

HIGH COSTS

Guarantees that tempt you into buying a plan come at a cost. Here are the plans currently available in the market that offer you the upside of the market but fail terribly on the cost-o-meter compared with a regular unit-linked insurance plan (Ulip).

| Policy | Guarantee | Fund management charge (%) | Guarantee charge (%) | Fund value (Rs)* | Post-cost return (%) |
|-------------------------------------|---|----------------------------|----------------------|------------------|----------------------|
| Birla Sun Life's Titanium Plus Plan | The first three premiums are invested in Titanium fund that offers highest NAV as the guaranteed unit price | 1.20 | 0.30 | 14,84,674 | 7.60 |
| Bajaj Allianz's Max Gain | Offers you the highest NAV during the term of the policy | 1.25 | 0.25 | 11,19,511# | 7.44 |
| ICICI Pru's Pinnacle | Offers you the highest NAV during the first seven years | 1.35 | 0.10 | 5,29,723## | 7.09 |
| Regular Ulip | No guarantee. Invests in an equity fund | 1.27 | NA | 15,54,041 | 8.15 |

Figures based on following assumptions: The annual premium is Rs1 lakh for a 30-year-old who has opted for a sum assured of Rs5 lakh over a 10-year term. Guaranteed products offer a maximum term up to 10 years. *To arrive at the fund value, we have assumed that the fund grows at 10% per annum.

#Premium payable only for seven years. ##Premium payable only for three years.

NAV: net asset value; NA: not applicable

Source: Mint research