

## REVIEW OF LIFE INSURANCE PRODUCTS IN INDIA

---

Dr. Sahaj Wadhwa\*

### ABSTRACT

*Life Insurance is a social device for risk mitigation. The cost and benefits offered by various Insurance products generally remains ambiguous for laymen. Growth of any Industry depends on its awareness among the general public. This paper investigates into the working of different Insurance products and the returns offered by the Industry. It also busts myths about the benefits of certain Insurance policies.*

---

**Keywords:** *Life Insurance, Risk Mitigation, Insurance Policies, Social Device.*

---

### Introduction

*Every Insurance Advertisement tells us, "Insurance is the subject matter of solicitation. What is solicitation? In the realm of insurance, "solicitation" refers to the act of an insurer or intermediary approaching a client with the intention of persuading them to acquire an insurance policy.*

Life insurance serves as a financial safeguard against uncertainties related to human life, encompassing events such as death, disability, accidents, and retirement. Given the inherent risks associated with life, whether from natural or accidental causes, the loss of a person's life or their temporary or permanent disability can result in a significant income setback for the household. While it's acknowledged that the value of human life is immeasurable, life insurance quantifies this risk by determining a monetary sum at the inception of the insurance contract.

The determined sum, known as the Sum Assured, is based on the potential loss of income in the forthcoming years. Consequently, in the context of life insurance, the Sum Assured represents a 'benefit' provided to mitigate the financial impact of such unforeseen events. Life insurance policies offer a death benefit, ensuring a payout in the event of the life insured's demise during the policy term. Additionally, these policies may include coverage for accidental incidents that lead to disability, offering a layer of protection against income loss resulting from such unforeseen circumstances. Muller (1981), asks a very relevant question in his research paper, "What is the product that Insurance companies sell?". This paper shall analyse the cost and benefits life insurance policies offered and how they actually work. It also analyses the need for life insurance.

All individuals face the risk of Dying too soon and Living too long. Life Insurance is needed to ensure that the immediate dependent family has some financial support in the event of demise of the insured.

- To finance household living expenditure, children's education and other needs.
- To have a savings plan for the future for a constant source of income after retirement.
- To ensure that extra income when your earnings are reduced due to serious illness or accident.

To provide for other financial contingencies and life style requirements. In the following section of this paper some of the major insurance products are reviewed and section 3 elaborates on how these insurance products work and the comparison between certain Life Insurance products.

---

\* Assistant Professor, Department of Commerce, Delhi University, Delhi, India.

**Different types of Life Insurance Policies**

Many policy holders feel cheated by the insurance agents for the simple reason that many conditions were hidden from them. They didn't fully understand the features, benefits, surrender and guarantee of the policy. This unit is an attempt to make the readers familiar with the terms used for various insurance policies, schemes and how they work. For this reason we have attempted to discuss plans advertised by various insurance companies.

**Term Insurance**

Life insurance policy for a set period of time is known as Term Insurance. If the unfortunate event of death or Total and Permanent Disability occurs during the policy period, the dependents of the insured are entitled to receive a benefit, provided it is included in the policy. It's important to note that in Term Insurance, typically, no benefit is payable if the life assured survives the specified term of the policy. Under the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) persons in the age group of 18 to 50 years can take a life cover of Rs. 2 lakhs for a premium of Rs. 436 per annum for a period of one year stretching from 1st June to 31st May. The policy shall be renewable every year. Risk coverage under this scheme is for Rs. 2 Lakh in case of death of the insured, due to any reason.

**Whole Life Insurance**

Whole life insurance provides you with guaranteed lifelong protection. In the unfortunate event of your death, this type of insurance ensures the payout of a death benefit, offering assurance that your family will be safeguarded against potential financial losses that may arise in the aftermath of your passing. Moreover, whole life insurance serves as a strategic means of establishing an inheritance for your heirs, contributing to the creation of an estate that can provide lasting financial support for your loved ones.

