



A lump sum money at the start of life...

At start of life, the lump sum Money equal to one sum assured, bonus and final additional bonus (if any) is paid which will lay foundation for the child's higher education, marriage etc.

Commencement of Risk for child

Risk cover for the child doesn't start immediately. Depending on the age at entry of the child, risk cover begins.

Age at entry	Risk commensurate from
From 1 To 4	From 7 years of the child
From 5 To 10	2nd year from the DOC
For Age 11	1 year from DOC

Premium Waiver Benefit

By payment of a simple extra along with the premium, a facility called premium waiver benefit is offered by which the future premium up to age 18 years is waived in case of risk to the person who is paying the premium (proposer).

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.

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.

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.

Accident Benefit/Disability Benefit

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.



Accident cover is available under this plan to the child only after the child attaining age 18. For this purpose, at age 18, a request is to be made to LIC in writing and a simple extra is to be paid along with premium thereafter.

By availing this benefit, an additional sum assured is paid along with death benefits in case of risk by accident.

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 under this plan only after the child attaining age 18. At present interest on policy loan is at the rate of 10.5% per annum payable half yearly. The formalities are very simple.

Even before the date of maturity, if money is urgently required, loan can be availed which can be treated as interim payment for paying college fees or any educational expenses.

Liquidity (Surrender)

This policy can be surrendered after a period of 3 years, if all the premia are paid in time. But the surrender value will be the balance after adjusting the cost of risk cover/other expenses.