



भारतीय बीमा विनियामक और विकास प्राधिकरण
INSURANCE REGULATORY AND
DEVELOPMENT AUTHORITY OF INDIA

Circular No: IRDAI/LIFE/CIR/ 173 /09/2019

Date:26/09/2019

To
Chief Executive Officers of all Life Insurers

Reg: Circular on (a) Benefit Illustration; and (b) other market conduct aspects

1. Reference is drawn to the provisions under Regulation 38 (b) of IRDAI (Non-Linked Insurance Products) Regulations, 2019, Regulation 31(e) and 51 (b) of IRDAI (Unit Linked Insurance Products) Regulations, 2019. Considering that life insurance is essentially a long term financial instrument, a fair and transparent sales process with meaningful, timely and relevant disclosures, is very important to ensure good customer outcomes and protecting the interests of insuring public. Therefore, the following directions are issued under the powers of Section 34(1) of Insurance Act, 1938 for compliance by all Life Insurers. The provisions of this Circular are applicable to products of Life Insurers filed as new products or for modification under the above cited regulations in accordance with circular reference IRDAI/ACT/CIR/MISC/124/07/2019 dated 26/07/2019 and IRDAI/ACT/CIR/MISC/125/07/2019 dated 26/07/2019 with immediate effect. However, the directions 2, 3, 4.5, 7, 8, 9 and 10 shall be complied with in respect of all other products, w.e.f. December 1st, 2019.
2. **Benefit Illustration:**
 - 2.1. Every Insurer carrying on life insurance business shall provide customised benefit illustrations to proposers or policyholders at the point of sale for all products, except those issued under IRDAI (Micro Insurance) Regulations, 2015, Guidelines on Point of Sales(POS) - Life Insurance Products, 2016 and IRDAI (Insurance services by Common Service Centres) Regulations, 2019 as amended from time to time.
 - 2.2. Such benefit illustration shall be signed by the prospective policyholder as well as the insurance agent or authorized person of intermediary or the Insurer involved in sales process, as the case may be and shall form part of the policy document.
 - 2.3. All illustrations shall be approved by the Appointed Actuary and the Chief Executive Officer / Principal Officer. Further, the Benefit Illustrations shall also be placed before the Board of Directors for information. Any illustration which becomes misleading following any material change of circumstances shall be discontinued forthwith.
 - 2.4. The benefit illustrations shall be as per the format prescribed herein:
 - 2.4.1. Annexure 1: BI for Unit-Linked Life Products
 - 2.4.2. Annexure 2: BI for Unit-Linked Pension Products
 - 2.4.3. Annexure 3: Annual Disclosure in respect of pension products
 - 2.4.4. Annexure 4: BI for Non-Linked Participating Life Products
 - 2.4.5. Annexure 5: BI for Non-Linked Participating Pension Products
 - 2.4.6. Annexure 6: BI for Non-Linked Non-Participating Life Products
 - 2.4.7. Annexure 7: BI for Non-Linked Non-Participating Pension Products.

- 2.5. Further, the calculation of net yield for Unit-Linked products is illustrated vide Annexure 8 for the information of Insurers.
- 2.6. The illustrations shall be clear and fair to enable a customer to make an informed decision. They shall clearly distinguish between guaranteed and non-guaranteed benefits and state that the quantum of benefits in respect of non-guaranteed category may vary.
- 2.7. Insurers shall review the assumptions used in the benefit illustrations (BI) during the annual actuarial valuation and revise the BI wherever required. The Insurers shall file the revised BI with the Authority within a period of fifteen days from the date of such revision.
- 2.8. To enable the prospects better appreciate the possible benefits depending on the yield, illustrations must be with both the scenarios prescribed in the IRDAI (Non-Linked Insurance Products) Regulations, 2019 and IRDAI (Unit Linked Insurance Products) Regulations, 2019, with equal prominence, in same font size, at the same place and same page.
- 2.9. The following phrase must appear on the front page of illustrations in the same font size as the rest of the text:

“Some benefits are guaranteed and some benefits are variable with returns based on the future performance of your insurer carrying on life insurance business. If your policy offers guaranteed benefits then these will be clearly marked “guaranteed” in the illustration table on this page. If your policy offers variable benefits then the illustrations on this page will show two different rates of assumed future investment returns. These assumed rates of return are not guaranteed and they are not the upper or lower limits of what you might get back, as the value of your policy is dependent on a number of factors including actual future investment performance.”

- 2.10. In case of online sale:
 - 2.10.1. The customized Benefit Illustration shall necessarily be generated in the prescribed format before the prospect is directed to fill up application form and pay premium. It shall be ensured that all the terms and conditions, declarations, notes or disclosures are displayed on the main screen. No terms and conditions, declarations, notes or disclosures should be made available through an option of clicking a hyperlink.
 - 2.10.2. Specific and separate confirmation for Benefit Illustration shall be obtained from the proposer about understanding the benefits illustrated. There shall be provision for saving and generating a printout of the final customised Benefit Illustration by the proposer. The final customised Benefit Illustration shall be emailed to the registered email ID of the proposer immediately after his or her online submission of the proposal form and before payment of proposal deposit.

