

Essential Facts About LIC Bima Shree Before You Invest

Planning for long-term financial security requires careful evaluation of available insurance options. Among the many plans offered by the Life Insurance Corporation of India, **LIC Bima Shree** has attracted attention for combining life cover with savings benefits. It is designed for individuals who want financial protection for their family while also creating a disciplined investment habit over the policy term.

Before purchasing any insurance plan, understanding its features, eligibility, benefits, and limitations is important. This guide explains the essential facts about LIC Bima Shree to help you make an informed decision.



What Is LIC Bima Shree?

LIC Bima Shree is a non-linked, limited premium payment, money-back life insurance plan introduced by LIC to provide financial security and guaranteed survival benefits. The policy offers a combination of insurance protection and periodic payouts while allowing policyholders to pay premiums only for a limited duration.

It is particularly suitable for people looking for long-term financial planning with the added advantage of liquidity through survival benefits before maturity.

Key Features of LIC Bima Shree

Some of the most notable features include:

- Limited premium payment term
- Money-back benefits during the policy tenure
- Financial protection through life insurance coverage
- Maturity benefit at the end of the policy term
- Potential loyalty additions, subject to LIC declarations
- Loan facility after satisfying applicable conditions
- Tax benefits under prevailing income tax laws

These features make the plan appealing for individuals seeking both protection and savings in a single policy.

Eligibility Criteria

Although eligibility conditions may vary depending on the selected policy term and LIC guidelines, applicants generally need to satisfy the following requirements:

- Minimum and maximum entry age as specified by LIC
- Selection of an available policy term
- Meeting the minimum sum assured criteria
- Completion of required documentation and underwriting formalities

Prospective buyers should always verify the latest eligibility conditions before purchasing the policy.

Premium Payment Structure

One of the biggest advantages of LIC Bima Shree is its limited premium payment feature. Instead of paying premiums throughout the entire policy duration, policyholders pay premiums only for a specified number of years while continuing to enjoy coverage for the remaining period.

This structure helps reduce long-term financial obligations while maintaining insurance protection.

Survival Benefits Explained

Unlike traditional endowment plans that provide benefits only at maturity, LIC Bima Shree offers periodic survival benefits during the policy term.

If the policyholder survives specific milestones mentioned in the policy conditions, a percentage of the basic sum assured is paid as survival benefit. These payments

can help meet planned expenses such as higher education, home renovation, business expansion, or retirement planning.

The exact timing and percentage depend on the chosen policy term.

Maturity Benefit

If the life assured survives until the end of the policy term, the maturity benefit becomes payable.

Generally, the maturity amount includes:

- Basic Sum Assured
- Applicable guaranteed additions or loyalty additions, if declared
- Other benefits according to policy provisions

The maturity proceeds can be used for retirement income, wealth creation, or major life goals.

Death Benefit for Family Protection

The primary purpose of life insurance is financial protection.

In case of the unfortunate death of the life assured during the policy term, LIC pays the applicable death benefit to the nominee, subject to policy terms and conditions.

This amount can help family members manage:

- Household expenses
- Children's education
- Loan repayments
- Future financial commitments

The death benefit ensures financial continuity even in unexpected situations.

Limited Premium Advantage

Many buyers prefer LIC Bima Shree because premiums are payable only for a shorter period compared to the total coverage duration.

For example, if someone wants insurance protection extending over several years but prefers to complete premium payments earlier, this structure offers greater financial convenience.

It also reduces the burden during retirement years when regular income may decline.

Loan Facility Under the Policy

Policyholders may also become eligible for a loan against the policy after meeting LIC's prescribed conditions.

Some advantages of taking a policy loan include:

- Access to funds without surrendering the policy
- Lower interest rates compared to some unsecured loans
- Continued insurance protection while the policy remains active

The available loan amount depends on the policy's surrender value and LIC guidelines.

Tax Benefits

LIC Bima Shree may provide tax advantages under the applicable provisions of the Income Tax Act, subject to prevailing laws.

Potential tax-related benefits may include:

- Deduction on eligible premium payments
- Tax treatment of maturity or death benefits as per applicable rules

Tax laws change from time to time, so consulting a qualified tax professional is advisable before making financial decisions.

Who Should Consider LIC Bima Shree?

The plan may be suitable for:

- Salaried professionals seeking disciplined savings
- Business owners planning long-term financial security
- Parents saving for children's future needs
- Individuals looking for life insurance with periodic payouts
- People preferring guaranteed benefits over market-linked investments

However, every financial goal is different, so comparing available options before investing is always recommended.

Factors to Review Before Investing

Before purchasing LIC Bima Shree, evaluate the following:

Financial Goals

Determine whether your objective is wealth creation, family protection, retirement planning, or education funding.

Affordability

Choose a premium amount that comfortably fits your monthly or annual budget.

Policy Duration

Select a policy term aligned with your long-term financial plans.

Coverage Requirement

Ensure the sum assured adequately protects your family's future financial needs.

Liquidity Needs

Understand the schedule of survival benefits and maturity payouts to see whether they match your expected cash flow requirements.

Common Mistakes to Avoid

Many buyers make avoidable mistakes while selecting insurance plans.

Some examples include:

- Purchasing without understanding policy benefits
- Ignoring premium payment commitments
- Selecting inadequate life coverage
- Not updating nominee details
- Depending solely on tax savings as the reason for purchase

Reading the policy brochure carefully before signing can help avoid future misunderstandings.

Frequently Asked Questions (FAQs)

Q1. What type of insurance plan is LIC Bima Shree?

LIC Bima Shree is a non-linked, limited premium payment money-back life insurance plan that combines life cover with savings benefits.

Q2. Does LIC Bima Shree provide survival benefits?

Yes. Eligible policyholders receive periodic survival benefits during the policy term according to the plan's provisions.

Q3. Can I take a loan against LIC Bima Shree?

Yes. A loan facility may be available after the policy acquires the required surrender value and fulfills LIC's applicable conditions.

Q4. Is LIC Bima Shree suitable for long-term financial planning?

Yes. The plan is often considered suitable for individuals seeking long-term insurance protection along with planned savings and periodic payouts.

Q5. Are tax benefits available under LIC Bima Shree?

Eligible premium payments and benefits may qualify for tax treatment under applicable income tax provisions, subject to prevailing laws.

Conclusion

LIC Bima Shree offers a balanced combination of life insurance protection, disciplined savings, periodic money-back benefits, and long-term financial planning opportunities. For individuals seeking stability rather than market-linked returns, it can be a practical option when aligned with personal financial objectives and affordability. Before investing, compare policy features carefully and assess your coverage requirements to make a well-informed decision. You can also explore insurance guidance and policy assistance through Square Insurance to better understand available solutions based on your financial goals.