DhananjayLICI

Insurance

PROTECTION

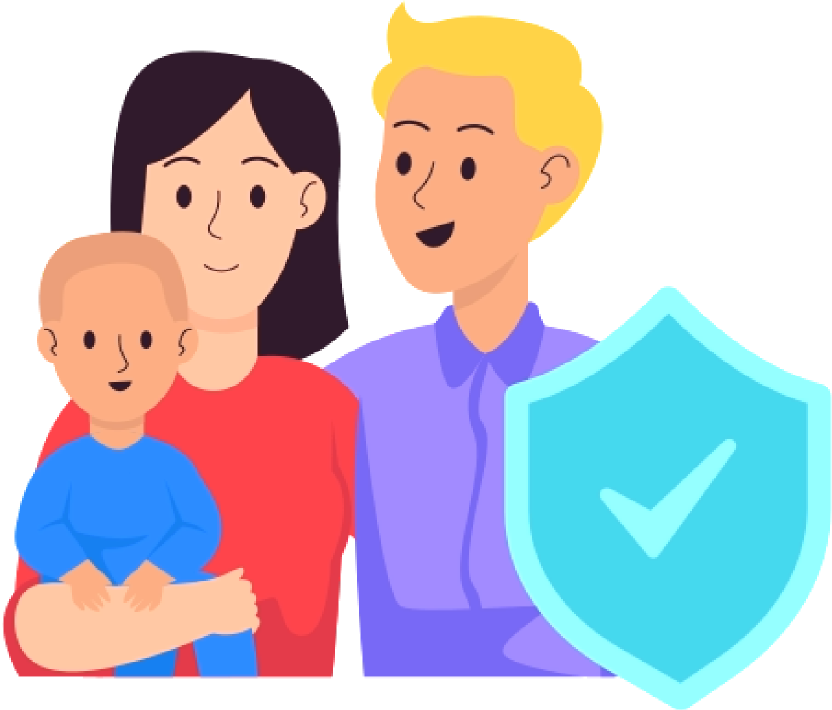
(Give the insurance to your family & assets.)

Financial security is far from being stable in our times. It doesn’t matter how big our monthly budget is, or how many savings we have, there always are situations beyond our possibilities and we can never be completely secured. This is why we need to take all the safety measures we can to secure our financial state, and the best way to do so is insurance.

Insurance is the best defensive measure for financial stability. Even if you have a lot of savings put aside in a safe place, there can always be some kind of disaster that will drain all of your savings.

General Insurance

General insurance helps us protect ourselves and the things we value, such as our homes, our cars and our valuables, from the financial impact of risks, big and small – from fire, flood, storm and earthquake, to theft, car accidents, travel mishaps – and even from the costs of legal action against us. And we can choose the types of risks we wish to cover by choosing the right kind of policy with the features we need.



WHAT IS LIFE INSURANCE

(How to protect yourself & your family.)

An essential part of financial planning is creating provisions for your family and loved ones following your death. Life insurance can ensure financial security to those who mean the most to you, such as your spouse, children and dependent parents. A carefully executed life insurance policy can help prepare for life's uncertainties and give peace of mind knowing that the future of those who rely on you is secure.

Life insurance is a contract between an insurance policy holder and an insurer or assurer, where the insurer promises to pay a designated beneficiary a sum of money (the benefit) in exchange for a premium, upon the death of an insured person (often the policy holder). Depending on the contract, other events such as terminal illness or critical illness can also trigger payment. The policy holder typically pays a premium, either regularly or as one lump sum.

Typically, life insurance is chosen based on the needs and goals of the owner. Term life insurance generally provides protection for a set period of time, while permanent insurance, such as whole and universal life, provides lifetime coverage. It's important to note that death benefits from all types of life insurance are generally income tax-free.

Life policies are legal contracts and the terms of the contract describe the limitations of the insured events. Specific exclusions are often written into the contract to limit the liability of the insurer; common examples are claims relating to suicide, fraud, war, riot, and civil commotion.

Protection policies –

designed to provide a benefit, typically a lump sum payment, in the event of specified event. A common form of a protection policy design is term insurance.

Investment policies –

where the main objective is to facilitate the growth of capital by regular or single premiums.

IMPORTANCE OF LIFE INSURANCE

(Protect your life for your loved one.)

Life insurance is a protection against the loss of income that would result if the insured passed away. The named beneficiary receives the proceeds and is thereby safeguarded from the financial impact of the death of the insured.

The goal of life insurance is to provide a measure of financial security for your family after you die. So, before purchasing a life insurance policy, you should consider your financial situation and the standard of living you want to maintain for your dependents or survivors. For example, who will be responsible for your funeral costs and final medical bills? Would your family have to relocate? Will there be adequate funds for future or ongoing expenses such as daycare, mortgage payments and college? It is prudent to re-evaluate your life insurance policies annually or when you experience a major life event like marriage, divorce, the birth or adoption of a child, or purchase of a major item such as a house or business.

