of 20 of the girl sum assured will be paid as survival benefit. After marriage of the girl, husband's life is also covered under this policy for the amount equal to sum assured. At the age of 50 of the girl bonus up to that age is paid to the girl. Thus this policy takes care of the need for almost the entire life of the girl,

xxiv)Children's money Bank Policy -

This is a policy on a child's life. Risk coverage starts from age 7 or 12 years from commencement of the policy whichever is later. Premium has to be paid upto age 18 of the child. After 18 and 20 years age of the child, each time 20% of the sum assured is given. After 22 and 24 years of age, he/she receives 30% of sum assured. At 26 years of age, he/she receives bonus upto that period. Thus a regular return of money is used to fulfill needs like education and bonus can be used for start in life. This policy can be given in multiples of Rs. 25,000/- only.

xxv)Jeevan Balya -

This policy has been introduced during the Nehru Centenary Year for the benefit of the children. This plan is similar to the "Children Deferred Plan". In addition, this plan provides for payment of a monthly income for the benefit of the child up to age of 21 years in case of the unfortunate death of the parent during the deferred period. Besides, there is a waiver of the premium up to age of 21 years of the child. The policy provides life cover on the Life of the child from his age of 21 years.

xxvi)Bal Vidya -

This is single premium policy for children without profit introduced on 14th Nov.99. This policy developed mainly to take care of educational of expenses of children. The plan provides the following survival benefits, payable to either the parent or the child survived to the due dates of the benefits.

(a)Monthly survival benefits during the term of the policy starting at 1 % of sum assured and increasing to 2% and 4 % at ages 10 and 18 years of the child respectively.

(b)An amount equal to basic sum assured is payable at 18 years of age of the child.

(c)On maturity, basic sum assured together with guaranteed additions around loyalty addition, if any is payable.

On death of the parent or proposer during the policy term basic sum assured is payable.

xxvii)Jeevan chava -

This policy is the combination of "Jeevan Mitra" and "Money Back" policy. The parents who want to provide for the education, marriage, starting life of the children with insurance protection should take this policy. Under this policy irrespective of the insurer’s death at the time of maturity, the following advantages are available.

(1)1/4 of the amount of sum assured at the end of third, second and first years before expiry of the term.

(2)In the last year of the selected term, bonus on total sum assured is paid. Unfortunately, if insured dies before expiry of the term, in addition to the above benefits amount equal to the sum assured will be paid to the nominee. The payment of premium ceases after the death of the insured. Both term and long term need are fulfilled by this policy.

xxviii)Jeevan Griha Policy -

This is the policy which is taken as an additional security for the housing loan. If the person survives the full term of the loan, no question arises but if he dies during the term of the loan, it creates a number of problems. So to solve their problems this policy has been formulated. This policy is purely formulated for the purpose of housing loan.

Double endowment and triple endowment policies (without profit) are issued under this policy. If the policyholder dies during the selected term, the housing loan is paid through the policy amount and the remaining amount is paid to legal heirs. If the policyholder survives the term sum assured will be paid to the policyholder. The Jeevan Griha double endowment scheme is open for all irrespective of the housing loan, but the Jeevan Griha triple endowment is open only for the persons who had taken the loan from LIC housing finance Ltd.

xxix)Jeevan Surbhi Policy -

This is an increasing risk coverage policy. Premiums are payable only for limited period. This policy offers quicker payments of survival benefits. Three different terms of assurance of 15, 20 and 18 years are offered under this scheme. This scheme also provides for periodical payments. The full sum assured is paid as survival benefits during the premium paying term. The risk cover, continues to participate in profits till the end of the policy term. If the assured dies during the term of the policy, the sum assured along with vested bonus will be paid without any deduction of survival benefits already paid.