**Endowment Policy**

An Endowment Policy is a unique insurance product that combines savings and insurance, designed with a predetermined maturity date. In the unfortunate event of the policyholder's demise during the specified period, the Sum Assured is disbursed to the beneficiaries. On the other hand, if the insured survives the entire policy term, the policy matures, and the maturity proceeds become payable to the policyholder. In essence, an Endowment Policy offers a dual benefit of financial protection for beneficiaries in case of death and the accumulation of savings for the policyholder if they outlive the policy term.

**Money Back Plans or Cash Back Plans**

In the framework of a Unit Linked Insurance Policy (ULIP), a specific percentage of the sum assured is periodically returned to the insured as a survival benefit. As the policy progresses, upon reaching its maturity, the remaining balance amount is paid out as the maturity value. It's important to note that, irrespective of the survival benefits already disbursed, the life risk may be covered for the entire sum assured throughout the term of the policy. This distinctive feature allows individuals to simultaneously enjoy periodic returns and maintain life coverage until the conclusion of the policy term.

**Unit Linked Insurance Policy**

Unit Linked Insurance Policies (ULIPs) offer a combination of investment and protection and allow you the flexibility and choice on how your premiums are invested. IN UNIT LINKED PLANS, THE INVESTMENT RISK PORTFOLIO IS BORNE BY THE INVESTOR. Typically, the policy provides the investor with a choice of funds to invest along with flexibility to switch between different funds during the life of the policy. The value of a ULIP is linked to the prevailing value of fund units and its performance. In the event of death or permanent disability, the policy will provide the Sum Assured. A ULIP has varying degrees of risk and rewards.

**How do Life Insurance Policy Work?****LIC Jeevan Umang Policy**

LIC's Jeevan Umang is a non-linked, participating, individual, whole life assurance plan. The Whole Life Assurance Plan is a comprehensive insurance strategy designed to provide a blend of income and protection for your family. This plan offers annual survival benefits from the conclusion of the premium-paying term until maturity. Additionally, it includes a lump sum payment either at the time of maturity or in the event of the policyholder's death during the policy term.

Notably, this plan differentiates itself by not relying on market returns, making it non-linked. Instead, it generates returns from profits earned by LIC (Life Insurance Corporation) and is thus classified as a participating plan.

In the unfortunate circumstance of the policyholder's demise during the policy term, provided that all due premiums have been paid, the plan ensures that the designated benefits are activated, offering financial support to the beneficiaries.

- **Death Benefit**

= *Sum Assured on Death + Simple Reversionary Bonuses\* + Final Additional bonus\*\**, if any.

*Sum Assured on Death* is defined as the higher of 7 times of annualised premium or Basic Sum Assured. The death benefit is not be less than 105% of the total premiums paid upto the date of death.

- **Survival Benefit**

When the policy holder survives all the premium paying terms it shall start receiving survival benefit.

*Survival benefit* = 8% of Basic Sum Assured and shall be payable each year till the Life assured survives or till the date of maturity, whichever is earlier.

- **Maturity Benefit**

When the policy holder survives at the end of the policy term.

*Maturity Benefit* = *Sum Assured at Maturity + Simple Reversionary Bonuses\* + Final Additional bonus\*\**, if any. *Sum Assured at Maturity* is equal to Basic Sum Assured.

\**Simple Reversionary Bonuses* is the rate of return declared every year as per the experience of the Corporation.

\*\**Final Additional bonus* may also be declared under the policy in the year when a policy results into a claim either by death or maturity.

Note: These bonuses are not fixed and vary every year. Reference needs to be taken from the past rates to determine expected bonus rate.