Market Conduct Aspects:

3. Periodic Statement:

Every insurer carrying on life insurance business shall:

- 3.1. endeavour to verify the contact information including email id, mobile number, etc., and bank account details of their policyholders at least at annual intervals and update changes, if any; and
- 3.2. send to all policyholders, at least at annual intervals, a status report of their policies, disclosing the premium payment status, accrued bonus and other

benefits, paid-up value, and other relevant information. In case of unit linked policies, it shall at minimum contain number of units to the credit of policyholder, fund value at the NAV rate applicable and changes in the units from the last issued status report.

4. Financial Planning for Pension Products:

For the purpose of financial planning, any pension product offered by the insurer shall also necessarily disclose:

- 4.1. An illustrative target purchase price for each policyholder considering the premium payment capacity, age, vesting age and the future expected conditions.
- 4.2. Possible risks involved, if any, including the targeted pension rate in meeting the targeted purchase price.
- 4.3. Possible risks involved, if any, in purchasing the targeted pension rate or annuity rate.
- 4.4. An illustrative target annuity or pension rates for the illustrative target purchase price.
- 4.5. A yearly disclosure shall be sent to each policyholder in Annexure 3 on 1st April, indicating:
 - 4.5.1. The current accumulated / available amount;
 - 4.5.2. The expected accumulated value on the date of vesting on the basis of gross investment returns as stipulated by the Authority from time to time, with the caveat, that the projected rates shall not reflect any guarantee. Currently the gross investment returns are 4% p.a. and 8% p.a.
 - 4.5.3. Likely annuity amounts based on the then prevailing annuity rates. with the caveat, that the projected rates shall not reflect any guarantee.

5. Splitting of Policies:

- 5.1. Splitting of policies shall not result into any increase, directly or indirectly to the policyholder by way of fees or charges in whatsoever name at any time during the term of the policies and not just at the inception.
- 5.2. A policy will be deemed to be split, if multiple policies of the same nature are sold to a prospect at the same time.

6. Training of Agents and Intermediaries in respect of Unit Linked Insurance Products:

- 6.1. All Life Insurers shall impart periodical training to their agents and intermediaries before they are authorized to sell unit linked insurance products to ensure required expertise. A statement indicating the number of agents trained shall be furnished to the Authority annually.
- 6.2. The curriculum for this training should inter alia contain:
 - 6.2.1. The developments of the capital market,
 - 6.2.2. The basic knowledge of concept and working of the Unit Linked Insurance Products, the suitable market segments, need to limit the illustration of benefits/yields strictly to the permitted two scenarios of 4% p.a. and 8% p.a. with all required disclaimers

- 6.2.3. Risks in investing in Unit Linked Insurance Products in general and with reference to different funds, it is the duty of the Agent/Intermediary to apprise the prospect about such risks.
- 6.2.4. The developments in other similar type of financial products, the concept of equity market, debt market and the overall economic scenario as affecting the capital market in general and the features of the unit linked products.
- 6.2.5. This shall be a separate training in addition to the mandatory hours training applicable to agents / intermediaries to become eligible for registration. The training shall be on a continuous basis.
- 6.3. Every life insurer shall maintain a register of such persons (agent/intermediaries), who have undergone this specific training.

7. Suitability

- 7.1. Except in respect of pure risk and pure health products, the Life Insurer or agent or intermediary, as the case may be, shall collect suitability information of every prospect and make recommendations on purchase of life insurance product only basis such information and enclose it to the proposal. Such document shall contain signatures of the prospect and of the person involved in the solicitation of the business.
 - 7.1.1. 'Suitability information' is the information of a prospect on age, income, family status, life stage, financial and family goals, investment objectives, insurance portfolio already held, etc.
 - 7.1.2. 'Suitability' means a determination, based on information collected at the time of sale or solicitation in a format that, based upon a particular prospect's risk profile, financial situation and insurance and investment objectives, a product is suitable for that prospect. This shall include the nature of product, mode of premium payment and tenure of policy as well as premium payment.
- 7.2. The suitability information collected including recommendations shall be preserved by the Insurer making them part of the policy records and shall be made available to the Authority for inspection if required.
- 7.3. The online sales process should also capture the suitability information of the prospect / purchaser and recommendations made, if any. However, the life insurers may allow an option to such prospects to bypass the suitability module, only if the prospect so insists, after collecting due declaration that he or she consciously chooses to bypass suitability module even though the same is recommended.
- 7.4. Further, an agent or intermediary shall provide the benefit illustration statement as prescribed to the potential policyholder.
 - 7.4.1. In respect of unit linked policies, the agent or intermediary shall clearly indicate how the premium paid is appropriated towards various charges from the unit fund and the balance of the fund at the end of the first year and subsequent years. The upfront charges in the initial years have to be brought to the knowledge of the policyholders.
- 7.5. Every life insurer is required to have a Board approved policy and the process to ensure suitability of products sold taking into account the customer profile and needs documented at the time of solicitation. This policy, at the minimum, shall comply with the requirements prescribed herein. The life insurer may decide on the format in which suitability information is to be collected. Further, the Life insurer or intermediary, as the case may be, shall provide adequate

training with respect to collection of suitability information and recommending products suitable to prospects, to all the agents, specified persons, any other person authorized to solicit life insurance on behalf of them.

