

Has your life insurance policy lapsed? Why it is important to revive your lapsed policy?



LIC has recently launched a special drive to revive lapsed policies with concession in late fee till Oct 31st 2013.

Let us understand why it is important to revive your lapsed insurance policy.

Life insurance is a valuable tool for securing your family financially, against unforeseen event such as premature death due to sudden accident or illness. A lapsed policy does not have the power to secure the family financially, in case of the policyholder's death.

Life insurance also helps in regular and systematic savings which can be used for fulfilling various financial goals such as retirement, investment for child's future/ marriage etc. When a policy lapses the objective of regular savings is also affected.

Some people feel it is better to buy a new policy instead of reviving the old policy. Let us understand why it is better to revive the old policy instead of buying a new one.

In most investment-based policies, it is advisable to revive the lapsed policy instead of buying a new one as the premium increases with age. Buying a new policy at a later stage of life means higher premiums and a longer wait to enjoy the benefits of the policy. Hence, it always makes sense renew the old policy.

If you have still not revived your lapsed policy, it is just the right time to do so and avail all the benefits offered by your insurance policy.