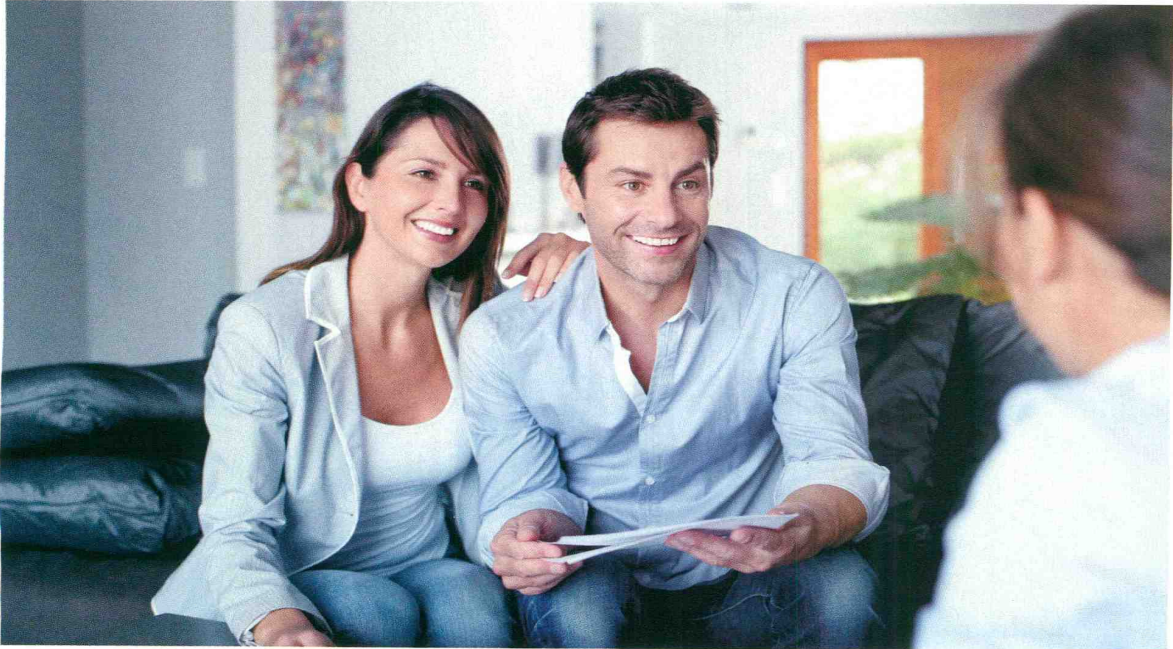


Discretion Is The Best Part Of Valor

Despite its popularity, mistakes are repeated while purchasing an insurance plan



By **Nirmala Konjengbam**

We always buy a product or avail a service with a certain purpose.

The same principle should be followed while purchasing an insurance plan. However, many a times, despite being aware of the larger goals, we end up buying products, overlooking its other important aspects, thereby taking insurance for granted.

However, over time, purchasing insurance plans has become super easy and can be done within a few minutes, especially online. But, its actual purpose will only be served if chosen correctly.

We must consider and know why and how much cover is required, based on one's affordability and

actual requirement at the time of buying. This will help avoid mistakes and secure financial goals. Sameer Joshi, Chief Agency Officer-Retail, Bajaj Allianz Life Insurance, says, "One must first consider the life goals of investment and the timeframe to achieve it. Depending on the

financial situation and how much one can save or invest for it with risk taking ability, one can opt for suitable life insurance plan to achieve one's life goals."

Choosing the right insurance plan can be time consuming. However, it is advisable to take time and decide carefully. After all, prevention is better than cure! Let us take a look at the most important mistakes that consumers must avoid while buying an insurance plan.

Before knowing about steps to maximise benefits, one needs to be aware of the right time to purchase an insurance plan. Golden rule being, the earlier bought, the more one can save on premium and enjoy a longer coverage period.

Next, it is important to be sure of the purpose. Hence, it is always

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People should study the available products and choose a plan that fits the requirement

advisable to consult experts, financial advisors, friends or family to make the right assessment. If bought without knowing one's requirements, there is a good chance that the insurance plan may not be able to serve one's expectations in time of need. Therefore, the most important focus should always be on acquiring sufficient cover.

There are several elements that determine how much life insurance is needed—the timeframe one needs to be covered for, existing liabilities, number of dependents and inflation.

For instance, when buying a family health insurance plan with two children, one should consider medical inflation, so that the health risk is well taken care of. According to experts, it is advisable to take a sufficient cover of ₹10 lakh for a family comprising of two adults.

In insurance, long term always wins against short term. However, it does not stop many from opting for short-term covers. Also, the side effect of such a decision is that the cover will run out in a few years, forcing the insurer to buy another plan with a costlier premium.

There are multiple players in both life and non-life insurance segments offering their services.

In order to buy a policy with maximum benefit, it is important to compare different products. Also, most of the insurers are trusted service providers and one must not hesitate in trying out a new insurer in case of a desirable product.

In case of fake motor insurance plan, policyholders end up bearing the cost of damage on their own. Always check the authenticity of the policy while buying.

The insurance contract is based on good faith and the details provided by the consumer is considered to be true. However, in case of wrong information, your claim could get rejected citing inaccurate information. Hence, it is

important to provide all the accurate information at the time of purchasing insurance plans. "Before buying any health insurance plan, it is important to consider and reconsider various aspects covered under the plan to avoid mistakes. Some of these considerations are important details about one's medical history. These should not be kept concealed while buying a health insurance plan," states Prasun Sikdar, MD and CEO of ManipalCigna Health Insurance.

However, responsibility does not end with buying an insurance plan. It is important to go through the policy document carefully, as it may contain important details about the insurance plan.

Sasikumar Adidamu, Chief Technical Officer, Bajaj Allianz General Insurance, adds, "One of the most common trends observed

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Insurance



Consider and re-consider various aspects of the plan to avoid mistakes

is that, people tend to buy a policy without checking its coverage, terms and conditions. I would strongly recommend to study the products available in the market and choose a plan that fits their requirements."

Riders are like top-up on insurance plans, which provide us with extra benefits. So, it is important to include important riders while buying, helping in saving money. Also, it is important to avoid going overboard on riders. Too many riders will make an insurance plan super expensive. It is important to consider a few important things before zeroing in on a plan. These include, simpler claim processes and faster settlement.

When important life and health insurance plans are bought to provide financial cover to family, it is extremely important to keep them in the loop as well the insurance plans. Details about policy benefits and claim process should be shared with family along with storing policy document safely.

Purchasing an insurance policy is as important as paying the premium in its entirety to keep the policy in force. Non-payment of premium would lead to its discontinuation. Financial stress may make it difficult to stick to the premium routine and in such cases one could contact the insurer for assistance.

With these steps one can reap the maximum benefits. Understanding the plan will help at the time of claim and help secure financial goal with an extra layer of protection. ■

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COMMON MISTAKES?

Ways To Avoid Mistakes While Buying Insurance Plan

- ✓ Buy sufficient cover
- ✓ Understand the policy
- ✓ Know what covers under the policy
- ✓ Buy only what is affordable
- ✓ Reveal medical history if any
- ✓ Choose riders according to your need
- ✓ Compare before buying
- ✓ Provide correct information