

Presented by



Protecting The Loved Ones With Insurance

As per a recent economic survey, insurance penetration in India has risen to 3.49 per cent in 2016-17 compared to 2.71 per cent in 2001. However, many of us still continue to look at it as a save tax instrument. An unplanned life is full of risk and the role of an insurance policy cannot be undermined. Apart from having a disciplined investment approach, it is essential to insure oneself and family to live a full life.



Family floater health plan or individual policy – which is a better option?

Both family floater health plans and individual health policies are good as these serve different needs for distinct segments. In family floater, sum insured floats amongst all the members covered in the policy. The

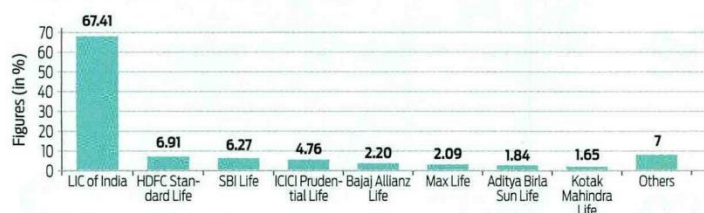
individual plans have per member sum insured. The only concern in case of family floater plan is that, if one of the members utilises the sum insured then the other members are left without any cover. Generally in case of accidents or any infectious diseases, if more than one family member may be hospitalised,

then the cover will be inadequate. Hence, one should ideally opt for an individual health insurance plan so that each family member is covered. In case of family floaters, the cover has to be much higher.

Bhaskar Nerurkar, Head – Health Administration Team, Bajaj Allianz General Insurance

Cover Story

Market Share - New Business Premium (as on 30.11.2018)



Source: Life Insurance Council

12 As per IRDA, what are the most recent changes in motor insurance segment?

Buying a new four-wheeler and two-wheeler is going to cost you more, as per the new Insurance Regulatory and Development Authority of India (IRDAI) rule. It announced to increase the compulsory accident cover to ₹15 lakh, in case the owner dies while driving or riding. This cover is available for a third-party policy as well. IRDAI has fixed the CPA cover for all classes of vehicles at the premium rate of ₹750 per annum for annual policy.

13 Is it necessary to buy accident insurance policy separately?

One can buy it along with a term insurance policy as a rider or as an independent accident insurance policy; the benefits are similar. The one advantage of buying a rider as against a stand-alone policy is the ease of documentation, both at the

application stage and during claims.

Rushabh Gandhi – Deputy CEO,
IndiaFirst Life Insurance

14 How often should I review my insurance policies?

You should review your insurance policy whenever there is any change in your future needs. For example, one might need to add to one's bouquet of insurance policies in the event of a birth of a child.



RUSHABH GANDHI

IndiaFirst Life Insurance

You should review your insurance policy whenever there is any change in plans

Similarly, one needs to review insurance policies in the instance of a promotion leading to an increase in income as one will get used to a better standard of living. Here, I wish to clarify that most insurance policies realise their full value if the customer stays invested through the contract period.

Rushabh Gandhi

15 What average return can I expect on my insurance policies?

Insurance should not be taken for returns, but more for protecting loved ones and their goals. The return on traditional policies is usually close to six per cent per annum and ULIPs are market linked, but more like eight to nine per cent per annum even if equity exposure is on the higher side.

Shweta Jain, Founder,
Investography



BHASKAR NERUKAR

Bajaj Allianz General Insurance

In case of a family floater plan, the cover has to be much higher than individual policies



16 In case of conflict with my insurance provider, whom should I approach to resolve the dispute?

The customer should first approach the customer care centre of the insurance company with the grievance. They can call at the call centre, email their grievance to the customer care email id or register their complaint on the insurance company's website. In case they are not satisfied with the solution, they can approach the Insurance Ombudsman, the IRDAI or the Consumer Court for resolution of the dispute.

Bhaskar Nerurkar

17 What happens to my policy if I discontinue my premiums?

In that case, if your policy has not attained its surrender value that happens after you pay premium for two or three years, your policy will lapse. With that you also lose all your policy related benefits depending upon which plan you have opted for. However, now a days, most insurance companies allow you to revive your policy if you pay late fee along with pending premiums.

18 Should I buy insurance policies online or offline?

Buying insurance online has its own set of advantages as it involves lesser paperwork, higher transparency, conveniences in overall buying



**SHWETA
JAIN**

Investography

Insurance should not be taken for returns, but more for protecting the loved ones

process and so on. Whereas buying insurance offline through an agent or going direct has been one of the oldest methods with equally beneficial features. When it comes to deciding between both the methods, your premium should be the deciding factor. Also, some online term insurance plans don't add covers like critical illness, accidental deaths or permanent disability benefits. So, you should opt for an online insurance plan only when you have done your research.

19 Are guaranteed insurance products good?

Guaranteed plans are must-haves in your portfolio. The proportion may depend on the age of the investor and the timing of requirement of the funds. It is always wise to park a part of your money in plans providing guaranteed returns so as to fence it



**KARTHIK
RAMAN**

IDBI Federal Life Insurance

Guaranteed plans are must-haves in portfolios. Proportions may differ

against market volatilities. Further, guaranteed insurance plans give tax-free returns which other financial instruments in this space do not provide.

Karthik Raman, CMO & Head – Products and Strategy, IDBI Federal Life Insurance

20 When investing in ULIPs, what should the ideal duration be before switching?

When one expects interest rates to rise, he or she may consider switching. When interest rates are falling, it may be apt to stay put in the funds one has already invested in. The impact on profitability when one switches funds depends on its market valuation where funds are being switched-in or switched-out of, and also the quantum of switching.

Karthik Raman