Life insurance pays for immediate expenses. Bills can start accumulating fast in the event of a death. Life insurance can be used to pay for immediate expenses, such as funeral services, unsettled hospital and medical bills, mortgage payments, business commitments and meeting college expenses for children.

It's a cash resource. Life insurance gives access to cash to pay for grocery bills and other daily expenses. It also helps secure your estate by providing tax-free cash to pay estate and other obligations.

Your family's standard of living can be maintained. With the right coverage, your family's lifestyle and standard of living can be sustained, adding much needed normalcy during a difficult time.

You have a wide range of options. There are two basic types of life insurance: Term life and whole life. Term life policies offer death benefits, so if you die, you will get money back, but if you live past the predetermined length of the policy, you get no benefits. Whole life or permanent insurance is more expensive, but these policies are open-ended and also accumulate a cash value that the policyholder can earn dividends and borrow against—or cash-in upon surrendering the policy.

Customize your policy and coverage. If you have dependent children, a spouse and parents to care for, you'd want a policy that would protect them after death. Typically, policies are opened for the breadwinner of the family, but a stay-at-home spouse's contributions are often overlooked. You might consider a policy to cover childcare, carpooling and household chore expenses in the event of a stay-at-home spouse's death. On the flip side, as you get older and children or parents are no longer dependent on you for income, you can reduce your coverage or drop it entirely.

Adequate coverage makes a difference. An old school rule of thumb is that your life insurance policy equals five to ten times your annual income. Nowadays, advisors will look at the number of dependents you have, how long they will be dependent upon you, and the lifestyle they expect to live after your death. It's not a simple equation, but in general, you will need more coverage than a typical plan offered by an employer, which usually totals one or two years of your gross salary.

You can improve your credit rating. A life insurance policy is considered a financial asset and may increase your credit score, which could be beneficial when trying to obtain medical insurance or a home or business loan.

TERM INSURANCE

(Important key features of life.)

Term life insurance is designed to provide financial protection for a specific period of time, such as 10 or 20 years. With traditional term insurance, the premium payment amount stays the same for the coverage period you select. After that period, policies may offer continued coverage, usually at a substantially higher premium payment rate. Term life insurance is generally less expensive than permanent life insurance.

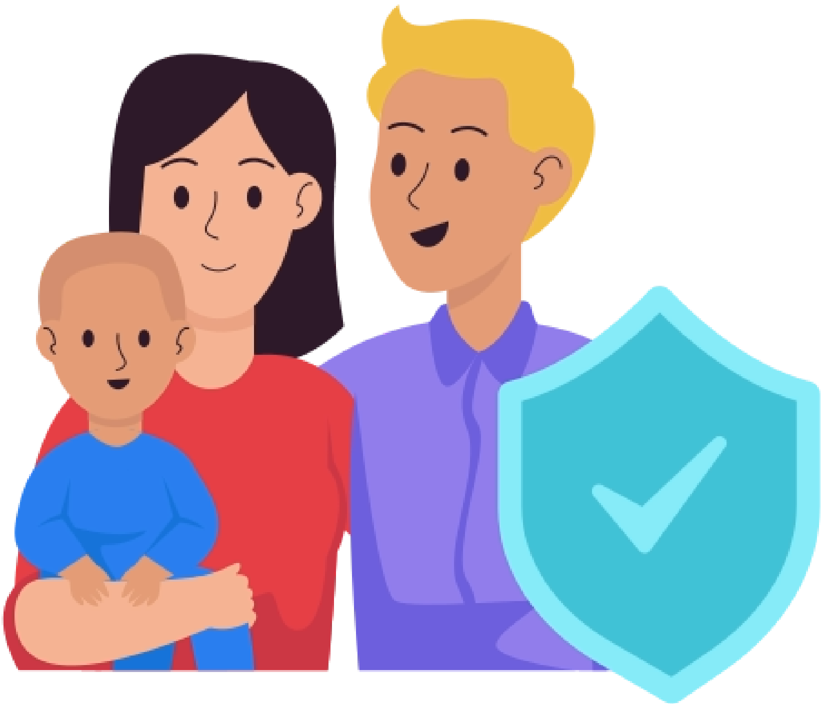
Needs it helps meet: Term life insurance proceeds can be used to replace lost potential income during working years. This can provide a safety net for your beneficiaries and can also help ensure the family's financial goals will still be met — goals like paying off a mortgage, keeping a business running, and paying for college.