8. Policyholder Education:

- 8.1. The insurers and Life Insurance Council shall actively promote education of the policyholders on the Unit Linked Products on an ongoing basis to guide them in taking appropriate decisions by apprising them of the features, risk factors including the terminology and the definitions of charges under these products.
- 8.2. Life Insurers are also required to place on their website a standardized presentation of each product on offer for sale and ensure that agents and intermediaries do not use unauthorized presentations and projections.
- 8.3. All life insurers shall provide on their website a standalone premium calculation module for the products which are on offer for sale. This premium calculator shall provide premium chargeable for any person using it, without insisting on collection of Name or Mobile / Phone Number or email id.
- 8.4. A life insurer may offer to collect mobile phone number and / or email id if the person visiting the website chooses to provide the same with explicit consent that he / she may be contacted for any assistance by the life insurer / agent. However, the Life Insurers have to ensure that contacting the prospect does not cause any inconvenience to him / her and explicit consent is taken before commencing the talk on phone. No emails shall be sent unless explicit consent is given by an individual for receiving such mail.

9. Review of new business projections:

Life Insurers shall review the new business performance of life insurance products periodically. They shall do so at least once in five years following the launch of the product to compare new business volumes projected during product filing with the actuals and report to the Authority, the results thereof, including comments on variation observed and planned interventions as may be required.

10. Advertisements of Unit Linked Insurance Products:

- 10.1. An advertisement of the unit linked insurance product shall contain adequate, accurate, explicit and updated information fairly, in a simple language as follows:
 - 10.1.1. A factual picture of inherent risks involved.
 - 10.1.2. Shall clearly distinguish the fact that the Unit Linked products are different from the traditional Life Insurance products so that at no point of time the prospective policy holders will be misled while choosing the Unit Linked products.
 - 10.1.3. The risk factors associated with specific reference to fluctuations in investment returns and the possibility of increase in charges.
 - 10.1.4. The premiums and funds are subject to certain charges related to the fund or to the premium paid.
 - 10.1.5. The contingency on which the guarantee, if any, is payable and the exact quantum of such guarantee.



- 10.2. The terminology used in all the advertisements shall be simple, concise and understandable to convey the exact meaning to the policyholders as all of them may not be sophisticated in legal or financial matters and shall avoid the usage of technical jargon and also terms which can have different interpretations or detract the policyholders.
- 10.3. Care should be taken while reporting the past performance of the funds in advertisements, as well as in any other promotional material like benefit illustrations, sales brochures etc. It should contain only the results of the funds and be duly supported by related figures. The emphasis on past performance must be reduced in the advertisements, however, past performance, wherever intended to be reported, shall contain:
- 10.3.1. Compounding annual returns (shall adopt standardized computations) for the previous five calendar years, expressed as a percentage rounded to the nearest 0.1%.
- 10.3.2. Where last five calendar years' data are not available, as many years as possible must be shown.
- 10.3.3. Where data is not available for at least one calendar year, past performance shall not be shown.
- 10.3.4. The life insurers shall not be permitted to demonstrate a link between the past performance and the future.
- 10.3.5. It shall clearly state, in the same font, that the past performance is not necessarily indicative of future performance.
- 10.3.6. Corresponding benchmark index performance, if any, shall be included.
- 10.4. All the advertisements of Unit Linked Insurance products shall disclose the risk factors as stated in the policy document along with the following warning statements:
- 10.4.1. Unit Linked Insurance products are different from the traditional insurance products and are subject to the risk factors.
- 10.4.2. The premium paid in Unit Linked Insurance policies are subject to investment risks associated with capital markets and the NAVs of the units may go up or down based on the performance of fund and factors influencing the capital market and the insured is responsible for his/her decisions.
- 10.4.3. _____ is only the name of the Life Insurance Company and _____ is only the name of the unit linked insurance contract and does not in any way indicate the quality of the contract, its future prospects or returns.
- 10.4.4. Please know the associated risks and the applicable charges, from your Insurance agent or the Intermediary or policy document issued by the insurance company.
- 10.4.5. The various funds offered under this contract are the names of the funds and do not in any way indicate the quality of these plans, their future prospects and returns.
- 10.4.6. In view of the paucity of time and space, on the advertisements in the hoardings and posters and in audio visual media, wherever the unit linked insurance contract has been advertised, point nos.10.4.2 and 10.4.3 shall have a place invariably.
- 10.5. The advertisements shall not compare funds offered by one insurer with funds offered by another life insurer, implicitly or explicitly.
- 10.6. Any advertisement reproducing or purporting to reproduce any information contained in a policy document shall reproduce such information



in full and disclose all relevant facts and not be restricted to select extracts relating to that item which could be misleading.

