

### **What is survival benefit? How does it work?**

*Survival benefit is the amount you receive at the end of your insurance policy tenure.*

Investing in a life insurance policy ensures that your family's financial needs are met in case something happens to you. However, if you survive till the end of the policy tenure, this policy can take care of your financial needs as well.

Various life insurance plans provide a certain percentage of the sum assured when the policy matures, irrespective of your health conditions at that time. This is known as 'survival benefit'. It might include a number of elements like returns on your investments, accrued bonuses, etc.

Say, for instance, you buy a 10-year life insurance policy that promises Rs 10 lakh as sum assured. Your family receives this amount if something happens to you in these 10 years. This is known as sum assured or death benefit. However, if you survive this period, you receive a part of the sum assured—the amount of which varies according to the type of plan—as survival benefit.

The amount to be paid as survival benefit is determined when you sign the policy document, and is mentioned in the terms and conditions of the policy.

### **Different amounts with different policies**

The survival benefit may differ depending on the type of insurance policy that you purchase.

- In case of term insurance plans, you receive only life cover. No amount is payable to the policy holder on completion of the tenure.
- In case of endowment policies, you receive an added bonus, profit or guaranteed amount as survival benefit, as specified in policy documents.
- In case of money back policies and unit-linked insurance plans (ULIPs), the insurance company provides returns at regular intervals. On maturity of the policy, you receive a pre-determined amount, along with any guaranteed additions as survival benefit.