BioSpectrum the business of Bi
24 years of leveraging the business of Bio
www.biospectrumindia.co

Unsure About Survival Benefits of Term Plan? Know This

19 November 2020 | Views

A term plan is one of the best investment options to secure your family's future. With the growing number of accidents and deaths due to critical illnesses, the nation needs to have widespread insurance coverage.



At times like Covid-19 and other uneven contingencies, having an excellent financial backup can help your family stay calm and economically secured. That's where the role of term insurance comes to play. However, not many people know about the term plan with return of premium option, which comes with survival benefits.

Let us discuss that in detail.

What is Term Plan With Return On Premium?

A significant share of the population still doesn't have an insurance cover. Complex plans and high premiums are the primary reasons for investors stepping back to insure their life. If you are one among those not-insured customers, then term insurance is for you.

Term plan with return on premium is a simple and affordable form of life insurance. Under thiskind of life insurance policy, the insurer paysthe premiums received back to the policyholder. What makes a term plan with return on premium different from other standard insurance plans is that it offers the benefit of return on premium as a survival benefit on surviving the policy tenure.

Term plan with Return of Premium Vs. Pure term insurance plan

Term plan with return on premium (TROP)	**Pure term insurance plan**
Term plan with return on premium is a variant of term insurance.	Pure life insurance is the simplest form of life insurance plan.
Here, the insurance coverage includes death benefits along with return of premium as survival benefits.	The insurance coverage in a pure term plan is offered only as a death benefit.
TROP offers a lower sum assured amount to the policyholder.	The sum assured amount offered is comparatively higher.
The premium rate of a term plan is available at affordable rates.	The premium charged is considerably lower.
Term plan with return on premium is best suited for people who don't mind gaining some returns and insurance coverage.	A term plan is best suited for a policyholder who wants financial protection for their family.
Term insurance with return on premium provides tax exemptions under the Income Tax Act, Section 80C.	A term plan also offers tax benefits under Section 80C of the Income Tax Act 1961.

What Are The Benefits Of A Term Plan With Return Of Premium?

What setsa **term plan with return of premium** apart from other insurance products is its survival benefits. The following are the benefits offered by a term plan with return of premium:

- Maturity benefits for the insured

1. Death benefits
2. Tax benefits
3. Future planning

Maturity benefits/ survival benefits for the insured

Unlike traditional insurance plans, a term plan with a premium return provides maturity or survival benefits if the policyholder survives until the end of the policy term.

Death benefits

Apart from the survival benefits, a term plan with return of premium provides death benefits to the policyholder's familylike a pureterm insurance plan. The designated nominee is entitled to receive the lumpsum amount as death benefits if the insured dies untimely.

Tax benefits

The benefits of term insurance with return of premium are not just confined to survival and death benefits. The policyholder can also get tax benefits for the premium payable as per **Section 80C, Income Tax Act 1961**.

Future planning

A TROP (term plan with return of premium) provides financial security to people of all agegroups.

- If you are single and unmarried, you can use a TROP to secure your parent's needs in the future. Even if you survive, you can consider this investment as a financial cushion in the long run.
- If you are a married policyholder but have no kids, then buying a term plan with a return of premium can help your spouse with financial backup in your absence.

- If you are married and have kids, then a term plan with a premium returnsecures the future financial planning and takes care of any liabilities that need to be paid off in an emergency.

Considering all these benefits, it is worth investing in a term plan with a premium returnas one of the **best investment options**. When buying a term plan with return on premium, make sure to buy it online for a hassle-free experience. It alsohelps lower the cost involved in premium payment and allows youto compare various insurance companies' different premium plans easily. After all, you don't want to invest in an insurance plan that doesn't provide benefits.