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[Insurance a must for freedom from financial worries](#)

Insurance is a financial tool that covers you against all the risks that your life, health and assets may face, the importance of which is largely overlooked

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'May you live in interesting times' is a traditional Chinese saying which is ever so relevant in today's times. Change is constantly altering our lives and we live in exciting times characterized by rapid technology transformation, inter-connectedness, limitless opportunities, and resulting in social, political, and economic disruption.

While growing up, the ambition of most of the generation of baby boomers in India was to land a good stable job, save constantly and build a kitty for a rainy day. I landed a coveted government job and the assumption then was to keep my savings intact. During all those years, I banished thoughts of experimenting and planning for holidays or buying expensive suits or watches, lest anything ever went wrong. However, by the turn of the millennium the internet developed, soon after which social media opened wider reach and opportunities.

The world today has shrunk to a smaller place, speed of communication, travel, artificial intelligence and machine learning are just some of the things we have today. For millennials, there is a visible change in their behavioural pattern when it comes to learning, innovating, adding value to their life, seeking opportunities to grow or when it comes to maintaining a healthy work life balance.

In a remarkable shift from previous generations, we are seeing many youngsters' leaving their corporate jobs, taking risks, venturing into entrepreneurship or even making career shifts and pursuing their passions. As a result, we have seen an influx of innovative start-ups making various aspects of our lives simpler.

However, while traversing the uncertain path of setting up their own ventures, they are faced with not just exciting opportunities but also challenges and curve balls not knowing what may will lie ahead. There is a possibility that things may go awry. Balancing these risks with solid financial planning is imperative to ensure that they are able to tread on this path without worries about the financial future of themselves and their families.

Paradoxically, while most Indians have a strong in-built savings mind-set, very little thought is put in to managing risks that one may face from the uncertainties of life. Uncertainties such as the failure of their professional ventures, accidents, deaths or sickness can have a spiralling effect and lead to huge personal losses.

One may deal with such unpleasant situations easily if there is an adequate insurance protection in place. That's why it is imperative that we understand insurance and invest in it.

Insurance is a financial tool that covers you against all the risks that your life, health and assets may face, the importance of which is largely overlooked. With high investments and heavy EMIs to procure and maintain these assets, suitable insurance policies are a must to safeguard one's exposure to possible financial losses.

There is also a wrongly perceived negative perception of insurance in India, despite the general insurance industry having a combined ratio of above 100 percent, a clear indication that the industry lives up to its' promise of paying claims.

One of the fastest rising costs in the country have been healthcare-related costs which have risen exponentially with modern medical technology and contemporary sedentary lifestyle, manifesting in a host of non-communicable diseases at very early life stages. However, most Indians still rely on their employer provided health insurance cover as against investing in a standalone health insurance cover. This is imperative to secure the financial health of the family in case the individual decides to quit the job or start their own venture.

The rising incidents of road accidents, frequent catastrophes such as floods and earthquakes all have the potential to damage our most prized possessions and disturb our financial stability. Therefore having a solid home and content insurance cover to secure the home built from your hard-earned life savings against any natural or man-made disasters from various dangers like accidents or thefts.

A personal accident cover costs as little as Rs 2 per day for a cover of Rs 5 lakh and ensures that your family's financial health suddenly doesn't go off track due to an unfortunate accident. Additionally, to address risks such as phishing, identity theft, cyber stalking, harassment and hacking of bank accounts, you will need a cyber-insurance cover that offers protection against such perils.

It is also advisable to buy insurance at a young age as not only would it ensure lower premium rates, but will also help create a better long-term relationship with your insurer. Insurance policies these days offer much more than covering just claims. Insurers today are looking to build eco systems for customers so as to facilitate a preventive environment rather than a curative environment.

With the advent of connected devices and Internet of Things (IoT), wellness and health tracking services in health insurance are gaining ground. Insurers are increasingly adopting the data analytics tools such as Fitbit and linking it to their insurance apps to identify current and future health risks in their customers. Based on this data, they are even suggesting lifestyle solutions to maintain good health among their customers.

Similarly, telematics-based motor policies have been launched where one gets to know his/her driving behaviour, engine and car health and can also avail renewal discounts based on one's good driving behaviour.

In a constant bid to take on new risks and challenges in life, it will be much more prudent to transfer risks to an insurance policy as a part of a sound financial plan.

By investing a small percentage of your savings in insurance, it can provide you independence in the truest sense from all potential pitfalls that you may face in life. This will give you the financial freedom to pursue various passions while securing your family and assets.

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