#### Eligibility Conditions and Other Restriction :

- |   |   |   |                             |
|---|---|---|-----------------------------|
| a)  | Minimum Basic Sum Assured                     | : | Rs. 2,00,000                |
| b)  | Maximum Basic Sum Assured                     | : | No limit                    |
| (The Basic Sum Assured shall be in multiples of Rs. 25,000/-) |   |   |                             |
| c)  | Premium Paying Term                           | : | 15, 20, 25 and 30 years     |
| d)  | Policy Term                                   | : | (100 – age at entry) years  |
| e)  | Minimum Age at entry                          | : | 90 days (completed)         |
| f)  | Maximum Age at entry                          | : | 55 years (nearer birthday)  |
| g)  | Minimum Age at the end of premium paying term | : | 30 years (nearer birthday)  |
| h)  | Maximum Age at the end of premium paying term | : | 70 years (nearer birthday)  |
| i)  | Age at maturity                               | : | 100 years (nearer birthday) |

| LIC Jeevan Umang – Returns on Maturity                                |                |   |
|---|----------------|---|
| Returns calculation through IRR Function of Casio FC 200 V Calculator |                |   |
| Policy Term   | 70 Years       | Exclusive of Service tax & No Riders Male |
| Premium Paying Term   | 25 Years       |   |
| Basic Sum Assured (SA)  | Rs 2,00,000    |   |
| Premium P.A.  | Rs 7,879       |   |
| Age of the Policyholder   | 30 Years       |   |
|   |                |   |
| Policy Year   | Net Cash Flows |   |
| 1   | -7879          | Premium payable for 25 Policy years       |

|     |         |  |
|-----|---------|--|
| 2   | -7879   |  |
| 3   | -7879   |  |
| 4   | -7879   |  |
|     |         |  |
| 22  | -7879   |  |
| 23  | -7879   |  |
| 24  | -7879   |  |
| 25  | -7879   |  |
| 26  | 16000   |  |
| 27  | 16000   |  |
| 28  | 16000   |  |
| 29  | 16000   |  |
| 30  | 16000   |  |
|     |         | Survival Benefit (Money back amount)<br>@8% of Sum Assured is<br>Payable till year before Maturity |
| 66  | 16000   |  |
| 67  | 16000   |  |
| 68  | 16000   |  |
| 69  | 16000   |  |
| 70  | 16000   |  |
| 71  | 1890000 | Maturity Benefit = SA + FAB + SRB  |
| IRR | 5.64%   | Fab @ Rs. 3,550 per Rs. 1000 SA.<br>SRB @Rs. 70 per Rs. 1000 SA for 70 years                       |

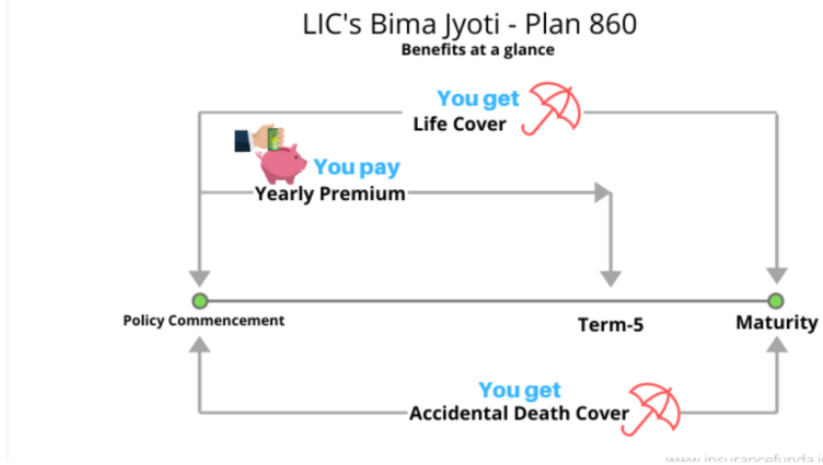
In the above illustration Maturity benefit for assumed Simple Revisionary Bonus is Rs. 70 per 1000 Sum Assured and Final Additional Bonus is Rs. 3550 per 1000 Sum Assured. Bonus figures are assumed and actual bonus is declared time to time by LIC. Also, in case of Death Benefit Simple Revisionary bonus reduces after Policy Paying term. Final Additional Bonus is payable after a period of 15 years from paying premium.

