

Benefits of LIC Single Premium Endowment Plan: Features and More

Life insurance can serve two important purposes: financial protection for the family and disciplined long-term savings. For people who prefer paying the premium only once instead of committing to regular payments, the [LIC Single Premium Endowment Plan](#) offers a combination of life cover and savings under a single policy. It is a participating, non-linked, individual savings plan designed to provide protection during the policy term and a lump-sum maturity benefit if the policyholder survives the term.

The plan is currently listed by LIC as Plan No. 717 with UIN 512N283V03. Its structure makes it relevant for individuals who have a sizeable amount available for one-time investment and want insurance protection along with the potential for bonuses.



What Is LIC Single Premium Endowment Plan?

LIC Single Premium Endowment Plan is a savings-cum-protection life insurance product in which the premium is paid as a lump sum at the beginning of the policy. Unlike conventional policies that require monthly, quarterly, half-yearly or annual premium payments, this plan requires only a single premium.

The plan provides life insurance coverage during the selected policy term. If the policyholder survives until maturity, the applicable maturity benefit is payable as a lump sum. The policy also participates in bonuses as per its terms, making the overall benefit dependent partly on declared bonuses.

Key Features of LIC Single Premium Endowment Plan

Some of the notable features of the plan include:

- **Single premium payment:** The entire premium is paid at the beginning of the policy.
- **Savings and protection:** The policy combines life insurance protection with long-term savings.
- **Flexible policy term:** Policyholders can select a term within the permitted range.
- **Maturity benefit:** A lump-sum benefit is payable on survival until the end of the policy term.
- **Death benefit:** The nominee can receive the applicable death benefit if the life assured dies during the policy term after commencement of risk.
- **Bonus participation:** Vested Simple Reversionary Bonuses and Final Additional Bonus, if declared and applicable, can enhance benefits.
- **Loan facility:** The plan provides a loan facility, subject to applicable policy terms and conditions.
- **Rider option:** Additional protection may be available through eligible riders by paying an additional premium.
- **High Sum Assured rebate:** The plan provides for a rebate based on the applicable Sum Assured slabs.

Eligibility for LIC Single Premium Endowment Plan

Eligibility is an important factor to consider before purchasing any life insurance policy. Under the current plan details, the minimum entry age is 30 days completed, while the maximum entry age is 65 years. The maximum maturity age is 75 years.

The policy term can range from 10 to 25 years, subject to the applicable conditions. The minimum Sum Assured is ₹1 lakh, while there is no specified maximum Sum Assured, subject to underwriting and other applicable rules.

The minimum age at maturity is 18 years. For children below the applicable risk commencement age, special conditions regarding commencement of risk apply. Therefore, policyholders should review the policy document carefully before making a purchase decision.

Benefits of LIC Single Premium Endowment Plan

1. No Regular Premium Payment

One of the biggest advantages is convenience. Since the premium is paid only once, policyholders do not have to remember recurring premium due dates. This can be useful for individuals who receive a lump sum and want to allocate a portion toward long-term financial planning.

2. Life Insurance Protection

The plan provides financial protection to the family during the policy term. In the event of the life assured's death after the risk has commenced and before maturity, the applicable Sum Assured on Death along with vested bonuses and Final Additional Bonus, if any, is payable according to the policy conditions.

3. Maturity Benefit

If the policyholder survives the complete policy term, the plan provides a maturity benefit. This can help create a planned financial

corpus for future needs such as education, family responsibilities or other long-term objectives.

4. Bonus Opportunity

As a participating plan, the policy may earn Simple Reversionary Bonuses and Final Additional Bonus, where declared and applicable. However, bonuses are not the same as guaranteed returns and depend on the terms of the policy and declarations made by LIC. Benefit illustrations should therefore be read carefully before purchasing.

5. Access to Loan Facility

Financial requirements can arise unexpectedly. The loan facility associated with the plan can help eligible policyholders access funds without immediately surrendering the policy, subject to applicable terms, conditions and limits.

6. Option to Enhance Protection

Policyholders may have the option to add eligible rider benefits by paying an additional premium. Riders can be considered when additional protection is required beyond the base policy.

Death Benefit and Maturity Benefit

Understanding the benefits is essential before choosing an endowment plan.

Death Benefit: If the life assured dies during the policy term after commencement of risk and before maturity, the applicable Sum Assured on Death, along with vested Simple Reversionary Bonuses and Final Additional Bonus, if any, is payable as per policy conditions.

Maturity Benefit: If the life assured survives until the maturity date, the applicable maturity benefit is payable. The exact amount depends on the policy's Sum Assured and bonuses applicable under its terms. The actual benefits should always be checked against the policy document and benefit illustration rather than assuming a fixed return.

Who Should Consider This Plan?

LIC Single Premium Endowment Plan may be suitable for individuals who:

- Prefer a one-time premium payment.
- Want life insurance along with savings.
- Have a lump sum available for long-term financial planning.
- Want a policy with a defined policy term.
- Prefer traditional, non-linked insurance products.
- May value access to a loan facility against the policy, subject to eligibility.

However, it may not be appropriate for everyone. People seeking only high life cover at potentially lower premiums may need to evaluate other forms of life insurance. Similarly, those seeking market-linked investment returns should understand that this is a non-linked insurance savings product.

Important Points to Check Before Buying

Before purchasing the plan, compare the premium with the desired Sum Assured and understand the policy term. Review the death and maturity benefits, bonus structure, surrender conditions, loan provisions, rider costs and applicable exclusions.

It is also important to distinguish between guaranteed benefits and non-guaranteed benefits. LIC's benefit illustration explains that assumed investment rates shown in illustrations are not guaranteed returns.

Since insurance needs vary from person to person, the decision should be based on financial goals, existing insurance coverage, affordability and the policy's terms rather than only the maturity amount.

Frequently Asked Questions (FAQs)

Q1. What is the LIC Single Premium Endowment Plan?

It is a participating, non-linked individual savings and protection plan

under which the premium is paid once at the beginning of the policy. It provides life cover during the policy term and a maturity benefit on survival, subject to the policy conditions.

Q2. How many times is the premium paid under this plan?

The premium is paid only once. This is the primary feature that distinguishes the plan from regular-premium endowment policies.

Q3. What is the minimum Sum Assured under the plan?

The current plan details specify a minimum Sum Assured of ₹1,00,000. The applicable Sum Assured must meet the conditions and multiples specified by LIC.

Q4. What is the maximum policy term?

The maximum policy term is 25 years, while the minimum policy term is 10 years, subject to the applicable eligibility conditions.

Q5. Does the plan provide a loan facility?

Yes. The plan includes a loan facility to address liquidity requirements, subject to the applicable policy terms and conditions.

Conclusion

The LIC Single Premium Endowment Plan can be considered by individuals looking for a combination of life insurance protection and long-term savings through a one-time premium payment. Its maturity benefit, death protection, bonus participation, loan facility and rider options make it a structured option for certain financial planning needs. However, the plan should be evaluated based on individual goals, affordability, policy duration and the distinction between guaranteed and non-guaranteed benefits.

For those comparing insurance solutions and looking for convenient policy-related services, Square Insurance can also be considered as part of the broader insurance planning journey.