

BONUS BUILDER

REGULAR SAVINGS PLAN

with guaranteed sum assured



Why should I save with Life Insurance Corporation of India (LICI UK Branch)?

We are the overseas branch office of Life Insurance Corporation of India (LICI), which is wholly owned by the Government of India and is the largest life insurance company in India. The total assets of LIC as of 31st March 2012 was a staggering £220 billion, making it comparable to world's largest life companies with 95% of any surplus used for the benefit of our With-Profit policyholders.

What is a regular Savings Plan?

It is a regular savings plan to build a guaranteed lump sum over an agreed period which you choose, between 10 and 30 years, payable on maturity or earlier death. The regular savings plan invests in the With-Profit fund on which Life Insurance Corporation of India pays tax. Under current legislation the proceeds of a regular savings plan are tax-free at maturity, provided premium paid in a year does not exceed £3,600.

You should read this leaflet in conjunction with the Key Features document, which explains the main details.

How much can I save in a Regular Savings Plan?

The minimum amount you can pay into Bonus Builder regular savings plan is £50 a month or £600 annually; there is no upper limit. However, there will be tax charged on chargeable gains on maturity if premium paid in any year exceeds £3,600.

How does it work?

LICI UK gives you a guaranteed sum assured, also known as the basic sum assured, at the outset but the value of this will depend upon the agreed premium level and the number of years that the policy is due to run.

In addition to the basic sum assured, and dependent upon investment performance of the With-Profit fund, combined with advice received from the With-Profit Actuary, LICI's Board may declare an annual bonus, which is added to the sum assured. Once annual bonuses have been added to your plan they cannot be taken away, assuming the plan runs to maturity. Therefore at maturity or earlier death you will be paid guaranteed sum assured plus any bonuses allocated to the plan. There may also be a terminal bonus on maturity, but this is not guaranteed and will depend on investment performance over the life of the plan.

Is there any Guarantee?

Yes - the minimum guaranteed amount is the basic sum assured, which you will receive if the plan runs to its intended maturity date or if death occurs during the term of the plan and all premiums are paid. This amount is guaranteed at the outset of the policy depending upon agreed premium level and the number of years that the policy is due to run.

What happens if the plan is encashed before maturity?

BONUS BUILDER is a medium to long term savings plan. If you surrender your plan before maturity then you are unlikely to get back the amount you have paid in, especially in the early years. If you are a higher rate taxpayer then there may also be a tax liability on any gains made on surrendered plan.

If you surrender the plan before completing 24 months from inception, there will be no surrender value.



👂 Where is my money invested?

Premiums are invested into the LICI UK With-Profit fund. This fund is invested in a diversified portfolio, which is made up of investments into three main asset classes, namely Equities, Fixed interest (e.g. Gilts, Corporate Bonds etc.) and Cash. The current investment strategy of the portfolio is to split between fixed interest stock, up to a maximum of 70%, and equities, up to a maximum of 30%. The purpose of this is to reduce investment risk whilst giving exposure to assets that over a period of time should generate growth and provide a balanced approach with low to medium risk. This makes an appropriate investment for someone who is not averse to a some degree of risk but would like the opportunity to take advantage of potential growth in assets not given by deposit-based account.

👂 How does the bonus work?

The LICI Board receives advice from the With-Profit Actuary and reviews the performance of the With-Profit fund at the end of each year and decide how much of any profit generated can be allocated after the liabilities have been covered. This is paid in the form of a bonus, the calculation for which is based on the basic sum assured and not just the premiums paid during the year. You will receive a bonus statement each year showing the amount of new bonus and accrued bonus.

👂 Who can save on a regular Savings Plan?

Individuals from age 18 to 64 are eligible, subject to acceptance/underwriting.

👂 What happens if I die before the maturity date?

In the event of death before the end of the term, your estate will receive the basic sum assured plus any bonus allocated to your plan.

👂 What do I do next?

You should read the Key features documents and sample illustration which gives other important facts. You should also read the Client Agreement and Keyfacts document about our services and costs. To find out more how this plan works call our customer service team for FREE on **08000 685 712** or complete our online form on our website www.liciuk.com to request a call back or email your enquiry to us at: enquiry@liciuk.com.

You can read about how we manage our With Profits fund at <http://www.liciuk.com/site/pdf/LICICFPPFM10.pdf>.

On request we can provide you a copy of the document as well.

Should you decide to go ahead with investing in our Bonus Builder Savings Plan, complete the application form along with the Direct Debit section of the form. You will also need to sign and send the Client Agreement along with the key facts about our services and costs.

👂 Money Laundering Requirement

LICI UK has to confirm the identity, address and source of funds for each of our customers before we can issue a policy or accept your investment. We may therefore ask you to provide documents such as a passport or driving license and utility bill or bank statements in order to do this.

We will clarify any queries you have about the features of the BONUS BUILDER SAVINGS PLAN although we will NOT be able to advise you about its suitability for you.





We would like to make you aware that calls may be recorded and monitored.

Office Address:

LICI UK, 10th Floor, York House, Empire Way, Wembley, Middlesex HA9 0PX.

CALL US FREE on 08000 685 712

or send your enquiry to: enquiry@liciu.com

Life Insurance Corporation of India is authorised and regulated by the Financial Services Authority (FSA), entered on the FSA Register, registration number 110379.