10.7. Every advertisement shall comply with IRDA (Insurance Advertisements and Disclosure) Regulations, 2000 as amended from time to time and all the circulars, guidelines issued thereunder.


Member(Life)


Encl:

1. Annexure 1: BI for Unit-Linked Life Products
2. Annexure 2: BI for Unit-Linked Pension Products
3. Annexure 3: Annual Disclosure in respect of pension products
4. Annexure 4: BI for Non-Linked Participating Life Products
5. Annexure 5: BI for Non-Linked Participating Pension Products
6. Annexure 6: BI for Non-Linked Non-Participating Life Products
7. Annexure 7: BI for Non-Linked Non-Participating Pension Products
8. Annexure 8: Illustration of Computation of Net Yield (This is for illustrative purpose only).

Annexure 1 : BI for Unit -Linked Insurance Products - Life

Proposal No: _____

Name of the Prospect / Policyholder:	
Age:	
Name of the Life Assured:	
Age:	
Sum Assured:	
Policy Term & Premium Payment Term:	
Amount of Instalment Premium:	
Mode of payment of premium:	

Name of the Product:	
Tag Line:	
Unique Identification No:	
GST Rate:	
Investment Strategy Opted for:	
Funds opted for along with their risk level (Please specify the customer specific fund option)	

How to read and understand this benefit illustration?

This benefit illustration is intended to show what charges are deducted from your premiums and how the unit fund, net of charges and taxes, may grow over the years of the policy term if the fund earns a gross return of 8% p.a. or 4% p.a. These rates, i.e., 8% p.a. and 4% p.a. are assumed only for the purpose of illustrating the flow of benefits if the returns are at this level. It should not be interpreted that the returns under the plan are going to be either 8% p.a. or 4% p.a.

Net Yield mentioned corresponds to the gross investment return of 8% p.a., net of all charges but does not consider mortality, morbidity charges, underwriting extra, if any, guarantee charges and cost of riders, if deducted by cancellation of units. It demonstrates the impact of charges and taxes on the net yield. Please note that the mortality charges per thousand sum assured in general, increases with age.

The actual returns can vary depending on the performance of the chosen fund, charges towards mortality, morbidity, underwriting extra, cost of riders, etc. The investment risk in this policy is borne by the policyholder, hence, for more details on terms and conditions please read sales literature carefully.

Part A of this statement presents a summary view of year-by-year charges deducted under the policy, fund value, surrender value and the death benefit, at two assumed rates of return. Part B of this statement presents a detailed break-up of the charges, and other values.

Part A

(Amount in Rupees.)

Policy Year	Annualized Premium	At 4% p.a. Gross Investment Return						At 8% p.a. Gross Investment Return						Commission payable to intermediary (Rs.)
		Mortality, Morbidity Charges	Other Charges*	GST	Fund at End of Year	Surrender Value	Death Benefit	Mortality, Morbidity Charges	Other Charges*	GST	Fund at End of Year	Surrender Value	Death Benefit	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

*See Part B for details.

IN THIS POLICY, THE INVESTMENT RISK IS BORNE BY THE POLICYHOLDER AND THE ABOVE INTEREST RATES ARE ONLY FOR ILLUSTRATIVE PURPOSE.

I, (name), have explained the premiums, charges and benefits under the policy fully to the prospect / policyholder.

Place
Date: Signature of Agent/ Intermediary/ Official

I, (name), having received the information with respect to the above, have understood the above statement before entering into the contract.

Date: Signature of Prospect / Policyholder

Part B

Policy Year	Annualized Premium (AP)	Premium Allocation Charge (PAC)	Annualized Premium – Premium Allocation Charges	Mortality charge	GST	Policy Admin. Charge	Gross Yield	8% p.a	Net Yield	Amount in Rupees				
							Guarantee charge	Other charges*	Additions to the fund*	Fund before FMC	FMC	Fund at End of Year	Surrender Value	Death Benefit

Policy Year	Annualized Premium (AP)	Premium Allocation Charge (PAC)	Annualized Premium – Premium Allocation Charges	Mortality charge	GST	Policy Admin. Charge	Gross Yield	4% p.a	Amount in Rupees					
							Guarantee charge	Other charges*	Additions to the fund*	Fund before FMC	FMC	Fund at End of Year	Surrender Value	Death Benefit

*Specify details, if any.

Notes: 1. Refer the sales literature for explanation of terms used in this illustration.

2. Fund management charge is based on the specific fund option(s) chosen.

3. In case rider charges are collected explicitly through collection of rider premium, and not by way of cancellation of units, then, such charges are not considered in this illustration. In other cases, rider charges are included in other charges.

I, (name), have explained the premiums, charges and benefits under the policy fully to the prospect / policyholder.