- Maturity Benefit  
=  $200000 + 70 \times 70 \times 200 + 3550 \times 200$   
=  $200000 + 980000 + 710000$   
= 1890000
- Death Benefit for 1<sup>st</sup> Year  
=  $200000 + 75 \times 200$   
= 214000
- Death benefit 15<sup>th</sup> year  
=  $200000 + 75 \times 200 \times 15 + 10 \times 200$   
= 412000
- Death benefit for 25<sup>th</sup> year  
=  $200000 + 75 \times 200 \times 25 + 225 \times 200$   
=  $200000 + 375000 + 45000$   
= 620000
- Death benefit for 30<sup>th</sup> year  
=  $200000 + 70 \times 200 \times 30 + 550 \times 200$   
=  $200000 + 420000 + 110000$   
= 730000

#### LIC's Bima Jyoti

LIC's BIMA JYOTI is a unique life insurance savings plan that falls under the category of a Non-linked, Non-participating, Individual, Limited Premium Payment scheme. In this plan, Guaranteed Additions are set to accumulate at a fixed rate of Rs.50 per thousand Basic Sum Assured at the conclusion of each policy year, persisting throughout the entire policy term. This feature adds a consistent and guaranteed element to the plan, enhancing the overall value and benefits for the policyholder.

## Bima Jyoti – Benefits available



- Death Benefit: = Sum Assured on Death + Accrued Guaranteed Additions  
*Sum Assured on Death is higher of 125% of Basic Sum Assured or 7 times of annualised premium. It shall not be less than 105% of the total Premiums paid upto the date of death.*
- Maturity Benefit: = Basic Sum Assured + Guaranteed Additions

### Benefit Illustration

|                              |               |  |         |
|------------------------------|---------------|--|---------|
| Age                          | <b>35</b>     | GST Rate (1 <sup>st</sup> Year):           | 4.50%   |
| Policy Term                  | <b>20</b>     | GST Rate (2 <sup>nd</sup> Year onward):    | 2.2%    |
| Premium Payment Term         | <b>15</b>     | Basic Sum Assured Rs.                      | 1000000 |
| Amount of Instalment Premium | <b>78,770</b> | Sum Assured on Death Rs.                   | 1250000 |
| Mode of Payment of Premium   | <b>Yearly</b> | Guaranteed additions per Rs. 1000 per year | 50      |

| Policy Year (End of Year) | Annualized* Premium (Cumulative) | Guaranteed Benefits |                      |                   |               |
|---------------------------|----------------------------------|---------------------|----------------------|-------------------|---------------|
|                           |                                  | Survival Benefit    | Guaranteed Additions | Maturity Benefits | Death Benefit |
| 1                         | 78770                            | 0                   | 50000                | 0                 | 1300000       |
| 2                         | 157540                           | 0                   | 100000               | 0                 | 1350000       |
| 3                         | 236310                           | 0                   | 150000               | 0                 | 1400000       |
| 4                         | 315080                           | 0                   | 200000               | 0                 | 1450000       |
| 5                         | 393850                           | 0                   | 250000               | 0                 | 1500000       |
| 6                         | 472620                           | 0                   | 300000               | 0                 | 1550000       |
| 7                         | 551390                           | 0                   | 350000               | 0                 | 1600000       |
| 8                         | 630160                           | 0                   | 400000               | 0                 | 1650000       |
| 9                         | 708930                           | 0                   | 450000               | 0                 | 1700000       |
| 10                        | 787700                           | 0                   | 500000               | 0                 | 1750000       |
| 11                        | 866470                           | 0                   | 550000               | 0                 | 1800000       |
| 12                        | 945240                           | 0                   | 600000               | 0                 | 1850000       |
| 13                        | 1024010                          | 0                   | 650000               | 0                 | 1900000       |
| 14                        | 1102780                          | 0                   | 700000               | 0                 | 1950000       |
| 15                        | 1181550                          | 0                   | 750000               | 0                 | 2000000       |
| 16                        | 1181550                          | 0                   | 800000               | 0                 | 2050000       |
| 17                        | 1181550                          | 0                   | 850000               | 0                 | 2100000       |
| 18                        | 1181550                          | 0                   | 900000               | 0                 | 2150000       |
| 19                        | 1181550                          | 0                   | 950000               | 0                 | 2200000       |
| 20                        | 1181550                          | 0                   | 1000000              | 2000000           | 2250000       |

