



Term Insurance Plan meaning & 6 top term plans (5 mins read)

Description

We all have watched the advertisement starring celebrity Akshay Kumar in which he says “Policy Bazaar par 1 crore ka term insurance sirf Rs 680 per month mein mil raha hai.” But what term life insurance plan means? Is it only a policy bazaar that offers term life insurance plans? If not, then who else offers term life insurances, and what are their features? All these questions will be answered in this article.



What does a term insurance plan mean?

A term insurance plan is a type of Life Insurance Policy that provides life cover for a certain number of years (can be between 5 yrs to 40 yrs). It is the simplest form of insurance where if the insured person dies within the time period specified in the policy then only death benefit is paid. If the policy is expired and then the insured person dies, no benefit will be paid. Now that you know the meaning of the term insurance plan let us move ahead with the other features of these plans.

The premium of the term insurance plan is monthly. The premium amount depends upon the person's health, age, medical history, life expectancy, etc. These plans can be extended on expiry but the premium will not be the same now. The new premium will be decided depending upon the same factors at the time of renewal. Using a term plan, you can get a large amount of life cover at a low premium rate.

Now let us take a look at various term insurance plans available in the Indian Market.

1. Maxlife term insurance plan

Max Life insurance Company is a joint venture between Max India Ltd. and Axis Bank. It provides various types of insurance plans including Term Insurance plans. They offer the following types of term insurance plans that you can opt from –

a. [Smart Term Plan](#)

It is a plan for people who look for multiple benefits from their insurance plan which has multiple benefits. In this plan you get multiple payment options, return of premium option, increasing sum assured, etc.

b. [Critical Illness Insurance cover](#)

It covers the insured against various life-threatening diseases like cancer, kidney failure, etc. The lump-sum amount is paid if the insured is diagnosed with any of the listed diseases.

c. [Term plan with return of premium](#)

This term insurance plan has a feature where if the insured survives the insurance period then the premiums are paid back to the insured person.



2. Starhealth Term insurance plan

They do not have specific term insurance plans. They have accidental insurance wherein if the insured person dies due to an accident during the insurance period then the insurance amount is paid to the nominee.

3. Term Insurance plan in LIC of India

Life Insurance Corporation of India is a statutory insurance and investment corporation that comes under the Ministry of Finance. It has a large number of insurance plans that you can choose from. It also provides term insurance plans under the following three names –

a. [LIC's Tech-Term Plan](#)

It is a completely online term insurance plan started by LIC that can be purchased anytime and anywhere. The minimum sum assured is INR 50 Lakh while there is no limit on the maximum sum assured. The sum assured increases in the multiples of 10 i.e. after INR 50 Lakh next sum assured will be INR 60 Lakh. The policy period can vary between 10 yrs to 40 yrs. The maximum age at maturity (current age + policy tenure) is 80 yrs.

b. [LIC's Jeevan Amar](#)

This plan is purchased offline. This is for people who want the policy sum between INR 25 lakh and INR 50 Lakh; however, there is no maximum limit on the sum assured. Here the sum assured can be increased in multiples of 1 i.e. after INR 25 lakh the next sum assured can be INR 26 lakh but after INR 40 lakh, it increases in multiples of 10.

c. LIC's Saral Jeevan Bima

This plan can be purchased both online and offline. It is a term plan where the minimum sum assured can be as little as INR 5 lakh while the maximum sum assured can be up to INR 25 Lakh. The policy tenure can vary between 5 yrs to 40 yrs. Also, the maximum age at maturity is 70 yrs.

Looking at all the conditions best term insurance plan of LIC is Tech –term plan as its premium is also less as compared to the other two plans.

4. Term insurance plan of SBI Life

a. SBI Life Saral Jeevan Bima

This term plan by Sbi life is similar to LIC's Saral Jeevan bima as the guidelines of this plan have been issued by the Insurance Regulatory and Development Authority of India (IRDAI).

b. SBI Life eShield Next

From the online channel, the minimum basic sum assured is INR 50 Lakh with no maximum limit for non-smokers. This term plan comes with the benefit of terminal illness benefit. You can have life cover up to 100 yrs (whole life) or 85 yrs (other than whole life).

c. SBI Life-Poorna Suraksha

It is a term plan with a basic sum assured ranging from INR 20 lakh to INR 2.5 Crores. This is a special type of term plan which contains a Life-Stage rebalancing feature. Due to this feature, your basic sum assured is divided between Life Cover Sum Assured (LCSA) & Critical Illness Sum Assured (CISA) in the proportion of 80:20 respectively. The CISA then increases at 10 yrs, 15 yrs, 20yrs....and life cover SA decreases by the same amount.

d. SBI Smart Shield

It is a pure term plan with a minimum basic sum assured as 25 lakh which increases in multiples of INR 1 lakh. There is no max limit on the basic sum assured. The minimum policy term is 5 yrs.

e. SBI Life-Saral Swadhan Plus

It is a sort of hybrid plan that contains death benefit as well as maturity benefit. The basic sum assured varies between INR 30,000 and INR 4,75,000. If the insured person dies during the policy period then the death benefit is paid but if the person survives during the policy period then 100% of the total premiums paid (excluding taxes and additional premiums) is paid back if the policy period is 10 yrs. If the policy period is 15 yrs then 115% of the total premiums paid (excluding taxes and additional

premiums) is paid back.

f. [SBI-Life Grameen Bima](#)

This is a 5 yr policy with a basic sum assured in the range of INR 10,000 – INR 50,000. However, the premium is paid a single time and it varies from INR 300 to INR 2000. This policy also has a surrender benefit where surrender is allowed only after the first year of the policy.



5. Term insurance plan of HDFC

a. [HDFC Click 2 protect life](#)

This term plan by HDFC has 3 options from which you can select according to your requirement at the start of the policy. The three options are Life and Critical Illness (CI) Rebalance, Life Protect, and Income Plus. The minimum basic sum assured in the Life and CI rebalance is INR 20 Lakh while in the other two options is INR 50,000. There is no limit on the maximum coverage in any of the options. You also get maturity benefits on all the three options in this plan.

b. [HDFC Saral Jeevan Bima](#)

The policy term varies between 5 yrs to 40 yrs. The basic sum assured has the minimum value of INR 5, 00,000 while the maximum value depends on the Board Approved Underwriting Policy (BAUP).

6. Aegon Life I term insurance plan

The [I term insurance plan by Aegon Life](#) has a minimum basic sum assured is INR 10 Lakh. The policy period varies from 10 yrs to 40 yrs in the multiples of 5. For the death benefit, you have two options to choose from. In the first option, the basic sum assured is all paid at once. In the second option, you get 50% of the sum assured immediately and get the rest of the amount as a monthly installment of 3% of the basic sum assured. No surrender benefit and maturity benefit are payable in this policy.

So, readers, these are some of the best term insurance plans you can go for. There are some more plans which we will cover in the posts to come. So stay tuned to know about other plans as well.

If you want to know how to save tax using insurance and various other methods of tax saving then read this article: [How to save Income Tax on salary | 80c & other than 80c](#)

If you liked our article then feel free to share it among your peers as it will also help them out if they are planning to get a term insurance plan. Let us know your thoughts regarding the same through the comment section below.

Category

1. General

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