Place
Date: Signature of Agent/ Intermediary/ Official

I, (name), having received the information with respect to the above, have understood the above statement before entering into the contract.

Date: Signature of Prospect / Policyholder

Annexure 2 : BI for Unit -Linked Insurance Products - Pension

Proposal No:	
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Name of the Prospect / Policyholder: Age: Name of the Life Assured: Age: Sum Assured: Policy Term & Premium Payment Term: Amount of Instalment Premium: Mode of payment of premium:	
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Name of the Product: Tag Line: Unique Identification No: GST Rate: Investment Strategy Opted for: Funds opted for along with their risk level (Please specify the customer specific fund option) Vesting Age	
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How to read and understand this benefit illustration?

This benefit illustration is intended to show what charges are deducted from your premiums and how the unit fund, net of charges and taxes, may grow over the years of the policy term if the fund earns a gross return of 8% p.a. or 4% p.a. These rates, i.e., 8% p.a. and 4% p.a. are assumed only for the purpose of illustrating the flow of benefits if the returns are at this level. It should not be interpreted that the returns under the plan are going to be either 8% p.a. or 4% p.a.

Net Yield mentioned corresponds to the gross investment return of 8% p.a., net of all charges but does not consider mortality, morbidity charges, underwriting extra, if any, guarantee charges and cost of riders, if deducted by cancellation of units. It demonstrates the impact of charges and taxes on the net yield. Please note that the mortality charges per thousand sum assured in general, increases with age.

The actual returns can vary depending on the performance of the chosen fund, charges towards mortality, morbidity, underwriting extra, cost of riders, etc. The investment risk in this policy is borne by the policyholder, hence, for more details on terms and conditions please read sales literature carefully.

Part A of this statement presents a summary view of year-by-year charges deducted under the policy, fund value, surrender value and the death benefit, at two assumed rates of return. Part B of this statement presents a detailed break-up of the charges, and other values.



Part A

(Amount in Rupees.)

Policy Year	Annualized Premium	At 4% p.a. Gross Investment Return						At 8% p.a. Gross Investment Return						Commission payable to intermediary (Rs.)
		Mortality, Morbidity Charges	Other Charges*	GST	Fund at End of Year	Surrender Value	Death Benefit	Mortality, Morbidity Charges	Other Charges*	GST	Fund at End of Year	Surrender Value	Death Benefit	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

*See Part B for details.

Annuity Option Selected (The option can be changed any time before vesting)						
Fund Value (FV) at Vesting				Annuity Payable p.a.		
Accumulated at 4%p.a. Rs.	Accumulated at 8% p.a. Rs.	Minimum Assured Benefit if any		Based on FV accumulated at 4% p.a. Rs.	Based on FV accumulated at 8% p.a. Rs.	Based on the Minimum Assured Benefit, if any. Rs.
		Rs.	Minimum return on the premiums paid: % p.a.			

The values shown above are for illustration purpose only. The actual annuity amount depends on the prevailing annuity rates at the time of vesting. The amounts of annuity based on the assumed investment returns of 8% p.a., and 4% p.a. are not upper or lower limits of what you might get back. For more details on risk factors, terms and conditions please read sales brochure carefully.

IN THIS POLICY, THE INVESTMENT RISK IS BORNE BY THE POLICYHOLDER AND THE ABOVE INTEREST RATES ARE ONLY FOR ILLUSTRATIVE PURPOSE.

Part B

Policy Year	Annualized Premium (AP)	Premium Allocation Charge (PAC)	Annualized Premium – Premium Allocation Charges	Mortality charge	GST	Policy Admin. Charge	Gross Yield	8% p.a	Net Yield	Amount in Rupees				
							Guarantee charge	Other charges*	Additions to the fund*	Fund before FMC	FMC	Fund at End of Year	Surrender Value	Death Benefit

Policy Year	Annualized Premium (AP)	Premium Allocation Charge (PAC)	Annualized Premium) – Premium Allocation Charges	Mortality charge	GST	Policy Admin. Charge	Gross Yield	4% p.a	Amount in Rupees					
							Guarantee charge	Other charges*	Additions to the fund*	Fund before FMC	FMC	Fund at End of Year	Surrender Value	Death Benefit

*Specify details, if any.

Notes: 1. Refer the sales literature for explanation of terms used in this illustration

2. Fund management charge is based on the specific fund option(s) chosen.

2. In case rider charges are collected explicitly through collection of rider premium, and not by way of cancellation of units, then, such charges are not considered in this illustration. In other cases, rider charges are included in other charges.

I, (name), have explained the premiums, charges and benefits under the policy fully to the prospect / policyholder.

Place

Date: Signature of Agent/ Intermediary/ Official

I, (name), having received the information with respect to the above, have understood the above statement before entering into the contract.

