

QUERY CORNER

INSURANCE



AMIT SURI

CFP, AUM, FINANCIAL PLANNERS

► OUR EXPERT OFFERS TIPS ON THE BEST INSURANCE PRODUCTS AVAILABLE IN THE MARKET. EMAIL TO etqueryins@indiatimes.com

I am a 33-year old professional. Apart from the company insurance of Rs 80 lakh, my wife and I don't have any personal insurance done. I am evaluating the term insurance offerings in the market.

1. Can you suggest which one would be good to go for?
2. What term should I opt for?

ASHISH R DESHPANDE

A ICICI Prudential Life offers Pure Protect Elite Plan wherein a 25-year term of Rs 50 lakh term insurance at your age will cost you around Rs 11,920 + service tax. Also, Aegon Religare iTerm Plan, which can be bought online, will cost you the lowest — around Rs 6,650 + service tax. You can consider insuring yourself for a 30-year term too, which will cost you slightly higher, but will keep you covered till 63 years of your age. For a 30-year term, ICICI Pru Pure Protect Elite plan offers Rs 50 lakh coverage at a premium of Rs 13,751, whereas Aegon Religare does not offer terms beyond 25 years. In-term insurance, the premium increases with the higher terms. A 25-year term premium shall be higher than a 20-year term and likewise a 30-year term plan will cost more than a 25-year term. At 33, you should opt for a 25-30 year term depending on your responsibilities and liabilities.

My monthly salary is Rs 25,000. There are six members in my family and I don't have

any investment or savings. However, I wish to purchase atleast one insurance policy for me and my wife.

RAMESH S

A Without wasting anytime, you should immediately purchase a term plan of at least Rs 25 lakh. This Rs 25-lakh life insurance shall ensure that in case of your unfortunate death, the dependants are able to earn enough interest out of the corpus of Rs 25 lakh in order to run the household expenditure. Assuming that you are 35, the cost of the same plan for 25-year term shall be Rs 7,425 per annum + service tax for ICICI Pru Pure Protect Elite & Rs 6,000 per annum + service tax for Aegon Religare iTerm Plan.

I have three policies of different companies which have critical illness rider of Rs one lakh each. Now, say if one of my family members is critically ill and the cost of illness comes to around Rs three lakh, in this case, can I use all the three policies to cover my expenses.

DEBASHIS

A In the event of diagnosis of any of the diseases covered under the critical illness rider, the amount payable shall be equal to the sum assured chosen under the policy. In your case, if the said disease is covered under all these three policies, you will be entitled to receive an amount equal to sum assured in all policies. It is important to understand that critical illness riders are not reimbursement plan like mediclaim.