



**Endowment Assurance Policy - a most popular plan...**

The concept of return at maturity is first introduced in this plan. This is well received even today. The portion of premium over and above the risk cover participates in the Investments of the Corporation and earn profits. Thus this plan is referred as Participating Policy or Endowment Plan - with profits.

**Risk coverage**

Just by payment of first premium, life cover to the extent of one full sum assured starts. Life cover continues till the end of the term provided the policy is in force and in the event of risk during the term of the plan, One Full Sum assured along with accrued Bonus and Final Addl. Bonus (if eligible) are paid.

**Accident Benefit/Extended Disability Benefit**

Accidents are unfortunate and unexpected. In case of risk by Accident, LIC supports the family by payment of DOUBLE the sum assured with accrued Bonus and Final Additional Bonus (if eligible)

For this benefit a simple extra is to be paid. This special feature is available during the entire term of the policy but up to age 70 only. Also quantum of Cover will depend on the overall accident cover availed under other plans as well.

As a result of accident, if there is permanent disability, then Disability Benefit comes to the rescue. An amount equal to one Sum Assured is paid in monthly installments spread over in 10 years is paid regularly.

Thereafter till the date of maturity, future premiums are also waived. (extended disability benefit is offered only to those avail accident benefit)

**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.

**Bonus & Final Additional Bonus**

The profits from the investments are shared among policy holders by way of Bonus declared every year. This amount gets accrued and is payable at the time of maturity along with sum assured.

The description given here in this report is aimed to give you an understanding of the plan. For any specific reference with regard to the highlights/features the policy bond issued by LIC of India will only hold good.



For an inforce policy which is in the books of LIC for 17 years or more, an additional Bonus viz., Final Additional Bonus is being paid. Similar to bonus this is also declared every year and payable at the time of maturity.

### **Income Tax Benefits**

#### **Section 80 (C) 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.

### **Loan**

Loan can be availed at a very low interest of 9% per annum payable half yearly. The formalities are very simple.

### **Liquidity (Surrender)**

This policy can be surrendered after a period of 3 years, if all the premiums are paid in time. But the surrender value will be the balance after adjusting the cost of risk cover provided till date of surrender.

### **Additional Rider Benefits @ very low cost**

#### **Term Rider Benefit**

Additional Risk cover to the extent of One Full Sum Assured is payable by payment of a simple extra along with the premium. The overall maximum Rider Cover available is 25 lakhs, subject to fulfilling other conditions.

#### **Critical Illness Rider**

Critical Illness Rider is a new rider benefit which covers major illnesses. An extra is charged for providing this feature. One sum assured is paid if affected by any of the following major diseases once during the term of the plan :-

Heart Attack (Myocardial Infarction), Stroke (Cerebro-vascular Accident), Cancer, Kidney Failure, Major Organ Transplant, Paralysis, 3rd Degree Burns, Blindness, Coronary Artery By-pass Surgery, Heart Valve Replacement or Repair, & Aorta Graft Surgery.

#### **Premium Waiver Benefit**

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**B.Sundaresan**

Insurance Adviser



**ENDOWMENT POLICY (14)**

**Benefits & Highlights**

If CIR is availed then Premium falling due after the date of diagnosis of the any of the critical illnesses shall be waived till the maturity date.

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