

# ***6 Things To Look For While Selecting The Best ULIP Plan***



A ULIP provides you protection, return on investment & tax saving benefits. It's one of the best ways to meet all your future needs & safeguard the financial wellbeing of your family whilst saving a good amount of money on tax deductions.

Therefore, if you are thinking of investing in a [ULIP Plan](#), you are making a wise decision. However, with so many different plans available to you, choosing the right one for your needs is of paramount importance.

*This article will highlight 6 major points you need to look out for while choosing between ULIPs.*

# First Take A Look At The Charges Involved



Charges eat into the fund value of your ULIP. Initially, ULIPs had a reputation of levying high premium allocation charges which could be as high as 20%.

*However, the IRDAI has stepped-in and capped of these charges at 1.35% per annum.*

You should also look at the extent of other charges such as fund management charges, switching charges, etc.

# The Best ULIP Plan Will Give You Different Premium Payment Options



When selecting a [ULIP Plan](#), be sure to look for a plan that allows you different premium payment charges.

*Good plans offer you three options, i.e. single, limited & regular.*

With a single premium payment charge, you have to pay one single premium and nothing else. Limited allows you to pay premiums for a certain number of years that could be **5, 7 or 10 years**.

Regular, as the name suggest refers to monthly premium payments.

# Number Of Free Switches

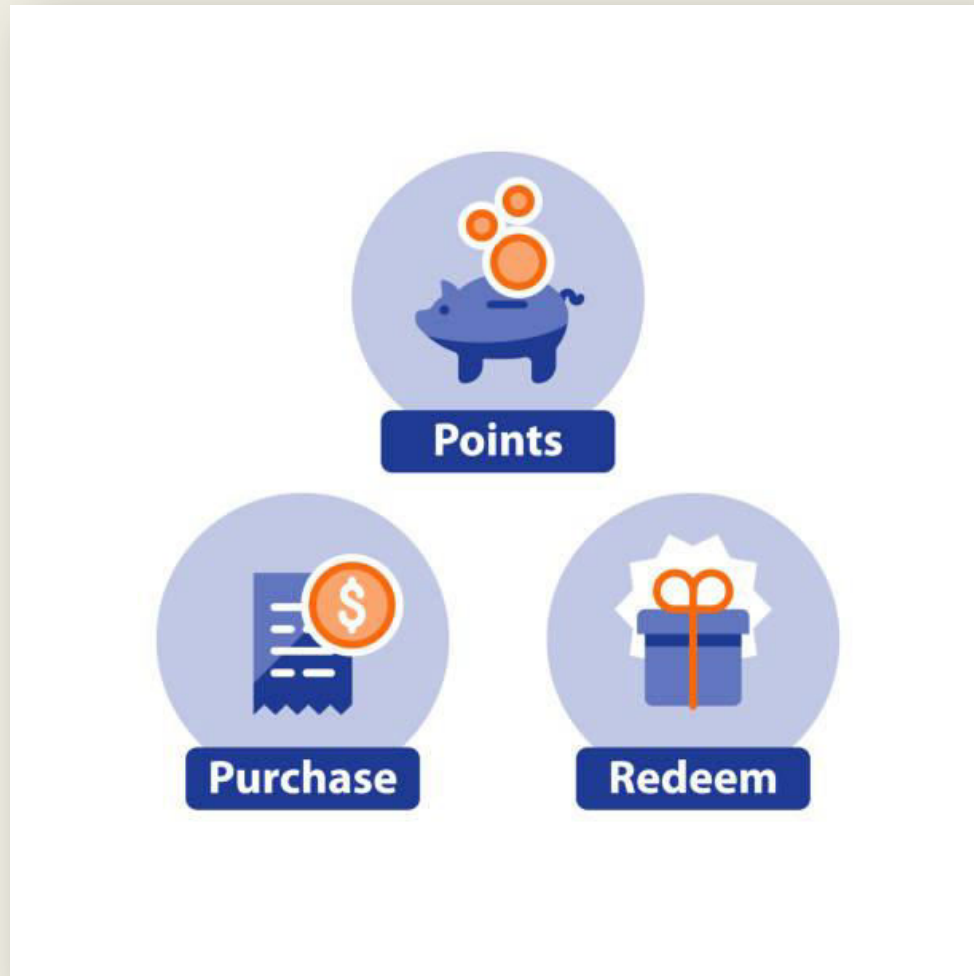


The best ULIP plan will allow you a good amount of switches. This gives you the freedom to rotate your funds between debt & equity linked funds without paying any charges.

The more free switches, the more liberty you have to operate your plan according to your market view, time horizon, and risk appetite.



# Loyalty Bonuses & Fund Boosters



Look for a plan that provides your loyalty bonuses & fund boosters in addition to the returns your money earns. Some **ULIPs plans offer** a percentage of your annualized premium every 5 years after the 10<sup>th</sup> year of your plan.

These percentages keep on increasing at every interval and some insurer can give you up to 30% of your annualized premium as a loyalty benefits.

*Some ULIPs also have fund boosters that add to the Regular Premium Fund Value at maturity.*

Fund booster can give you up to 90% of one annualized premium at the end the policy tenure.

# The Coverage Amount



Let's not forget that the [best ULIP plan](#) should also buy you the coverage you need. Most ULIPs provide coverage amount that is a multiple of the annualized premium amount.

If you are looking for a pure investment opportunity, then opt for a lower sum assured as higher the sum assured, the higher the mortality charges.

But if insurance is just as important as the investment component, then look for a plan that provides you a good amount of coverage.

Preferably, you should look for a plan that provides you more option when it comes to the death benefit. ***For example, some plans offer 105%*** of the premium paid till date or the sum assured, whichever is higher.

These were a few things to keep in mind while selecting the best ULIP plan for your needs & requirements. All the best!

**THANK  
YOU!**