Date: Signature of Prospect / Policyholder

Policy No:	
Date of Commencement	

Annexure 3: Annual Disclosure for Pension Products

Name of the Policyholder:	
Age:	
Sum Assured:	
Policy Term & Premium Payment Term:	
Amount of Instalment Premium:	
Mode of Payment of Premium:	
Vesting Age:	

Name of the Product:	
Unique Identification No:	

Assured Benefit*	Annuity payable p.a. on the basis of prevailing annuity rates	
Minimum Return on the Premiums Paid (% p.a.)	Annuity Option Selected (The option can be changed any time before vesting)	
Absolute Amount on Vesting Rs.	Commutation Percentage assumed	

Policy Year	Available / Accumulated Amount		Amount of Pension based on prevailing annuity rates	Expected Accumulated Amount based on		Expected Amount of Pension based on	
	For Commutation	For Annuitization		4% p.a.	8% p.a.	4% p.a.	8% p.a.
Current Year							
Vesting Year							

Amount in Rs.

*Mandatory for Non-Linked Products. For Linked Products, as per the approved terms and conditions.

Notes: The values shown above are for illustration purpose only. The actual annuity amount receivable depends on the prevailing annuity rates at the time of vesting. The assumed investment returns of 8% p.a., and 4% p.a.; these are not upper or lower limits of what you might get back.

Place		
Date:	Signature of Authorised Official of the Insurer	Company Seal

Annexure 4: BI for Non-Linked Par Products - Life

Proposal No:

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Name of the Prospect / Policyholder:	
Age:	
Name of the Life Assured:	
Age:	
Policy Term:	
Premium Payment Term:	
Amount of Instalment Premium:	
Mode of payment of Premium:	

Name of the Product:	
Tag Line:	
Unique Identification No:	
GST Rate:	

How to read and understand this benefit illustration?

This benefit illustration is intended to show year-wise premiums payable and benefits under the policy, at two assumed rates of interest i.e., 8% p.a. and 4% p.a.

Some benefits are guaranteed and some benefits are variable with returns based on the future performance of your insurer carrying on life insurance business. If your policy offers guaranteed benefits then these will be clearly marked "guaranteed" in the illustration table on this page. If your policy offers variable benefits then the illustrations on this page will show two different rates of assumed future investment returns, of 8% p.a. and 4% p.a. These assumed rates of return are not guaranteed and they are not the upper or lower limits of what you might get back, as the value of your policy is dependent on a number of factors including future investment performance.

Policy Details			
Policy Option		Sum Assured Rs.	
Bonus Type		Sum Assured on Death (at inception of the policy) Rs.	

Premium Summary			
	Base Plan	Riders	Total Instalment Premium
Instalment Premium without GST			
Instalment Premium with First Year GST			
Instalment Premium with GST 2 nd Year Onwards			

(Amount in Rupees.)

Policy Year	Single / Annualized Premium	Guaranteed Benefits					Non-Guaranteed Benefits @ 4% p.a			Non-Guaranteed Benefits @ 8% p.a			Total Benefits including Guaranteed and Non-Guaranteed Benefits			
		Guaranteed Additions.	Survival Benefit	Surrender Benefit	Death Benefit	Maturity Benefit	Reversionary Bonus	Cash Bonus	Surrender Benefit	Reversionary Bonus	Cash Bonus	Surrender Benefit	Maturity Benefit		Death Benefit	
													Total Maturity Benefit, incl Terminal Bonus, if any @ 4% (7+8+9)	Total Maturity Benefit, incl Terminal Bonus, if any, @ 8% (7+11+12)	Total Death Benefit incl of Terminal Bonus if any, @ 4% (6+8+9)	Total Death Benefit incl of Terminal Bonus if any, @ 8% (6+11+12)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17

Notes: Annualized Premium excludes underwriting extra premium, frequency loadings on premiums, the premiums paid towards the riders, if any, and Goods & Service Tax. . Refer Sales literature for explanation of terms used in this illustration

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I, (name), have explained the premiums, and benefits under the product fully to the prospect / policyholder.

Place
Date: Signature of Agent/ Intermediary/ Official

I, (name), having received the information with respect to the above, have understood the above statement before entering into the contract.

Date: Signature of Prospect / Policyholder

Annexure 5: BI for Non-Linked Par Products - Pension

Proposal No:

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Name of the Prospect / Policyholder:	
Age:	
Name of the Life Assured:	
Age:	
Policy Term:	
Premium Payment Term:	
Amount of Instalment Premium:	
Mode of payment of Premium:	

Name of the Product:	
Tag Line:	
Unique Identification No:	
GST Rate:	
Vesting Age:	

How to read and understand this benefit illustration?

This benefit illustration is intended to show year-wise premiums payable and benefits under the policy, at two assumed rates of interest i.e., 8% p.a. and 4% p.a.

Some benefits are guaranteed and some benefits are variable with returns based on the future performance of your insurer carrying on life insurance business. If your policy offers guaranteed benefits then these will be clearly marked "guaranteed" in the illustration table on this page. If your policy offers variable benefits then the illustrations on this page will show two different rates of assumed future investment returns, of 8% p.a. and 4% p.a. These assumed rates of return are not guaranteed and they are not the upper or lower limits of what you might get back, as the value of your policy is dependent on a number of factors including future investment performance.

