What is LIC Micro Bachat Plan? Features, Benefits and Eligibility

Choosing life insurance is not only about securing a large sum assured; for many individuals, affordability, disciplined savings and basic financial protection are equally important. A micro-insurance product is designed around these needs by combining life cover with savings in a comparatively modest insurance framework. The **LIC Micro Bachat Plan** is a participating, non-linked individual savings life micro-insurance plan that combines protection with long-term savings. LIC's current version is Plan no. 751 with UIN 512N329V03.

It is important to distinguish the current version from older Micro Bachat versions. LIC's earlier Plan №851 and Plan №951 have been withdrawn, while the current Micro Bachat version carries UIN 512N329V03. LIC's official records list Plan №951 among products withdrawn during FY 2024–25.

What Is LIC Micro Bachat Plan?

LIC Micro Bachat is a regular-premium, participating, non-linked savings life insurance plan. It is structured as an endowment plan, meaning it provides life insurance protection during the policy term and a maturity benefit if the policyholder survives the term.

As a participating plan, eligible policies may receive Loyalty Additions based on the applicable terms and the Corporation's experience. The current brochure states that Loyalty Additions accrue after completion of five policy years.

The plan also provides a policy loan facility, which can offer additional liquidity when a policyholder faces a financial requirement during the policy period.

Key Features of LIC Micro Bachat Plan

The plan has several features that make it different from a pure protection-oriented life insurance policy.

1. Life Insurance With Savings

The plan combines life cover with a savings component. If the life assured dies during the policy term, the applicable death benefit is payable according to the policy conditions. If the policyholder survives the full term, the maturity benefit becomes payable.

2. Regular Premium Payment

Premiums are payable regularly throughout the selected policy term. The premium-paying term is the same as the policy term under the current version. This makes the product suitable for individuals who prefer systematic premium payments rather than a single large investment.

3. Loyalty Additions

Loyalty Additions are an important feature of the plan. According to the current LIC brochure, these additions accrue after completion of five policy years, subject to the applicable terms. Since this is a participating product, such additions should not be treated as a fixed guaranteed return unless specifically stated as guaranteed under the policy terms.

4. Auto Cover Facility

LIC Micro Bachat provides an Auto Cover facility after payment of three full years' premiums, subject to the conditions specified in the policy document. This feature is intended to provide continued protection in qualifying situations when the policy meets the prescribed requirements.

5. Policy Loan Facility

A policy loan can help provide liquidity against the policy after payment of one full year's premium, subject to the applicable conditions and limits. This can be useful when the policyholder requires funds without immediately surrendering the policy.

6. No Medical Examination for Eligible Standard Lives

The current brochure specifies that the plan is available for standard healthy lives without undergoing a medical examination, subject to LIC's underwriting and acceptance conditions. Therefore, eligibility should not be interpreted as automatic acceptance for every applicant.

LIC Micro Bachat Plan Eligibility

Understanding eligibility is essential before considering the policy. Under the current LIC Micro Bachat version, the key conditions include:

- **Minimum entry age:** 18 years completed
- **Maximum entry age:** 55 years, nearer birthday
- **Minimum Basic Sum Assured:** Rs. 1 lakh
- **Maximum Basic Sum Assured:** Rs. 2 lakh per life
- **Policy term:** 10 to 15 years

- **Premium-paying term:** Same as policy term
- **Maximum age at maturity:** 70 years, nearer birthday
- **Basic Sum Assured:** Available in specified multiples according to the selected amount

The current plan is intended for standard healthy lives and has an overall Basic Sum Assured limit of Rs. 2 lakh across applicable versions of the plan for an individual life.

Benefits of LIC Micro Bachat Plan

Financial Protection for the Family

Life insurance can provide financial support to dependants if the policyholder dies during the policy term. The death benefit under Micro Bachat is paid according to the applicable policy provisions, helping the family manage financial responsibilities.

Maturity Benefit

For a policyholder who survives the complete policy term, the plan provides a maturity benefit as specified in the policy conditions. Loyalty Additions, where applicable, can further enhance the amount payable.

Disciplined Savings

Regular premium payments encourage financial discipline. Instead of relying entirely on irregular savings, the policyholder commits to a predetermined insurance and savings structure.

Liquidity Through Policy Loan

The loan facility can be useful during certain financial emergencies. However, policyholders should understand the applicable interest, repayment provisions and effect of an outstanding loan on policy benefits before taking a loan.

Participating Plan Structure

As a participating product, the policy can participate in the profits of the Corporation subject to its terms and applicable declarations. This makes it different from a purely guaranteed-benefit savings product.

Things to Consider Before Buying LIC Micro Bachat

Although the plan combines insurance and savings, it may not be suitable for every financial objective. A person primarily looking for a high life cover may need to evaluate whether the maximum sum assured available under this micro-insurance plan is sufficient.

Similarly, individuals seeking market-linked growth should understand that Micro Bachat is a non-linked insurance product and is not directly linked to equity or market funds. The participating nature also means that Loyalty Additions should be assessed according to the policy terms rather than assumed to be a fixed return.

Before purchasing, compare the premium, policy term, death benefit, maturity benefit, surrender provisions, loan terms and exclusions with your financial requirements. Always check the latest policy document and benefit illustration applicable to the policy being proposed.

Who Can Consider LIC Micro Bachat?

LIC Micro Bachat may be considered by individuals who want a combination of basic life protection and disciplined savings within a relatively limited sum assured. It can be relevant for people who prefer a traditional insurance structure and want features such as maturity benefits, Loyalty Additions and policy loan availability.

However, the suitability of any life insurance policy depends on income, dependants, existing insurance coverage, financial goals and the amount of protection required. A policy should therefore be selected based on the individual's broader financial plan rather than only its savings feature.

Frequently Asked Questions

Q1. What is LIC Micro Bachat Plan?

LIC Micro Bachat is a participating, non-linked, individual savings life micro-insurance plan that combines life protection with savings and provides a maturity benefit subject to the policy terms.

Q2. What is the minimum sum assured under LIC Micro Bachat?
The current version provides a minimum Basic Sum Assured of Rs. 1 lakh.

Q3. What is the maximum sum assured under LIC Micro Bachat?
The maximum Basic Sum Assured is Rs. 2 lakh per life, subject to the applicable conditions.

Q4. What is the entry age for LIC Micro Bachat?
The minimum entry age is 18 years completed and the maximum entry age is 55 years, calculated on the nearer birthday basis.

Q5. What is the policy term of LIC Micro Bachat?
The current plan offers policy terms of 10 to 15 years. The premium-paying term is the same as the selected policy term.

Q6. Does LIC Micro Bachat offer Loyalty Additions?
Yes. The current version provides for Loyalty Additions after completion of five policy years, subject to the applicable policy provisions.

Conclusion

LIC Micro Bachat can be considered by individuals looking for a traditional insurance product that brings together life protection, disciplined savings, maturity benefits and liquidity through a policy loan. Its relatively limited sum assured makes it important to assess whether the coverage is adequate for the family's actual financial needs. The current version also includes features such as Auto Cover and Loyalty Additions, subject to the policy conditions.

Before making a decision, compare the benefits, premiums, term, exclusions and other conditions with your financial goals. For broader insurance planning and policy-related assistance, Square Insurance can help you evaluate insurance requirements and make more informed decisions.