

EXPERT SPEAKS

Purchasing Life Insurance

Select a reputed insurance company that is financially sound, keeps its customer interests at the forefront and provides good quality service. Log on to IRDAI's website to check the credentials of various companies including their claims payout ratio.

Once you have selected the company, find out the various options to buy the Insurance Plans from them. It could be the company's Agents, Relationship Managers(RM) of a partner bank, brokers or even directly online from their website.

Talk to your agent/ RM and make sure that he gauges your life insurance needs by carefully assessing the gap between your assets and liabilities, your annual income and standard of living, your spending habits and your long term objectives and goals. Share all necessary information with him that enables him to do a risk profiling exercise to understand and suggest what kind of plan suits your needs.

Ask your agent/RM important questions like

"What would I have to pay for insurance & for how long?"

"How long do I need to pay? "

"What is the commission that you will earn on this sale?"

"What are the inclusions and exclusions in the plan?"

"What other features like riders can I add to my plan?"

"What are the various premium payment options and frequency?"

Fill in the proposal form yourself in entirety and make sure you provide all the required details. Do not withhold or provide wrong information regarding your health, financial condition, lifestyle, occupation and other insurance policies as this can lead to the cancellation of the contract in future and non-payment of claims.

Once you get the plan, make sure that you read and fully understand the terms and conditions listed in the plan during the stipulated 'free look period'. If you have any doubts or concerns, you should get in touch with the agent or the insurance company.