

## What Are Children's Plans?

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As a parent, your priority is your child's future and being able to meet your child's dreams and aspirations. With a correct investment in a proper Children's Plan, you can start building your savings today and ensure a bright future for your child. The plans are designed to secure your child's future by giving your child (**Beneficiary**) a guaranteed lump sum on maturity or in case of your unfortunate demise, early into the policy term.

Nearly every major life insurance carrier offers a children's plan to accompany a parent's purchase of permanent coverage. Available in a variety of basic options, a children's plan typically provides a similar benefit to cover final expenses.

### Child Term Rider

The children's plan in life insurance consists of a child term rider attached to a parent's permanent policy. Most carriers limit the total death benefit of the rider to Rs 50,00,000 but place no restrictions on the number of children protected by the rider.

### Guaranteed Convertibility

Children covered by a child term rider enjoy contractual guarantees permitting conversion of the children's plan benefit to their own policies after the age of 18. All dependents who were covered by the children's plan must be issued their own individual life insurance policies if they are requested after their 18th birthdays. No medical underwriting is permitted, and the child's health status is irrelevant in determining eligibility or premium.

### Permanent Coverage

Children's plan benefits converted by emancipated dependents usually may not include term insurance policies. The vast majority of carriers restrict the conversion of child term riders to universal life or whole life products.

At the end of the day, even if your parenting is perfect but is your planning adequate? You must think beyond the immediate to the future, about higher education and professional courses, in



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India and abroad. Many children are keen to pursue unconventional careers. Are you in tune with their aspirations and passions? As parents you would never let money come in the way of your children and the fulfillment of their true potential. The purpose of these plans is focussed to help build the corpus that allows your children to dream big and soar high.