THE ECONOMIC TIMES NEW DELHI WEDNESDAY 26 JANUARY 2011

Q&A | QUERY CORNER
INSURANCE

YOU CAN INSURE YOUR GOLD JEWELLERY UNDER HOUSEHOLDER'S POLICY

INSURING YOUR JEWELLERY

I want some information about gold jewellery insurance. Is such an insurance available?

— PRADEEP BHOIR

Jewellery can be insured under 'householder policy' which is issued by general insurance companies. Premium varies from insurer to insurer and depends on the scope of cover available in the policy.

PREMIUM CAN BE REVISED ON BENEFIT CLAIM

I have a family floater mediclaim policy with a PSU insurance company since 2001-2002. In 2008, my wife was diagnosed with hypertension. At the time of renewal of the policy in December 2010, my agent insisted that I pay extra loading for hypertension on the premium. Is it a normal practice?

— PRAJESH PUROHIT

Insurance companies generally charge a higher premium at the time of renewal of a mediclaim policy if the policyholder claimed benefits under the policy in the previous years, which is known as premium loading. This is a normal feature of a mediclaim policy. Renewal premium goes back to normal again if no claim arises in subsequent years.

CHOOSING INSURANCE COVER

I am 39 and earn ₹35,000 a month. My wife, who is 33, has a monthly salary of Rs 25,000. My first child is expected by May 2011. What kind of insurance should I buy? – GURINDERPAL SINGH

Factors such as your current net worth, existing life cover and number of dependents play a vital role in determining the sum assured or the size of the life insurance cover you need to buy. You should have a life cover equal to seven to 10 times of your annual income. You can consider buying a term assurance plan with low premium and adequate sum assured.

DO NOT ABANDON POLICIES MID-WAY

I have one Jeevan Sathi Plan with a cover of ₹1 lakh, taken in 1999-2000 which has a 20-year maturity period. The annual premium is ₹6,000. I also have one Bima Kiran policy of ₹3 lakh that I took in the same year for the same duration. I pay an annual premium of ₹4,000 for the latter. I intend to buy a term plan like Amulya Jeevan or ICICI iprotect with high cover at low premium. Is it worthwhile to surrender the existing two policies considering that I have already paid premium for 10 years? – VIRENDER KUMAR ANAND

It's a good option to buy a term plan which provides high sum assured for low premium. Since you have paid premium for 10 years for your existing policies, I recommend you continue the policy to avail the maximum benefit on maturity. You can consider buying a term plan for the additional sum assured.

CFP, AUM FINANCIAL PLANNERS

Our expert guides you in matters relating to insurance. Email to **etqueryins@indiatimes.com**