

INSIDE THE MIND OF YOUNG INDIANS

THE MILLENNIAL TAKES ADVANTAGE OF WEBSITES, SOCIAL NETWORKING PLATFORMS, ONLINE CALCULATORS AND MOBILE APPS TO MANAGE THEIR DAY-TO-DAY LIFE AS WELL AS FINANCES



KNOW YOUR POLICY EVEN BETTER

The flexibility with life insurance policy is the multiple options that it provides to a buyer; it could be to save money, invest money or just money for a future financial goal such as retirement or child's education among others. Given this wide convenience and features, it is understandable why life insurance happens to be the most sought after financial instrument. There are however lesser known aspects of life insurance that can come in very handy, especially in times of emergencies and when other avenues may not be forthcoming.

Your life Insurance policy has features that let you dip into it to tide you over a tough situation. You may need some money to tide over say house repairs or a medical emergency which goes beyond your health insurance cover. In such cases, your life insurance policy can offer you assistance.

Related Aspects

1. Policy Bond- contract of insurance which states:
 - i. Schedule of payments
 - ii. Benefits Payable
 - iii. Conditions related to servicing Aspects.
2. In-force Policy – All Premiums should be paid up to date. A Lapsed Policy can be revived.
3. Loans Facility
4. Nominations
5. Assignment

GRACE PERIOD

- One month but not less than 30 days for payments of premium on yearly, half yearly or quarterly mode.
- 15 days for payments through monthly mode



REVIVAL

- When the premium is not paid within the days of Grace, the policy lapses. For Policies issued on or before 31/12/2013, the policy may be revived during the life time of the assured, but, within a period of 5 years from the due date of First Unpaid Premium (FUP) & before date of Maturity.
- For policies issued on or after 01/01/2014, the policy may be revived during the life time of the assured, but within a period of 2 years from the due date of First unpaid premium (FUP) and before the date of Maturity.

NOMINATION

- The Nominee is the person to who the insurance claim amounts are payable, in case anything unfortunate within the purview of the policy conditions happens to the policyholder. You need to mention the name of the nominee when taking a policy and have the option to change the nominee any number of times during the policy tenure.
- Nomination is not allowed during minority of Life Assured. Once he attains age 18 (completed), nomination can be registered under the policy. For this all premiums due should be paid.
- Insurer has to register the nomination in its record.

ASSIGNMENT

- An Assignment of a policy is defined as an instrument whereby the beneficial interest, title and right under a policy are transferred by one person to another person.
- The term living person includes a company or association or body of individuals whether incorporated or not.
- An Assignment can be done only after purchase of a policy.
- The assignor should have complete ownership of the policy and should not be a minor
- Insurer has to record the fact of the assignment in their record.
- Assignment once made cannot be cancelled, but the policy can be re-assigned in the name of the life assured.

POLICY LOANS

YOUR POLICY IS MULTI DIMENSIONAL AND A GREAT COLLATERAL

Start by reading the policy document of your policy to check if you can borrow against it, because there are policies, like a term life insurance against which you cannot borrow. The loan is available for a minimum period of six months from the date of its payment, which means if you wish to repay before the first six months, you will need to pay the interest for this period. Likewise, in case the policy becomes a claim either by maturity or death within 6 months from the date of loan, interest will be charged only up to the date of maturity or death. You have the choice to repay the loan with interest or continue paying only the interest and allow the loan principal to be deducted at the time of the claim payments.

ELIGIBILITY CHECK



Like any lender, LIC also follows certain eligibility criteria for borrowers when you wish to avail a loan against your LIC policy. These are:

- ✓ You should be an Indian citizen or residing in India
- ✓ You should own an LIC policy under which a loan facility is available
- ✓ You should have paid three years of complete premiums before applying for the loan

ADVANTAGE OF BORROWING AGAINST LIC POLICY



- ✓ Quick disbursement of the loan
- ✓ No Processing fee Involved
- ✓ There is no check on your credit score
- ✓ Simple process, request could be online or offline
- ✓ Lower interest rate compared to rates on other personal loans. Current rate of interest on loan is 9.5%/10.00% p.a. payable half-yearly. Loan interest will get compounded if loan interest is not paid for 2 half-yearly installments.
- ✓ Unlike personal loans, you can repay only interest dues and principal at any point of time before maturity
- ✓ Unlike other loans, in this case you need to pledge only your policy document
- ✓ After taking loan, death cover, Double Accident Benefit and other supplementary benefits continue for full sum assured.
- ✓ Loan repayment and loan interest payment can be done online too.

For any query related to your policy
SMS "LICHELP <policyno>" to 9222492224.

Next Issue : 5th November 2018, know more about LIC Agency and the Million Dollar Round Table (MDRT) Association- A Golden Career Option.

FEATURES:

- Age Eligibility : For a child of 90 days to 55 years
- Minimum Basic Sum Assured : ₹ 2,00,000/-
- Maximum Basic Sum Assured : No limit
- Premium Paying Term : 15, 20, 25 and 30 years
- Policy Term : (100 minus age at entry) years

OPTIONAL RIDERS:

- LIC's Accidental Death and Disability Benefit Rider
- LIC's Accidental Benefit Rider
- LIC's New Term Assurance Rider
- LIC's New Critical Illness Benefit Rider

SPECIAL FEATURES:

- Life long risk cover till Age 100
- Bonus throughout the term
- Final additional bonus (if any)
- Loan facility

The 100-year plan!

Contact your agent/branch or visit our website www.licindia.in or SMS 'YOUR CITY NAME' to 56767474 (e.g. 'Mumbai')

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