The risk cover under the policy increases every five years and rises up to 200% of the sum assured.

xxx)Bima Kiran Policy -

This policy was introduced during 1975. This is high-risk cover low premium policy. In case the policyholder dies during the term of the policy, sum assured with loyalty addition is paid to the nominee. The loyalty addition depends on the number of year's premium paid before death or on maturity. The risk cover as percentage of sum assured continues for 10 years even after the maturity.

xxxi)Jeevan Shree Policy -

This is fixed term limited payment endowment policy. In case the policyholder survives till the end of the term, he gets sum assured plus guaranteed addition and loyalty addition. In case he dies before the term, the nominee will get sum assured plus the guaranteed addition and loyalty addition depending on the number of years the policy has been in force. The important feature of this plan is that various premium paying terms are available for a particular term; one can choose the convenient premium paying term though the maturity term is later than that. Under this policy, a guaranteed addition of Rs.75/- per thousand per year is given, For key-man insurance only this policy is issued. Minimum sum assured is RS. 5 lakhs.

xxxii) Asha Deep II Policy -

This is a fixed term endowment policy which is reintroduced to cover the risk of four major ailments namely (i) Cancer (malignant) (ii) Paralytic Stroke resulting in permanent disability, (iii) Renal failure of both kidneys or (iv) Coronary arterial diseases where by-pass surgery has been done. In the above health problem 50% of sum assured is payable immediately. Further premiums are waived and 10% of sum assured is paid every year thereafter. On maturity or on earlier death, 50% of the sum assured plus bonus will be paid. This health benefit is available only after one year of taking policy.

In case the policyholder does not get any of the above health problems, the benefits and features are like endowment policy. So this policy is a combination of endowment policy and health insurance.

xxxiii) Jeevan Sneha Policy -

This is money back policy exclusively for women with fixed term of 20 years. All categories of females are given this policy. Twenty per cent of sum assured is given once in 5 years. At maturity, 40% of sum assured plus guaranteed addition and loyalty addition is given. But, on unfortunate death of the policyholder before the term, full sum assured with guaranteed addition and loyalty addition till such period is paid to nominee without deducting the survival benefit already paid to the policyholder.

On this policy risks cover continues for the period of three years even if the premiums are not paid after 2 years of taking policy, provided policy is in force. It covers accident benefit but premium has to be paid in yearly mode only. There is a provision to pay the next year premium in advance. In that case the policyholder will get a rebate of 10% and there is option to leave survival benefits with LIC and at any later date policy holder can claim and take this amount with 11% corresponded yearly interest from due date till the date of claiming.

xxxiv)Jeevan Aadhar Policy -

This policy is specially designed for the benefit of handicapped dependents. Contribution under this plan is eligible for income tax relief under section 80 DDA of the Income Tax Act.

The plan is basically a limited payment whole life assurance on the life of the proposal with provision for guaranteed additional and terminal addition to the basic sum assured. The claim amount will be payable partly in lump-sum and partly in the form of annuity to the handicapped dependent16

xxxv)Jeevan Sarita -

This is a double benefit Joint life policy which provides both insurance protection and life long pension. This policy is ideal for married couples who wish to provide security for themselves and their children. If both lives survive till the end of the term of the policy, a lump-sum payment of one third of the sum assured is paid to them and they also get a regular monthly income. On their death, their legal heirs get the balance of insured amount. If the first life dies during the term of the policy the second life gets lump-sum equal to one third of the insured immediately as well as a regular monthly income throughout the life. Thereafter, on the death of the second life, the nominee gets both the balance of the sum assured.

If the second life dies during the term of the policy the first life gets one third of the sum assured at once but the monthly income will start only on the date of maturity provided the first life survives as on the date. On the death of the first life, whether during or after determent period, the balance of the sum assured is paid to the legal heirs. If both lives die simultaneously, the insured amount in full is paid to the legal heirs.

xxxvi)Jeevan Sanchay -

This policy is exactly like money back policy in its feature and benefits except bonus. Under this policy normal bonus is not given. But a guaranteed addition of RS.70/- per thousand per year will be given instead of bonus. Also an amount of loyalty addition is given depending on the years of premiums paid at the time of claim settlement whether it is early death or maturity.

