Life Insurance Products

Whole Life Policy

a. Whole Life Policy is an insurance cover against death, irrespective of when it happens.
b. Under this plan, the policyholder pays regular premiums upto the contracted premium payment term or until his death.
c. The policy pays either at death or at the maturity age.
d. It is a kind of estate creation policy. The benefit under this policy is generally received by the family.
e. It has an investment element.
f. These policies are eligible for loans within the surrender value of the policy.

It is appropriate in two scenarios:

a. When lifetime protection is needed
b. When additional savings are required

Limitation of a whole life insurance is

a. Under insurance, because it has an investment element built into it, which increases the premium compared to term insurance policies

Whole Life policies are offered as

a. Full term premium payment policies.
b. Limited term premium payment endowment policies.
c. With bonus policy
d. Without bonus policy.

Some Whole Life Plans

Company Name	Plan
Life Insurance Corporation	The whole life policy
HDFC Standard Life	Single Premium Whole of Life Plan
Max New York Life	Whole Life Participating Insurance
SBI Life Insurance	Unit Plus II
MetLife Insurance	Met 100(participating)
Birla Sunlife Insurance	Flexi Life Line Plan
Kotak life insurance	Eternal life plans

Example : Mr. Ramesh, aged 40, bought a Whole life Plan from ABC Insurance company Ltd for Rs 2 Lakhs sum assured. The premium payment is Rs 6500 annually. As per company's provision, whole life plans mature at age 80. (This age of maturity varies from insurer to insurer)

In case Mr. Ramesh dies before attaining the age of 80 years, the sum assured of Rs 2 lakhs + dividend or bonus (as applicable) will be payable to the dependants / nominee or legal heirs. Whole life plans can be a participating or non- participating policies, hence dividend/bonus will be applicable as per the terms of the policy.

In case Mr. Ramesh survives upto the age 80 years (Term of the policy), then he will collect the benefits of the policy, which will be

a. Rs 2 lakhs in case it is a non-participating policy or
b. Rs. 2 lakhs + Dividend/bonus as applicable in case it is a participating policy.