Policy Details			
Policy Option		Sum Assured Rs.	
Bonus Type		Sum Assured on Death (at inception of the policy) Rs.	

Premium Summary			
	Base Plan	Riders	Total Instalment Premium
Instalment Premium without GST			
Instalment Premium with First Year GST			
Instalment Premium with GST 2 nd Year Onwards			

(Amount in Rupees.)

Policy Year	Single / Annualized Premium	Guaranteed Benefits					Non-Guaranteed Benefits @ 4% p.a			Non-Guaranteed Benefits @ 8% p.a			Total Benefits including Guaranteed and Non-Guaranteed Benefits			
		Guaranteed Additions.	Survival Benefit	Surrender Benefit	Death Benefit	Maturity /Vesting Benefit	Rever-sionary Bonus	Cash Bonus	Surrender Benefit	Rever-sionary Bonus	Cash Bonus	Surrender Benefit	Maturity Benefit		Death Benefit	
													Total Maturity /Vesting Benefit, incl Terminal Bonus, if any @ 4% (7+8+9)	Total Maturity /Vesting Benefit, incl Terminal Bonus, if any. @ 8% (7+11+12)	Total Death Benefit incl of Terminal Bonus if any. @ 4% (6+8+9)	Total Death Benefit incl of Terminal Bonus if any. @ 8% (6+11+12)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17

Annuity Option Selected (The option can be changed any time before vesting)					
Fund Value at Vesting				Annuity Payable p.a.	
Accumulated at 4%p.a. Rs.	Accumulated at 8% p.a. Rs.	Minimum Assured Benefit		Based on FV accumulated at 4% p.a. Rs.	Based on FV accumulated at 8% p.a. Rs.
		Rs.	Minimum return on the premiums paid % p.a.		

Notes: The values shown above are for illustration purpose only. The actual annuity amount receivable depends on the prevailing annuity rates at the time of vesting. The guaranteed values are based on the minimum investment return guaranteed at the outset of the policy, whereas the non-guaranteed values are based on the assumed investment returns of 4% p.a., and 8% p.a.; these are not upper or lower limits of what you might get back. For more details on risk factors, terms and conditions please read sales brochure carefully. Annualized Premium excludes underwriting extra premium, frequency loadings on premiums, the premiums paid towards the riders, if any, and Goods & Service Tax. Refer the sales literature for explanation of terms used in this illustration

I, (name), have explained the premiums, and benefits under the product fully to the prospect / policyholder.

Place
Date: Signature of Agent/ Intermediary/ Official

I, (name), having received the information with respect to the above, have understood the above statement before entering into the contract.

Date: Signature of Prospect / Policyholder



Annexure 6: BI for Non-Linked Non Par Products - Life

Name of the Prospect / Policyholder: Age: Name of the Life Assured: Age: Policy Term: Premium Payment Term: Amount of Instalment Premium:	Proposal No: : Name of the Product: Tag Line: Unique Identification No: GST Rate:
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This benefit illustration is intended to show year-wise premiums payable and benefits under the policy.

Policy Details			
Policy Option		Sum Assured Rs.	
		Sum Assured on Death (at inception of the policy) Rs.	

Premium Summary				
	Base Plan	Riders	Total Premium	Instalment
Instalment Premium without GST				
Instalment Premium with First Year GST				
Instalment Premium with GST 2 nd Year Onwards				

(Amounts in Rupees.)

Policy Year	Single / Annualized Premium	Guaranteed					Non Guaranteed Special Surrender Value
		Survival Benefits / Loyalty Additions	Other Benefits if any	Maturity Benefit	Death Benefit	Min Guaranteed Surrender Value	

Notes: Annualized Premium excludes underwriting extra premium, frequency loadings on premiums, the premiums paid towards the riders, if any and Goods & Service Tax.

I, (name), have explained the premiums, and benefits under the product fully to the prospect / policyholder.

Place _____
 Date: _____ Signature of Agent/ Intermediary/ Official

I, (name), having received the information with respect to the above, have understood the above statement before entering into the contract.

Date: _____ Signature of Prospect / Policyholder



Annexure 7: BI for Non-Linked Non Par Products - Pension

Name of the Prospect / Policyholder: Age: Name of the Life Assured: Age: Policy Term: Premium Payment Term: Amount of Instalment Premium: Mode of Premium Payment:		Proposal No: : Name of the Product: Tag Line: Unique Identification No: GST Rate: Vesting Age:	
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This benefit illustration is intended to show year-wise premiums payable and benefits under the policy.

Policy Details			
Policy Option		Sum Assured Rs.	
		Sum Assured on Death (at inception of the policy) Rs.	

Premium Summary				
	Base Plan	Riders	Total Instalment Premium	
Instalment Premium without GST				
Instalment Premium with First Year GST				
Instalment Premium with GST 2 nd Year Onwards				

(Amounts in Rupees.)