xxxvii)Jeevan Asha II -

This plan was introduced on 15th February, 1999. This plan is an improved plan which provides benefits for specified major/minor surgeries and biennial survival benefits with first premium due at the end of third policy year. The plan gives an option to accumulate the periodical survival benefits so as to have an enhanced lumpsum in an emergency situation for the purpose of meeting hospital expenses. On maturity, the sum will be payable after deducting the benefits paid, if any, for surgeries and survival benefits. On death of the policy holder the full sum assured is payable without any such deductions along with accrued guaranteed additions and loyalty additions, if any. This plan also offers optional double triple accident benefits.

xxxviii)Bima Nivesh -

This plan was introduced with effect from 4th Januaiy, 1999. This is a single premium plan of assurance with compound guaranteed additions and loyalty addition. The objective of the plan is to mop up liquid funds from tiie policyholder. The plan also suits the requirements of retiring people searching for avenues to invest their P.F. and Gratuity amount for short terms.

xxxix) Jeevan Vishwas -

This plan is introduced with effect from 1 December, 1999. This is an endorsement type of plan, which provides for risk cover on the life of the breadwinner and a regular income to the handicapped dependent. It thus enables the breadwinner to provide security to his handicapped dependent. Under this policy 20% of the total basic sum assured with accrued guaranteed additions and loyalty addition if any will be paid in a lump-sum. The remaining eighty percent will be compulsorily utilised to provide an immediate regular income to the handicapped dependent, payable as per the chosen mode. The regular income will be at the ratios prevailing at the time of claim, which have following options -

(i)Regular income for life

(ii)Regular income certain for 5 or 10 or 15 years and life thereafter.

(iii)Regular income for life with returns & motion of purchase prize.

(This is 80 % of the total of basic sum assured, accrued guaranteed additions and loyalty additions if any).

In the event of the handicapped dependent predeceasing the life assured, the life assured would have two options

(i)To Surrender the policy, or

(ii)To keep the policy in force by regular by paying the premiums. In the later case, the life assured has the option to go in for the benefits in a lump sum or bifurcate the sum 13 to 20 % lumpsum and effect a regular income with the remaining 80%. This is without profit plan.

xxxix)Jeevan Mitra Triple Cover with Profit Plan -

This plan was introduced on 1st November 1999. This plan provides benefit of Endowment Assurance Policy, Additional Insurance equal to twice the basic sum assured in the event of death with the term of the policy.17

XL) Nav Prabhat -

This was a close ended plan designed for senior citizens. It was introduced with effect from 1st December 1999 and was open for sale up to 31 March 2000. The features of the plan are as a under.

(i)Term assurance cover
(ii)Comprehensive Accident and disability benefits.
(iii)Return of premiums on maturity, and
(iv)Immediate life annuity instead of return of premiums on maturity. The disability includes total and partial permanent disability due to accident and total permanent disability resulting from sickness.

XL 1) Group Insurance -

After industrial revolution many countries in the world passed several statutory laws to provide social security to their workers and accordingly this form of insurance came in to existence. Under this form of insurance risk coverage is provided to a number of persons under one contract Le. It is one contract for many lives. The LIC of India offers insurance protection under this scheme to various groups such as employer- employee group, Labour Union Group, Creditor-Debtor Group, Volunteer Group e.g. Teachers, Doctors, or Lawyers Group, Co-operatives Groups, Weaker section of Society Group etc. It also provides insurance coverage to people under certain approved occupation at subsidised Groups Schemes. The important schemes of Group Insurance are as follows.

a)Group Term Insurance Scheme -

Under this scheme employer - employee Group may be offered Group Insurance Scheme covering outstanding house loan and outstanding vehicle advances granted by employer to employee. Group Insurance Schemes providing uniform cover can be granted to association of professionals members of co-operative banks, welfare funds, credit societies and weaker sections of society. Creditor-Debtor Groups are also offered Group Insurance Scheme covering outstanding loan.