- **Maturity Benefit**  
= Basic Sum Assured + Guaranteed Additions  
= 1000000 + 1000000  
= 2000000
- **Death Benefit for 1<sup>st</sup> Year**  
= 125% Sum Assured + Guaranteed Additions  
= 1250000 + 50000  
= 1300000

#### LIC's Dhan Rekha

LIC's Dhan Rekha is a distinctive Non-Linked, Non-Participating, Individual Savings Life Insurance Plan designed to present an appealing blend of protection and savings. In the event of the policyholder's unfortunate demise during the policy term, the plan extends crucial financial support to the family. Additionally, the policyholder receives periodic payments at specified intervals throughout the policy term, ensuring financial benefits while alive. At the time of maturity, guaranteed lump-sum payments are provided to the surviving policyholder. Moreover, the plan addresses liquidity needs by offering a convenient loan facility to the policyholder. This comprehensive approach makes LIC's Dhan Rekha a versatile and protective life insurance solution. Death Benefit:

= Sum Assured on Death + Accrued Guaranteed Additions.

For Single premium payment, "Sum Assured on Death" is defined as 125% of Basic Sum Assured.

For Limited premium payment, "Sum Assured on Death" is defined as the higher of 125% of Basic Sum Assured or 7 times of annualized premium. The Death Benefit under Limited Premium payment shall not be less than 105% of total premiums paid.

- **Survival Benefit**

On the life assured surviving to each of the specified duration during the policy term, a fixed percentage of Basic Sum Assured shall be payable.

| Policy Term (in Years) | Payment of Survival Benefit   |
|------------------------|---|
| 20                     | 10% of the Basic Sum Assured at the end of each of 10 <sup>th</sup> and 15 <sup>th</sup> policy year.   |
| 30                     | 15% of the Basic Sum Assured at the end of each of 15 <sup>th</sup> , 20 <sup>th</sup> and 25 <sup>th</sup> policy year.                      |
| 40                     | 20% of the Basic Sum Assured at the end of each of 20 <sup>th</sup> , 25 <sup>th</sup> , 30 <sup>th</sup> , and 35 <sup>th</sup> policy year. |

- **Maturity Benefit:**  
= Sum Assured on Maturity + accrued Guaranteed Additions

The Guaranteed Additions shall accrue at the end of the Policy Year from the 6th Policy Year to the end of the Policy Term. The rate of Guaranteed Additions shall increase in steps with the duration of the policy as specified below:

| Policy Duration (in Years)                | Guaranteed Additions (per 1000 Basic Sum Assured) |
|---|---|
| From 6th to 20th                          | 50  |
| From 21st to 30 <sup>th</sup>             | 55  |
| From 31 <sup>st</sup> to 40 <sup>th</sup> | 60  |

Eligibility Conditions and Other Restrictions:

- Minimum Basic Sum Assured : ` 2,00,000
- Maximum Basic Sum Assured : No limit
- Policy Term : 20 years, 30 years and 40 years
- Premium Paying Term :  
Single Premium: Not Applicable  
Limited Premium: 10 years for Policy Term 20 years  
15 years for Policy Term 30 years  
20 years for Policy term 40 years