It's important to note that, although term life can be used to replace lost potential income, life insurance benefits are paid at one time in a lump sum, not in regular payments like paychecks.

Term insurance is basic, inexpensive and easy to understand. It gives you all the coverage you need and none that you don't. That's why it's the best choice for almost everyone.

As the name implies, a term insurance policy is good for a specific period of time; that can be one year, 10 years, 20 years or even up to 30 years. Given that you generally need life insurance only until you've managed to save up money elsewhere, just pick the term that dovetails with the time you need coverage. If you die during that term, your beneficiaries get a payout, known as the death benefit. If you die after the term expires, there's no payout.

Term policies typically have maximum issue ages. If you're past age 80, you'll have a hard time getting term insurance. (You almost certainly won't need it at that age anyway.)



WHAT IS GENERAL INSURANCE

(Protect your expensive goodies.)

General insurance helps us protect ourselves and the things we value, such as our homes, our cars and our valuables, from the financial impact of risks, big and small – from fire, flood, storm and earthquake, to theft, car accidents, travel mishaps – and even from the costs of legal action against us. And we can choose the types of risks we wish to cover by choosing the right kind of policy with the features we need.

In general, insurance works by spreading the cost of unexpected risks among a large number of people in the same region who share similar risks. When you take out an insurance policy, you pay a monthly or annual premium. That money joins the premiums of many thousands of other policyholders and goes into a big pool of funds.

Insurance contracts that do not come under the ambit of life insurance are called general insurance. The different forms of general insurance are fire, marine, motor, accident and other miscellaneous non-life insurance.

The tangible assets are susceptible to damages and a need to protect the economic value of the assets is needed. For this purpose, general insurance products are bought as they provide protection against unforeseeable contingencies like damage and loss of the asset. Like life insurance, general insurance products come at a price in the form of a premium.

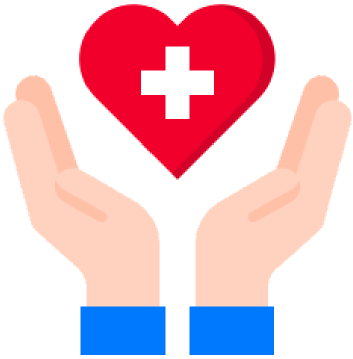
Insurance other than 'Life Insurance' falls under the category of General Insurance. General Insurance comprises insurance of property against fire, burglary etc, personal insurance such as Accident and Health Insurance, and liability insurance which covers legal liabilities. There are also other covers such as Errors and Omissions insurance for professionals, credit insurance etc.

Non-life insurance companies have products that cover property against Fire and allied perils, flood storm and inundation, earthquake and so on. There are products that cover property against burglary, theft etc. The non-life companies also offer policies covering machinery against breakdown,there are policies that cover the hull of ships and so on. A Marine Cargo policy covers goods in transit including by sea, air and road. Further, insurance of motor vehicles against damages and theft forms a major chunk of the non-life insurance business.

HEALTH INSURANCE

(To avoid extra expense of money in treatment.)

Health insurance is an insurance product which covers medical and surgical expenses of an insured individual. It reimburses the expenses incurred due to illness or injury or pays the care provider of the insured individual directly.



Need for Health Insurance

Medicare or medical costs are rising year on year. As a matter of fact, inflation in medicare is higher than inflation in food and other articles. While inflation in food and clothing is in single digits, medicare costs usually escalate in double digits.

Health insurance is a type of insurance coverage that covers the cost of an insured individual's medical and surgical expenses. Depending on the type of health insurance coverage, either the insured pays costs out-of-pocket and is then reimbursed, or the insurer makes payments directly to the provider.
In health insurance terminology, the "provider" is a clinic, hospital, doctor, laboratory, health care practitioner, or pharmacy. The "insured" is the owner of the health insurance policy; the person with the health insurance coverage.

One way to provide for health-related / medical emergencies is by taking health insurance. Health insurance offers considerable flexibility in terms of disease / ailment coverage. For instance, certain health insurance plans cover as many as 30 critical illnesses and over 80 surgical procedures. The insurance plan disburses the payment towards surgery/illness regardless of actual medical expenses. The policy continues even after the benefit payment on selected illnesses.
With health insurance, you are assured of a more secure future both health-wise and money-wise. This makes health insurance critical for individuals, especially if they are responsible for the financial well-being of the family.

Health insurance is insurance against the risk of incurring medical expenses among individuals. By estimating the overall risk of health care and health system expenses, among a targeted group, an insurer can develop a routine finance structure, such as a monthly premium or payroll tax, to ensure that money is available to pay for the health care benefits specified in the insurance agreement. The benefit is administered by a central organization such as a government agency, private business, or not-for-profit entity.