b)Group Gratuity Scheme -

Gratuity is statutory liability of the employers which accrues to an employee for every year of service put in by him. As liability accrues every year, from the point of view of sound accounting practice, it is desirable to provide for this liability before the profits are determined. This scheme provides scientific method for funding gratuity liability as the premiums are based on actuarial principles. The feature of the scheme is Life insurance cover to every employee due to which in the event of the premature death of an employee his dependents become entitled to substantially higher benefits.

c)Group Superannuation Scheme -

This scheme is designed to provide pension to employees on their retirement from service. Different types of pensions are available under LIC's schemes such as pension payable for life, guaranteed for five years, 10 years, 15 years or 20 years and thereafter, for life joint life last survival pension, pension payable for life with return of purchase price on death of the pensioner etc. A decreasing group insurance scheme cover in conjunction with superannuation benefits may also be provided under this scheme.

d)Group Savings Linked Insurance Scheme -

This scheme offers insurance cover together with a savings element. The contribution under this scheme is deducted from monthly salary of the member. The scheme is allowed to select employer-employee group such as quasi-Govemment bodies, Public Sector Corporations, and reputed companies in public and private sectors, who keep proper records of their employees. Under this scheme, out of the contribution received in respect of each employee, a portion is utilised from insurance cover and balance known as contribution for the savings, is accumulated till exit, at 10 % interest p.a. In case of death during service, the amount for which the member was covered at the time of death is also paid along with accumulated savings.

e)Social Security Scheme -

LIC has created a Social Security Fund as per direction of the Central Government in 1988-89 to extend insurance benefit to economically weaker sections of society in the unorganised sector. LIC observes October Month as Social Security month every year. The fifty percent premium will be drawn from the Social Security Fund maintained by the LIC and the remaining fifty per cent collected from designated Nodal Agency, which may be contributed by State Govt, and /or the beneficiaries.

Insurance cover upto Rs.5,000/- can be granted under these schemes. However, in case of death or permanent disability (including loss of two eyes or two limbs of use) due to accident, a sum of RS.25,000/- is payable irrespective of the basic insurance cover. Twenty four occupations have been approved by the Govt, of India for extension of the benefits Under Social Security Group Insurance Schemes and 49,49,987 members were covered as on 31st March 2000.

f)LALGI Scheme -

All landless agricultural labours of India have been covered for uniform sum assured of Rs. 2000/- (payable to the family of deceased labourer.) In this scheme the entire premium is met from the social security fund maintained by the LIC.

g)Rural Group Life Insurance Scheme (RGLIS) -

These schemes have been introduced with effect from 15th August 1995. The schemes are for rural masses and are administered through intermediate level Panchayats (ILP). Any person living in the jurisdiction of ILP's may become a member of such schemes. Under subsidised scheme where fifty percent of the premium is subsidised by the Central and State Govt, in equal proportions, only one person belonging to the family living below the poverty line is eligible to join and under general scheme any person within the jurisdiction of the concerned ILP can be covered by charging full premium

h)Janashree Bima Yojana -

This scheme has been introduced with an object to provide insurance protection to rural and urban poor persons below poverty line or marginally above it Fifty percent is subsidised from the Social Security Fund maintained by the LIC and the balance fifty percent is contributed by the members or Nodal Agencies or State Govt. Persons aged between 18 and 60 are covered for insurance of RS. 20,000/- under this scheme. In case of death or permanent disability due to accident a sum of Rs. 50,000/- and in case of partial permanent disability due to accident, a sum of Rs.25, 000/- is payable to the nominee.

i)Swamaiavanti Gram Swaroiear Yojana -

This is a scheme designed for borrowers under the Central Government's IRDP Scheme, where beneficiaries are covered for a sum of Rs.5000/- payable on the death of the member and Rs. 10,000/-, in case of death due to accident. No premium is charged to the beneficiaries.

