

Insurance

Better To Be Safe Than Sorry

About 90 lakh women bought insurance and paid first-year premium worth ₹29,800 cr in 2017-18

By **Nirmala Konjengbam**

With women becoming financially independent and homemakers being considered as equal contributors, the need to cater to their specific requirements with regards to financial planning and protection is becoming more relevant today. It is expected that percentage of women workforce in India will grow further from the current 24 per cent, reflecting on financial products too, including insurance.

Kolkata-based Subarna Das, 28, said, "Financial planning without

insurance is incomplete. Apart from securing myself, I also get tax benefits on my life insurance premium. Background knowledge of finance and insurance enabled me to decide the right financial plan on my own."

Insurance companies are well aware of this fact and to take advantage of this demographic shift, many of them are designing women-focused or women-only life and health insurance plans, which have many takers.

According to Insurance Regulatory and Development Authority (IRDA) annual report,

as many as 90 lakh women bought insurance and first-year premium worth ₹29,800 crore was paid by them in 2017-18. This is a significant improvement owing to the fact that in the previous decade the numbers were somewhat abysmal.

Speaking about the areas of concern with regards to health, Mayank Bathwal, CEO, Aditya Birla Health Insurance, said, "It is alarming to note that high risk of heart disease sets in as early as 35 years among women. And three in every five women in urban India are at a risk of developing cardiovascular disease." Apart from this, many women also have to grapple

Photo: SANDIPAN CHATERJEE



SWETA AGARWAL, 36
Location: Kolkata

with critical illnesses like breast cancer, spine ailments, anaemia, cervical cancer, fibroid, birth-related complications and so on. However, these diseases that show a high level of occurrence in women are hardly covered in general policies. And in such cases, women-focused insurance policies can come to the rescue. Bhaskar Nerurkar, Head, Health Administration Team, Bajaj Allianz General Insurance, suggested, "It is always advisable to club a basic health insurance policy with a health policy designed specifically for women. They must opt for a critical illness benefit policy over and above a basic health insurance policy." Also when a couple is planning for a family, maternity insurance can provide a financial buffer. Kolkata-based Sweta Agarwal, 36, mother of two, immensely benefitted from maternity insurance. "I have opted for it twice and the insurer paid for the hospitalisation expenses to the tune of ₹2 lakh," she said.

The cost of a normal delivery in a private hospital range between ₹40,000 and ₹60,000 and for a caesarean section, the rate goes up by an additional ₹60,000 to ₹80,000. "Besides, as pregnancy complications are highly unpredictable, you never know when and what will affect the bottom line cost. This is where insurance policies with maternity benefits act as a soothing balm," commented Bathwal. Further, in case of premature birth, new-born needs to be kept in an incubator in a neonatal intensive care unit for at least 20 days. The cost per day can range anywhere between ₹10,000 to ₹2 lakh.

Adding to this, Ashish Mehrotra, MD and CEO, Max Bupa Health Insurance, said, "It is advised to assess the right amount of maternity cover while buying a policy that will be required by a person considering nearby hospital's cost. Choose the

Insurance policies to choose from

Insurer	Plan	Entry Age		Policy Term (year)
		Min	Max	
HDFC Life Insurance	HDFC Life Smart Woman Plan (Life)	18	60	10 and 15
LIC	LIC's Jeevan Bharati-1 Plan (Life)	18	55	15 and 20
Tata AIG General Insurance	Wellsurance Woman Policy (Health)	18	65	1
Bajaj Allianz General Insurance	Women Specific Critical Illness Plan (Health)	21	65	1

sum insured accordingly." Most of the products in the market do not cover maternity. These are specially designed products and hence, it is always necessary to check the limit of maternity benefit available under the plan.

For anyone with a life goal, life insurance becomes essential. With proper financial aid, it keeps the goal on track. Tarun Chugh, MD and CEO, Bajaj Allianz Life Insurance, said, "Investing early on in life is the key. That way one can enjoy a larger corpus and better savings in the long-term. I believe anyone can commence their journey towards their life goals with life insurance."

Experts suggest, for a working woman, term insurance for pure risk, investments in unit-linked insurance plans and other insurance products can help bring in a disciplined saving approach apart from providing an extra-layer protection to the family in case of exigencies. Meanwhile, homemakers should have 50 per cent of life insurance cover as compared to her husband. Souvik Jash, Appointed

Actuary, Aegon Life Insurance, said, "On an average, the rule of thumb generally followed for arriving at the recommended life insurance cover is to multiply the annual gross income by 10 or 12 and add to it any outstanding liabilities." Many life insurers offer joint life insurance for married couples, which provide financial security under a single policy instead of separate ones.

Most of the women-focused life and health insurance plans provide optional riders like accident benefit, critical illness benefit and congenital disability benefit, premium waiver benefit, diagnosis of malignant cancer of female and many more. Additional benefits like coverage for a new-born's congenital ailments, children education bonus, loss of job are available under same policy.

Most Indian women master the art of personal finance in the traditional way. But, when it comes to investments, especially insurance, consciousness has always been low. With growing awareness, however, insurance is increasingly becoming as important aspect of their financial planning. Today, they are looking for available options to save tax and seek advice prior any investment decisions. Looking at the trends, it can be said that women-friendly insurance policies do have a bright future. ■

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Financial planning without insurance is incomplete