

CHILDRENS MONEY BACK PLAN with Guaranteed Additions

As the name suggests this is a Childrens Plan with money back features. The money back payments are designed in such a way to suit children's higher education and/or marriage of the child.

Money at the right time (Survival Benefit)

Under this plan, survival benefits becomes payable at the ages 18,20,22,24 and finally Maturity Benefit at 26th year of the child, i.e. when money is required the most to meet the educational expenses.

Guaranteed Additions and Loyalty Additions

Despite decline in the interest rates in the Banks, LIC assures a guaranteed addition of 75.00 per thousand Sum Assured.This guaranteed additions remains the same and will not be increased or decreased during the term of the policy.

Apart from this, Loyalty Additions (if any) are also paid depending on the duration of the policy These paymets are made at the time of maturity/risk.

Risk coverage

Risk cover is available only after the child attaining the age 7 or 2 years from the commencement of the policy whichever is later.

Before the date of commencement of risk :-

Total premium paid excluding premium for Premium Waiver Benefit and Term Rider Benefit are returned and the contract ends.

After the date of commencement of risk :-

One Sum Assured along with accrued Guaranteed Additions and Loyalty Additions (if any) are paid to the family. Survival Benefit(s), if any, paid earlier will not be deducted.

Premium Waiver Benefit and Term Rider Benefit

By payment of a simple extra along with the premium, a facility called premium waiver benefit is offered by which the future premia upto age 18 of the child is waived in the event of risk to the proposer. However Survival Benefits mentioned above are paid as agreed, This ensures uninterrupted higher education/marriage of the child.

Additional feature called Term Rider Benefit is offered. In case of risk to the life of the proposer a sum equal to 20% of the sum assured subject to the maximum of 100000 is paid immediately. This benefit is also called Family Benefit.

For both the benefits, a simple extra is charged which is to be paid along with the premium. Both features are optional.



Extended special feature under this plan

Under this plan, Survival Benefits are paid at periodical intervals and in the event of risk during the term of the policy, full sum assured along with bonus accrued becomes payable to the nominee without deducting the survival benefits paid earlier.

With LIC you are safe

LIC has got excellent track record of fund management and the investment policies are well defined and transparent.

LIC tops in the world in settlement of Claims. On the contrary in recent times, we have seen many private companies that have closed their business leaving the investors at bay.

Income Tax Benefits

Section 80 of I.T. Act

As per Section 80 (C) of I.T. Act, the premium paid can be directly deducted from the taxable income and depending on applicable the income tax rate (slab), Income Tax is saved. Overall maximum limit under this Section, inclusive of other savings is Rs. 1,00,000/-.

Income Tax exemption under Section 10(10D) of I.T. Act

Normally any profits earned by way of investments is treated as taxable income in the hands of the investor, but in Life insurance policies the maturity proceeds are totally exempted from taxable income and a huge money towards tax is saved.