B) Pension Line Plans of LIC -

This plan includes annuity plans. An annuity is a contract, which provides regular and periodical payment for specific period or for remaining lifetime in exchange of a lumpsum payment of money by the annuitant. The insurer in exchange thereof undertakes to pay a fixed sum periodically up to the death or expiry of the term of the annuitant. If the specific period is related to life it is called life annuity and if the specified period is definite one it is called annuity certain. LIC of India has formulated different types of annuities, which are as under,

a]Jeevan Dhara -

It is an excellent plan through which a regular post retirement income can be planed. It is specially designed to meet changing needs of present day dynamic environment. It can be taken by anyone in the age group from 18 to 65 years and the annuity can start from the age of 50 or onwards by paying annual premium or a single premium. The premium can be paid yearly, half yearly, monthly in SSS or single premium paying term will be one year less than the deferred period on death after annuity payments commence, with an additional lump-sum bonus is payable to the nominee.

b]Jeevan Akshay -

This plan provides regular pension throughout the life coupled with refund of the premium amount with the bonus to the legal heirs. This policy can be taken by the people who have completed 50 years of their age. The monthly pension of Rs. 10/- is available on a purchase price of Rs. 1000/- which amounts to a straight payment of interest at 12% p.a. under this scheme. If annuitant wants yearly pension it is given @ 12.7 % p.a. on the premium amount. This is an ideal scheme for the professional groups. No medical examination is required for this policy.

c]Jeevan Surksha Plan -

This plan enables individuals to provide for retirement income from a chosen day. The policy is with life cover but can be taken without life cover with less premium only when the policyholder is more than 50 years of age or has already more than Rs.5 Lakh insurance cover or is uninsurable. The policyholder taking policy with life cover provides minimum of 50% of the target pension to spouse on death during the deferred period. The spouse's pension is not provided without life cover plan. On vesting, the policyholder has the option to receive 50% of the notional cash portion in lumpsum and balance in annuity.

C] Investment Line Plans of LIC (Mutual Fund Schemes) -

The LIC mutual fund was launched on 19th June 1989, with a view to providing easy accessibility to the investing avenues for the public specially the small investors in the rural and semi-urban areas. Mutual funds are trusts, which collect resources from the public and invest on behalf of them in diversified securities-equities, debentures, bills, etc. to earn maximum rate of return ensuring safely and liquidity (1) They are financial institution in the business on capital management. It is managed by the trust set up by the Corporation.

Scheme of LIC Mutual fund -

Taking in to account the various needs of investors LIC Mutual fund has launched 32 schemes in March 2000. Out of 32 schemes 26 were close- ended schemes and remaining 6 were open-ended schemes. These schemes can be generally classified as...
(1)Income Schemes (3 Schemes)
(2)Income & Growth Schemes (15 Schemes)
(3)Growth Schemes (2 Schemes)
(4)Tax Saving Schemes (7 Schemes)
(5)Insurance lined unit scheme (2 Schemes)
(6)Special Scheme for children (1 Scheme.)
(7)Bond fund (1 Scheme)
(8)Govt. Sacrifices fund (1 Scheme)

Open-ended schemes, which investors can buy in units anytime throughout the year. LIC Mutual fund mobilised nearly RS.284 crore during the year 1999-2000. And it has planed to mobilise at Ra.700 crores in the year 2000-2001.

References:

1)Choudhury, Santosh K. and Kulkami Kishore "Role of Life Insurance Corporation in Development of India". 1st Edn, 1991. Mumbai: Himalaya Publishing House, p.l.
2)Kothari, N.S. and Praveen Bahl. "Prineiples and Practice of Insurance" 1993. Agra: Sahitya Bhavan: p. 5.
3)Choudhury, Santosh K. and Kulkami, Kishore G. Op.cit,P. i.
4)LIC of India, "Trust with Trust" Mumbai: LIC Central Office, p.3.
5)Choudhury, Santosh K. and Kulkami, Kishore G. Op. Cit p.l.
6)LIC of India, Op. Cit,. p. 14.
7)Choudhury, Santosh K. and Kulkami, Kishore G. Op. Cit,. p.10.
8)Kothari N. S. & Praveen Bahl, Op Cit,p.54.
9)LIC of India, Op. Cit., p.28.