

Bima Bachat

Benefits :

What is Bima Bachat?

LIC's Bima Bachat is a money-back policy which offers financial security and assurance to the policy holder and his family. Bima Bachat requires the policy holder to pay only one premium. The amount paid for the premium depends on the duration of the policy taken and life insurance is available till the date of maturity.

What other benefits do I receive during the specified duration of the policy?

For a term of 9 years: The policy holder will receive 15% of the sum assured at the end of every 3rd and 6th policy year.

For a term 12 years: The policy holder will receive 15% of the sum assured at the end of every 3rd, 6th and 9th policy year.

For a term 15 years: The policy holder will receive 15% of the sum assured at the end of every 3rd, 6th, 9th and 12th policy year.

What additional benefits do I get upon maturity?

If the policy holder outlives the duration of the policy, at the time of maturity, a single premium payment (excluding extra premium) is made along with loyalty additions, if any.

How much insurance do I get?

The policy holder is insured for an amount equal to the sum assured.

What about the installment received already?

The insurance cover is irrespective of the installments received.

When am I eligible for the guaranteed surrender value?

The guaranteed surrender value is available only after completion of at least one policy year. This value is equal to 90 % of the single premium paid (excluding extra premium).

What other benefits does this insurance cover offer?

Bima Bachat is the only money-back policy that offers a loan facility. The rate of interest for this will be determined from time to time by the corporation. Presently the rate of interest is 9% p.a. payable half-yearly.

It also offers other benefits like the 15 day cooling off period, grace period and revival.

Who is eligible for the policy? Are there other conditions or restrictions?

The following are the requirements that one needs to be aware of before applying for this policy:

- The person applying for the policy should have completed 15 years and should not be older than 66 years.
- The policy will mature when the person is 75 years old.
- There is a choice of three terms to choose from (9, 12 and 15 years) for the policy depending on the age and requirement of the applicant.
- The minimum sum that needs to be assured is Rs 20,000/- and there is no limit on the amount that can be assured.
- It is important to note that the sum assured should be in multiples of Rs 5000/- only.
- The policy requires the holder to pay a single premium.

Premium payment:

Single Premium

The sample premium rates are as under: -

Age	Annual Premium per 1000 SA		
	9	12	15
15	716.40	771.35	804.00
20	717.20	771.85	804.40
25	717.55	772.25	804.95
30	718.45	773.35	806.10
35	721.05	775.75	808.55
40	725.80	780.25	812.95
45	734.10	787.60	819.60
50	746.60	797.90	828.95
55	762.65	811.95	841.75
60	784.80	831.30	859.35
65	816.25	-	-

What incentives do I get for a higher sum assured?

Let's take an example of a 30 year old with a Bima Bachat policy for 12 years. If the sum assured is Rs 45,000 then he has to pay a premium of Rs 34800.75. But for a sum assured amount of Rs 50,000 he will have to pay a premium of Rs 36734.13 only, thus getting a 5% rebate in premium.

Refer to the table below for other rebate percentages:

Less than Rs. 50,000	NIL
Rs. 50,000 and Less than Rs.1 lakh	5%
Rs. 1 lakh and Less than Rs.2 lakh	7%
Rs. 2 lakh and above	8%

Benefit illustration:

Illustration 1:

Let us take the example of a policy holder who is 35 years old and takes a policy for the term of 9 years for a sum of Rs 1,00,000/-.He pays a single premium of Rs 67058/-

End of year	Total premiums paid till end of year	Benefit on death during the year				
		Guaranteed	Variable		Total	
			Scenario 1	Scenario 2	Scenario 1	Scenario 2
1 to 9	67058	100000	0	0	100000	100000

Survival Benefits :

End of year	Total premiums paid	Benefit payable on survival at the end of specified year				
		Guaranteed	Variable		Total	
			Scenario 1	Scenario 2	Scenario 1	Scenario 2
3	67058	15000	0	0	15000	15000
6	67058	15000	0	0	15000	15000
9	67058	67058	0	24300	67058	91358

Illustration 2:

Let us take the example of a policy holder who is 35 years old and takes a policy for the term of 12 years for a sum of Rs 1,00,000/-.He pays a single premium of Rs 72145/-.