- Minimum Age at Entry:  
8 years (Completed) for Policy Term 20 years  
3 years (Completed) for Policy Term 30 years  
90 days (Completed) for Policy Term 40 years
- Maximum Age at Entry:  
Single Premium: 60 years (Age Nearer Birthday) for Policy Term 20 years  
50 years (Age Nearer Birthday) for Policy Term 30 years  
40 years (Age Nearer Birthday) for Policy Term 40 years  
Limited Premium 55 years (Age Nearer Birthday) for Policy Term 20 years  
45 years (Age Nearer Birthday) for Policy Term 30 years  
35 years (Age Nearer Birthday) for Policy Term 40 years
- Minimum Age at Maturity :  
28 years (Completed) for Policy Term 20 years  
33 years (Completed) for Policy Term 30 years  
40 years (Completed) for Policy Term 40 years
- Maximum Age at Maturity :  
Single Premium: 80 years (Age Nearer Birthday)  
Limited Premium 75 years (Age Nearer Birthday)

**Single Premium**

|                            |                 |  |                |
|----------------------------|-----------------|--|----------------|
| Age                        | <b>30</b>       | GST Rate (1 <sup>st</sup> Year):         | 4.50%          |
| Policy Term                | <b>30</b>       | GST Rate (2 <sup>nd</sup> Year onwards): | Not Applicable |
| Premium Payment Term       | ---             | Basic Sum Assured `                      | 10,00,000      |
| Amount of Single Premium   | <b>6,70,650</b> | Sum Assured on Death `                   | 12,50,000      |
| Mode of Payment of Premium | <b>Single</b>   | Gender                                   | Male           |

| Policy Year (End of the Year) | Single* Premium | Guaranteed Benefits |                      |                   |               |
|-------------------------------|-----------------|---------------------|----------------------|-------------------|---------------|
|                               |                 | Survival Benefit    | Guaranteed Additions | Maturity Benefits | Death Benefit |
| 1                             | 670,650         | 0                   | 0                    | 0                 | 1,250,000     |
| 2                             | 0               | 0                   | 0                    | 0                 | 1,250,000     |
| 3                             | 0               | 0                   | 0                    | 0                 | 1,250,000     |
| 4                             | 0               | 0                   | 0                    | 0                 | 1,250,000     |
| 5                             | 0               | 0                   | 0                    | 0                 | 1,250,000     |
| 6                             | 0               | 0                   | 50,000               | 0                 | 1,300,000     |
| 7                             | 0               | 0                   | 100,000              | 0                 | 1,350,000     |
| 8                             | 0               | 0                   | 150,000              | 0                 | 1,400,000     |
| 9                             | 0               | 0                   | 200,000              | 0                 | 1,450,000     |
| 10                            | 0               | 0                   | 250,000              | 0                 | 1,500,000     |
| 11                            | 0               | 0                   | 300,000              | 0                 | 1,550,000     |
| 12                            | 0               | 0                   | 350,000              | 0                 | 1,600,000     |
| 13                            | 0               | 0                   | 400,000              | 0                 | 1,650,000     |
| 14                            | 0               | 0                   | 450,000              | 0                 | 1,700,000     |
| 15                            | 0               | 150,000             | 500,000              | 0                 | 1,750,000     |
| 16                            | 0               | 0                   | 550,000              | 0                 | 1,800,000     |
| 17                            | 0               | 0                   | 600,000              | 0                 | 1,850,000     |
| 18                            | 0               | 0                   | 650,000              | 0                 | 1,900,000     |
| 19                            | 0               | 0                   | 700,000              | 0                 | 1,950,000     |
| 20                            | 0               | 150,000             | 750,000              | 0                 | 2,000,000     |
| 21                            | 0               | 0                   | 805,000              | 0                 | 2,055,000     |
| 22                            | 0               | 0                   | 860,000              | 0                 | 2,110,000     |
| 23                            | 0               | 0                   | 915,000              | 0                 | 2,165,000     |

