

**Title : LIC unveils New Variable Insurance Plans – Bima Account I and Bima Account II**

LIC has launched two new Non linked plans Bima Account I and Bima Account II. These are the first Variable Insurance Plans under the new IRDA regime. The basic structure of the two plans are same and hence the similar names. The plans are very simple, ensure liquidity to the customer, have Guaranteed minimum returns, transparent charges and provides ample risk cover. Moreover, in Bima Account I there is no medical examination!

Under the plans, the premiums paid by the customer, after deduction of charges, will be credited to the policy holder's Account maintained separately for each policyholder. If all due premiums are paid, the amount held in the Policyholder's Account will earn an annual interest rate of 6% per annum which will be guaranteed for the whole of the policy term. In addition to this guaranteed return, if all due premiums are paid, the individual Policyholder's account may earn an additional return depending upon the experience under the plan.

If premiums are not paid within days of grace, the policy will become a paid up policy. The life assured has the option to revive the paid –up policy within 12 months from date of first unpaid premium. During the revival period the life cover will cease and no mortality charges shall be deducted. The balance in the policyholder's Account during the period of revival will earn guaranteed interest rate of 5% per annum without debiting any expenses. On revival of policy, the guaranteed rate of interest on Policyholder's Account will again be 6% per annum from the date of revival.

There is an option to pay additional (top up) premiums without any increase in risk cover to the extent of total basic premiums paid under the policy. Loan facility is available immediately after the first policy anniversary.

The premiums can be paid regularly at yearly, half-yearly, quarterly or monthly (through ECS mode only) intervals over the term of the policy.

The age entry for the Bima Account I is from 11 years(completed) to 50 years(nearest birthday) while it is from 8 years(completed) to 60 years(nearest birthday) for Bima Account II.

The policy term for Bima Account I ranges from 5 to 7 years, while it ranges from 10 to 15 years for Bima Account II.

The minimum premium is Rs 600/- per month under ECS mode for Bima Account I. while it is Rs 1250/- under Bima Account II. The minimum premium under yearly mode of payment for Bima Account I is Rs 7000/- while it is Rs 15000/- under Bima Account II.



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On the Life Assured surviving the maturity date of the contract, balance in the Policholder's Account is payable. In case of unfortunate death of the life Assured during the policy term, where the cover is in full force, the Sum Assured along with the balance in Policyholder's Account shall be payable.

The Sum Assured under Bima Account I ranges from minimum of 10 times the annualized premium to maximum of 20 times of the annualized premium upto age 35 years, 14 times of the annualized premium for age between 36 to 45 years and 10 times of the annualized premium for age between 46 to 50 years.

The Sum Assured under Bima Account II ranges from minimum of 10 times the annualized premium to maximum of 30 times of the annualized premium upto age 35 years, 20 times of the annualized premium for age between 36 to 45 years and 10 times of the annualized premium for age between 46 to 50 years.

**Place : Mumbai**

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