

Here the company expresses a bonus as a percentage of basic benefit and already attached bonuses. It is thus a bonus on a bonus. A way to express it may be as @ 8% of basic sum assured plus attached bonus.

One may also have Super Compound bonus, where the bonus is arrived at as a percentage of basic benefit and applying another percentage for attached bonus. For instance it may be expressed as @8% of basic sum assured and @10% of attached bonus.

iii) **Terminal Bonus**

As the name suggests, this bonus attaches to the contract only on its contractual termination (by death or maturity). The bonus is declared only for claims of the ensuing year without any commitment about subsequent years (as in case of reversionary bonuses).

PROPOSAL STAGE - POLICY CONDITION - I