End of year	Total premiums paid till end of year	Benefit on death during the year				
		Guaranteed	Variable		Total	
			Scenario 1	Scenario 2	Scenario 1	Scenario 2
1 to 12	72145	100000	0	0	100000	100000

Survival Benefits:

End of year	Total premiums paid	Benefit payable on survival at the end of specified year				
		Guaranteed	Variable		Total	
			Scenario 1	Scenario 2	Scenario 1	Scenario 2
3	72145	15000	0	0	15000	15000
6	72145	15000	0	0	15000	15000
9	72145	15000	0	0	15000	15000
12	72145	72145	0	40800	72145	112945

Illustration 3:

Let us take the example of a policy holder who is 35 years old and takes a policy for the term of 15 years for a sum of Rs 1,00,000/-. He pays a single premium of Rs 75195/-.

End of year	Total premiums paid till end of year	Benefit on death during the year				
		Guaranteed	Variable		Total	
			Scenario 1	Scenario 2	Scenario 1	Scenario 2
1 to 15	75195	100000	0	0	100000	100000

Survival Benefits:

End of year	Total premiums paid	Benefit payable on survival at the end of specified year				
		Guaranteed	Variable		Total	
			Scenario 1	Scenario 2	Scenario 1	Scenario 2
3	75195	15000	0	0	15000	15000
6	75195	15000	0	0	15000	15000
9	75195	15000	0	0	15000	15000
12	75195	15000	0	0	15000	15000
15	75195	75195	0	60000	75195	135195

Notes:

i) The above examples are applicable to a *standard non-smoker male/female (*medical condition, lifestyle and occupation)

ii) *The non-guaranteed benefits (1) and (2) in above illustration are calculated so that they are consistent with the Projected Investment Rate of Return assumption of 6% p.a.(Scenario 1) and

10% p.a. (Scenario 2) respectively. In other words, in preparing this benefit illustration, it is assumed that the Projected Investment Rate of Return that LIC will be able to earn throughout the term of the policy will be 6% p.a. or 10% p.a., as the case may be. The Projected Investment Rate of Return is not guaranteed.

iii) The main objective of the example is that the client is able to appreciate the features of the product and the flow of benefits in different circumstances with some level of quantification.

The maturity benefit is the amount shown at the end of the policy term.

Statutory warning:

“Some benefits are guaranteed and some benefits are variable with returns based on the future performance of your Insurer carrying on life insurance business. If your policy offers guaranteed returns then these will be clearly marked “guaranteed” in the illustration table on this page. If your policy offers variable returns then the illustrations on this page will show two different rates of assumed future investment returns. These assumed rates of return are not guaranteed and they are not the upper or lower limits of what you might get back, as the value of your policy is dependent on a number of factors including future investment performance.”

Extract from section 41 of the insurance act:

(1) No person shall allow or offer to allow, either directly or indirectly, as an inducement to any person to take out or renew or continue an insurance in respect of any kind of risk relating to lives or property in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the policy nor shall any person taking out or renewing or continuing a policy accept any rebate except such rebates as may be allowed in accordance with the published prospectuses or tables of the insurer : provided that acceptance by an insurance agent of commission in connection with a policy of life insurance taken out by himself on his own life shall not be deemed to be acceptance if the insurance agent satisfies the prescribed conditions establishing that he is a bona fide insurance agent employed by the insurer.

(2) Any person making default in complying with the provisions of this Section shall be punishable with a fine which may extend to Rs.500 / -

Note :

“Conditions apply” for which please refer to the policy document or contact our nearest branch office.