

LIFE INSURANCE CORPORATION OF INDIA  
CENTRAL OFFICE, MUMBAI

Dept: Actuarial/P S

"Yogakshema"  
Jeevan Bima Marg,  
Mumbai - 400021.

Ref: Actl/2015/4

Date: 16<sup>th</sup> April 2005.

To,  
All HOD's of Central Office,  
All Zonal & Divisional Offices,  
All Branch Offices (through D O's),  
Audit and Inspection Depts of Zonal Offices,  
MDC, ZTC's & STC's.

**Re: Change in Annuity factors applicable for Settlement Options  
i.e. payment of maturity/death claim in instalments.**

This is further to our circular Ref:Actl/1927/4 dated 1<sup>st</sup> Jan 2004 on Settlement Options. We have revised the rate of interest applicable under Settlement options for maturity/death claim payments, vide our circular Ref: Actl/2013/4 dated 8<sup>th</sup> April 2005. In addition, it has been decided that settlement option will now be allowed subject to the following:

- (i) The policyholder/nominee claiming the maturity/death claim in instalments can decide to take the annuity instalments either **in advance** or **in arrears**.
- (ii) The claimant has to exercise option for payment of net claim amount in instalments either within six months of the due date of claim or any time after the claim becomes due but the same has not been paid.
- (iii) The instalments may be paid over a minimum period of two years and maximum period of ten years.
- (iv) The mode of payment will be either yearly or half yearly.
- (v) In case of option in advance, the first claim instalment will become payable on the date of maturity in case of a policy getting matured or on the date of payment of death claim. Subsequent instalments will be payable at an interval of either six months or one year, as the case may be.
- (vi) In case of option in arrears, the first claim instalment will become payable after one year (in case of yearly option) or six months (in case of half-yearly option) from the date of maturity in case of a policy getting matured or from the date of death claim being admitted and passed for payment.
- (vii) The minimum instalment amount should be at least Rs 2000/-.
- (viii) Annexure giving the amount of yearly and half-yearly instalments payable in advance (Table A) and in arrears (Table B) for each Rs 1000/- in respect of a claim over a specified number of years (from 2 to 10) is enclosed.

This circular comes into effect from 16<sup>th</sup> April 2005.

Chief (Actuarial)

ANNEXURE