Policy Year	Single / Annualized Premium	Guaranteed					Non Guaranteed
		Survival Benefits / Loyalty Additions	Other Benefits if any	Maturity / Vesting Benefit	Death Benefit	Min Guaranteed Surrender Value	Special Surrender Value

Annuity payable p.a. based on prevailing annuity rates (Rs.)	
Annuity Option Selected (The option can be changed any time before vesting)	

- Notes: 1. The values shown above are for illustration purpose only. The actual annuity amount receivable depends on the prevailing annuity rates at the time of vesting.
2. Annualized Premium excludes underwriting extra premium, frequency loadings on premiums, the premiums paid towards the riders, if any and Goods & Service Tax.
3. Refer the sales literature for explanation of terms used in this illustration.

I, (name),
have explained the premiums, and
benefits under the product fully to the
prospect / policyholder.

Place

Date:

Signature of Agent/
Intermediary/ Official

I,
(name), having received the information
with respect to the above, have
understood the above statement before
entering into the contract.

Date:

Signature of Prospect
/ Policyholder



Annexure 8: Illustration for calculation of RIY

Assumptions		Year*	Month	Age	Premium	Premium Allocation Charge	Fund at Start	Death Benefit	Mortality charge	Service tax	Rider charges	Admin fee	Fund before FMC	FMC	Fund at End	Gross Yield	8.00%
Age	35 Years															Net Yield	5.75%
Term	15 Years	1	1	35	10000	1200	8,800.00	91,200	0.00	0.00	0.00	40.0	8,816.36	8.33	8,808.03	RIY	2.25%
PPT	15 Years	1	2	35	0	0	8,808.03	91,192	0.00	0.00	0.00	40.0	8,824.44	8.34	8,816.10	Year	Cash flow
Sex	Male	1	3	35	0	0	8,816.10	91,184	0.00	0.00	0.00	40.0	8,832.57	8.35	8,824.22	1	-10000.00
Average Premium	10000 INR per annum	1	4	35	0	0	8,824.22	91,176	0.00	0.00	0.00	40.0	8,840.74	8.36	8,832.39	2	-10000.00
Sum Assured	100000 INR	1	5	35	0	0	8,832.39	91,168	0.00	0.00	0.00	40.0	8,848.96	8.36	8,840.59	3	-10000.00
Mortality Charge	100% IALM(2012-14) UI	1	6	35	0	0	8,840.59	91,159	0.00	0.00	0.00	40.0	8,857.22	8.37	8,848.85	4	-10000.00
Service tax	18.00%	1	7	35	0	0	8,848.85	91,151	0.00	0.00	0.00	40.0	8,865.52	8.38	8,857.14	5	-10000.00
		1	8	35	0	0	8,857.14	91,143	0.00	0.00	0.00	40.0	8,873.87	8.39	8,865.49	6	-10000.00
Fund Growth Rate	8% p.a.	1	9	35	0	0	8,865.49	91,135	0.00	0.00	0.00	40.0	8,882.27	8.39	8,873.88	7	-10000.00
FMC	1.140% p.a	1	10	35	0	0	8,873.88	91,126	0.00	0.00	0.00	40.0	8,890.71	8.40	8,882.31	8	-10000.00
Admin charge	40 INR p.m.	1	11	35	0	0	8,882.31	91,118	0.00	0.00	0.00	40.0	8,899.20	8.41	8,890.79	9	-10000.00
Premium Allocation Charge		1	12	35	0	0	8,890.79	91,109	0.00	0.00	0.00	40.0	8,907.74	8.42	8,899.32	10	-10000.00
year Charge		2	13	36	10000	1000	17,899.32	82,101	0.00	0.00	0.00	42.0	17,972.21	16.99	17,955.23	11	-10000.00
1	12%	2	14	36	0	0	17,955.23	82,045	0.00	0.00	0.00	42.0	18,028.48	17.04	18,011.45	12	-10000.00
2	10%	2	15	36	0	0	18,011.45	81,989	0.00	0.00	0.00	42.0	18,085.06	17.09	18,067.97	13	-10000.00
Thereafter	0%	2	16	36	0	0	18,067.97	81,932	0.00	0.00	0.00	42.0	18,141.95	17.15	18,124.80	14	-10000.00
		2	17	36	0	0	18,124.80	81,875	0.00	0.00	0.00	42.0	18,199.15	17.20	18,181.95	15	-10000.00
		2	18	36	0	0	18,181.95	81,818	0.00	0.00	0.00	42.0	18,256.66	17.25	18,239.41	16	241478.14
		2	19	36	0	0	18,239.41	81,761	0.00	0.00	0.00	42.0	18,314.49	17.31	18,297.18		
		15	180	49	0	0	2,40,240.56	-	0.00	0.00	0.00	79.2	2,41,706.57	228.43	2,41,478.14		

Note:- 1 This above calculation sheet is for illustrative purpose and exhibits the application of principles stated in the circular. This is NOT a point of sale document

* Provides calculations for the first 19 months and thereafter mentions the values at the end of the 15th year