|    |   |         |           |           |           |
|----|---|---------|-----------|-----------|-----------|
| 24 | 0 | 0       | 970,000   | 0         | 2,220,000 |
| 25 | 0 | 150,000 | 1,025,000 | 0         | 2,275,000 |
| 26 | 0 | 0       | 1,080,000 | 0         | 2,330,000 |
| 27 | 0 | 0       | 1,135,000 | 0         | 2,385,000 |
| 28 | 0 | 0       | 1,190,000 | 0         | 2,440,000 |
| 29 | 0 | 0       | 1,245,000 | 0         | 2,495,000 |
| 30 | 0 | 0       | 1,300,000 | 2,300,000 | 2,550,000 |

**Limited Premium**

|                              |               |  |           |
|------------------------------|---------------|--|-----------|
| Age                          | <b>30</b>     | GST Rate (1 <sup>st</sup> Year):         | 4.50%     |
| Policy Term                  | <b>30</b>     | GST Rate (2 <sup>nd</sup> Year onwards): | 2.25%     |
| Premium Payment Term         | <b>15</b>     | Basic Sum Assured `                      | 10,00,000 |
| Amount of Instalment Premium | <b>73,342</b> | Sum Assured on Death `                   | 12,50,000 |
| Mode of Payment of Premium   | <b>Yearly</b> | Gender                                   | Male      |

| (End of the Year) | Premium (Cumulative) | Guaranteed Benefits |                      |                   |               |
|-------------------|----------------------|---------------------|----------------------|-------------------|---------------|
|                   |                      | Survival Benefit    | Guaranteed Additions | Maturity Benefits | Death Benefit |
| 1                 | 73,342               | 0                   | 0                    | 0                 | 1,250,000     |
| 2                 | 146,684              | 0                   | 0                    | 0                 | 1,250,000     |
| 3                 | 220,026              | 0                   | 0                    | 0                 | 1,250,000     |
| 4                 | 293,368              | 0                   | 0                    | 0                 | 1,250,000     |
| 5                 | 366,710              | 0                   | 0                    | 0                 | 1,250,000     |
| 6                 | 440,052              | 0                   | 50,000               | 0                 | 1,300,000     |
| 7                 | 513,394              | 0                   | 100,000              | 0                 | 1,350,000     |
| 8                 | 586,736              | 0                   | 150,000              | 0                 | 1,400,000     |
| 9                 | 660,078              | 0                   | 200,000              | 0                 | 1,450,000     |
| 10                | 733,420              | 0                   | 250,000              | 0                 | 1,500,000     |
| 11                | 806,762              | 0                   | 300,000              | 0                 | 1,550,000     |
| 12                | 880,104              | 0                   | 350,000              | 0                 | 1,600,000     |
| 13                | 953,446              | 0                   | 400,000              | 0                 | 1,650,000     |
| 14                | 1,026,788            | 0                   | 450,000              | 0                 | 1,700,000     |
| 15                | 1,100,130            | 150,000             | 500,000              | 0                 | 1,750,000     |
| 16                | 1,100,130            | 0                   | 550,000              | 0                 | 1,800,000     |
| 17                | 1,100,130            | 0                   | 600,000              | 0                 | 1,850,000     |
| 18                | 1,100,130            | 0                   | 650,000              | 0                 | 1,900,000     |
| 19                | 1,100,130            | 0                   | 700,000              | 0                 | 1,950,000     |
| 20                | 1,100,130            | 150,000             | 750,000              | 0                 | 2,000,000     |
| 21                | 1,100,130            | 0                   | 805,000              | 0                 | 2,055,000     |
| 22                | 1,100,130            | 0                   | 860,000              | 0                 | 2,110,000     |
| 23                | 1,100,130            | 0                   | 915,000              | 0                 | 2,165,000     |
| 24                | 1,100,130            | 0                   | 970,000              | 0                 | 2,220,000     |
| 25                | 1,100,130            | 150,000             | 1,025,000            | 0                 | 2,275,000     |
| 26                | 1,100,130            | 0                   | 1,080,000            | 0                 | 2,330,000     |
| 27                | 1,100,130            | 0                   | 1,135,000            | 0                 | 2,385,000     |
| 28                | 1,100,130            | 0                   | 1,190,000            | 0                 | 2,440,000     |
| 29                | 1,100,130            | 0                   | 1,245,000            | 0                 | 2,495,000     |
| 30                | 1,100,130            | 0                   | 1,300,000            | 2,300,000         | 2,550,000     |

