Twitter Thread by Ravisutanjani Kumar



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Papa has a suitcase full of LIC bonds, I wanted to dig around returns so went LIC office yesterday to get the surrender value quotes. ■

Read this Mini Thread ■ before your family LIC uncle tries to sell you the next policy!

‘Don’t mis insurance with an Investment.’

So LIC Agents earn the commission for the policies they sale. LIC offers 25% to 35% commission on the policy premium for the first year, then 7.5% for 2nd & 3rd Year + 5% till the policy maturity.

INCOME ILLUSTRATION OF AGENTS FOR 10 YEARS										
INCOME DETAILS	1ST YEAR	2ND YEAR	3RD YEAR	4TH YEAR	5TH YEAR	6TH YEAR	7TH YEAR	8TH YEAR	9TH YEAR	10TH YEAR
POLICY	60	66	73	80	88	97	106	117	129	141
PREMIUM (PER POLICY)	10000	11000	12100	13310	14641	16105	17716	19487	21436	23579
TOTAL PREMIUM	600000	726000	878460	1062937	1286153	1556245	1883057	2278499	275684	3335950
COMMISSION										
NEW COMMISSION 35%	210000	254100	307461	372028	450154	544686	659070	797475	964944	1167583
RENEWAL COMMISSION @7.5%		45000	54450	65885	79720	96461	116718	141229	170887	206774
			45000	54450	65885	79720	96461	116718	141229	170887
RENEWAL COMMISSION @5%				30000	36300	43923	53147	64308	77812	94153
					30000	36300	43923	53147	64308	77812
						30000	36300	43923	53147	64308
							30000	36300	43923	53147
								30000	36300	43923
									30000	36300
										30000
TOTAL INCOME	210000	299100	406911	522362	662058	831091	1035620	1283100	1582551	1944886
MONTHLY INCOME	17500	24925	33909	43530	55172	69258	86302	106925	131879	162074
INCOME PER HOUR	583	831	1130	1451	1839	2309	2877	3564	4396	5402

www.licmumbai.com

Now, I wouldn’t call this a SCAM but for sure it’s the biggest MLM (Multi-Level Marketing) scheme ever, well marketed/sponsored by authorities.

You can sell anything in India if you can play around emotion and trust, LIC has built a robust network of branch, distributors/agents.

So is adopting the personalised sales approach, you're more convinced to trust your relatives vs a Bank RM.

Just check the global and Indian market share of LIC.



Talking about returns on your investment, if the agents are promised to receive 5% every year till you pay premiums so I believe you can do the maths yourself.

I will make it more easy for you, visit the nearest LIC branch with your policies and ask for surrender value. You can also request the same over email.

Now, Compare the returns with FD, Gold and Mutual Funds and instruments you feel comfortable investing.

The average CAGR of policies that my father holds ranges from 4-6% which doesn't even beat PPF returns.

Well they say - 'Zindagi ke Sath bhi, Zindagi ke Bad Bhi.'

Guaranteed poor returns seem missing in the line. ■

So how does LIC makes money?

(Important)

They trap you with poor insurance plans while they themselves invest in equities.

Well LIC booked a whopping record ■37,000 crore profit from share sales in 2020-21, the highest in its 65-year history!

https://t.co/5qfIiWktxN

Insurance is not an investment so don’t mix them, I never ever recommend investing in LIC policies to anyone. If insurance/risk-cover is the question in the subject just get a decent Term Insurance Cover.

If retirement planning is your goal, go with ELSS, PPF, EPF and other compounding instruments but just don’t let a family uncle make a sweet commission on your hard-earned money.

Thanks for reading!

Be informed about your investment decisions, if you liked reading this thread please consider RT so it reaches more people. ■

Happy Investing.■

This is a chain of my other threads, Navigate if you are interested.

https://t.co/wDV9kQWOxN

> How to choose a Debit Card? \U0001f4b3\U0001f3e6
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> Why? Because not everyone feels suitable with Credit Cards so what are their options?
>
> We want good rewards, lounge, cashback, free insurance, and premium benefits but how to go with one?
>
> A Thread \U0001f9f5
>
> — Ravisutanjani Kumar (@Ravisutanjani) July 5, 2021