**Nivesh Plus ULIP**

Let us understand Nivesh Plus ULIP plan offered by LIC. LIC's Nivesh Plus is a unique insurance offering that operates as a Unit Linked, Non-Participating, Single Premium Individual Life Insurance plan. With a one-time premium payment, this plan provides a comprehensive insurance cum investment cover for the entire duration of the policy. It's important to note that, unlike some other insurance products, unit-linked plans like Nivesh Plus do not provide liquidity options during the initial five years of the contract. During this period, policyholders are not allowed to surrender or withdraw the invested funds, either in full or partially, until the completion of the fifth year.



**Death Benefit**

Higher of Basic Sum Assured less Partial Withdrawals, if any made during the two years period immediately preceding the date of death or Unit Fund Value.

**Maturity Benefit**

On Life Assured surviving the date of maturity, an amount equal to Unit Fund Value shall be payable.

**Guaranteed Additions as a percentage of Single Premium**

| End of policy Year | Guaranteed Additions (% Single Premium) |
|--------------------|---|
| 6                  | 3%                                      |
| 10                 | 4%                                      |
| 15                 | 5%                                      |
| 20                 | 6%                                      |
| 25                 | 7%                                      |

**Basic Sum Assured Option**

The Sum Assured options are: Option 1: 1.25 times of Single Premium;

Option 2: 10 times of Single Premium The option once selected cannot be altered.

Navigating the selection of a life insurance policy can be intricate, given the multitude of options available. The considerations span from premiums and benefits tied to specific policies to evaluating the reputations of insurance companies. Additionally, the decision between a term life or a permanent life insurance policy introduces another layer of complexity, each with its own set of advantages and disadvantages tailored to individual circumstances.

For those contemplating a permanent life insurance policy, a number of factors warrant consideration. Deciphering the intricate illustrations can prove challenging, compounded by the variation in fees among different insurance companies, making direct policy comparisons a nuanced task.

**References**

1. Ali Sajid, Mohhamad Riyaz, Ahmed Mansharique (2007). Insurance in India. New Delhi: Regal Publications
2. Bala Neetu and H.S Sandhu (2011). "Analysis of Factors Influencing Agents' Perception towards Life Insurance Corporation of India" International Journal of Industrial Marketing", Vol. 1, No. 1
3. Kumar, R (2006) "Bancassurance Opportunities and Challenges in India", Bancassurance: Trends and Opportunities, First Edition, Hyderabad, ICFAI publication, 2006, pp-176-178.
4. Muller (1981), "Theoretical Concepts of Insurance Production", The Geneva Papers on Risk and Insurance, Vol. 21, pp. 63-83
5. Rothschild et. al. (1976), "Equilibrium in Competitive Insurance Markets: An Essay on the Economics of Imperfect Information", The Quarterly Journal of Economics, Vol. 90, No. 4 , pp. 629-649
6. P. Antolin (2007), "Longevity risk and private pensions", OECD Working Papers on Insurance and Private Pensions.
7. D Arora (2008), "A Comparison of Advisory Services Offered by Selected Life Insurance Intermediaries and Consumers Perception towards Service Quality of Life Insurance Companies: An Empirical Study in Punjab and Chandigarh"
8. M. E. Yaari (1965), "Uncertain lifetime, life insurance, and the theory of the consumer", Review of Economic Studies, 32(2):137-150, 1965.
9. <https://licindia.in/insurance-plan>