VEHICLE INSURANCE

(Enjoy your path with the best insurance.)

Vehicle insurance (also known as car insurance, motor insurance or auto insurance) is insurance purchased for cars, trucks, motorcycles, and other road vehicles. Its primary use is to provide financial protection against physical damage and/or bodily injury resulting from traffic collisions and against liability that could also arise there from. The specific terms of vehicle insurance vary with legal regulations in each region.

To a lesser degree vehicle insurance may additionally offer financial protection against theft of the vehicle and possibly damage to the vehicle, sustained from things other than traffic collisions, such as keying and damage sustained by colliding with stationary objects.

The scope of the ‘Act only’ policy is to pay compensation for death or any bodily injuries and for damage to property of third parties. While the insured is treated as the first party and the insurance company as the second party, all others would be third parties.

In case the vehicle is purchased under a hire-purchase agreement, the financiers insist upon a comprehensive policy to take care of their interest as collateral security. The perils covered under the comprehensive policy are fire or theft or both fire and theft in combination with the minimum requirements of the act (i.e. third party liability).

Comprehensively, these include damage to the vehicle by accidental external means: fire, lightning, explosion, self-ignition, burglary, house-breaking, riot and strike, malicious acts and terrorist acts, earthquake, flood, inundation, cyclone, landslide/rockslide, etc. while in transit by rail, road, air, inland waterways, lift or elevator.

Why Motor Insurance?

- Motor Insurance(Third Party) is compulsory on purchase of new vehicles whether acquired for commercial or private usage as per Motor Vehicle Act in India. One can be penalized for driving without a valid cover.
- An accident can happen to anyone even if the driver of the car is not at fault. This may result in a lot of damages caused in person as well as to the car. Motor Insurance turns out to be very beneficial under such circumstances.
- If the driver is liable for an accident which results in bodily injuries to a third party, then the expenses have to be borne by the owner of the car. In such a case third party motor insurance saves from a devastating financial blow.
- Cars are an expensive investment for an individual. An accident can turn this investment into a huge loss as well. Hence it is important to have motor insurance.
- It also helps to cover for damages caused other than an accident like fire, theft, etc.

HOME INSURANCE

(Protect your memories in your dream house.)

Home insurance cover comes in two parts – buildings insurance and contents insurance. You can choose either one or both of these based on your needs.

Buildings cover insures your bricks and mortar for events like fire and weather damage, while contents cover could protect your belongings against problems like theft, damage and loss.

Buying a combined policy from the same insurer can often be cheaper than getting two separate policies.
Most insurers define accidental damage as an unintentional one-off incident that harms your property or its contents.

Most standard policies cover key items like home entertainment, but there may be varying exclusions depending on your insurer.
Your need depends on your circumstances – many accidental damage claims come from people with young children.

It’s also important to know what’s covered under your standard policy. Checking the small print is the best way to make sure you’ve got adequate cover.
Home insurance, also commonly called hazard insurance or homeowner’s insurance, is a type of property insurance that covers a private residence. It is an insurance policy that combines various personal insurance protections, which can include losses occurring to one’s home, its contents, loss of use (additional living expenses), or loss of other personal possessions of the homeowner, as well as liability insurance for accidents that may happen at the home or at the hands of the homeowner within the policy territory.

TRAVEL INSURANCE

(Enjoy your tour with care.)

Travel insurance is insurance that is intended to cover medical expenses, trip cancellation, lost luggage, flight accident and other losses incurred while traveling, either internationally or within one’s own country.

Travel insurance can usually be arranged at the time of the booking of a trip to cover exactly the duration of that trip, or a “multi-trip” policy can cover an unlimited number of trips within a set time frame.

What Does Travel Insurance Cover?

There are five main categories of travel insurance:

- Trip cancellation
- Travel medical
- Major medical
- Emergency medical evacuation
- Accidental death / flight accident

Travel Medical and Major Medical Insurance

Both of these types of insurance provide medical protection if the policyholder becomes ill or is injured while traveling.

The difference between these two types of insurance is the duration of coverage:
Travel medical insurance provides only short-term medical coverage; the duration can be anywhere from five days to up to one year, depending on the policy.
Major medical insurance is for travelers who are planning to take longer trips of six months to one year or longer.
These types of insurance can help you cover medical expenses and locate doctors, hospitals, healthcare facilities and foreign-language services if you become ill or injured while traveling overseas. Whether you purchase medical insurance separately or you already have it, find out if you will need prior approval from your insurance company for any type of medical care.

Travel insurance gets a bad reputation sometimes, often because participants don't know the details about the types of insurance and levels of coverage. When you have time to shop around, instead of rushing the insurance decision while booking your tickets, you have a better chance of spending less money and getting the coverage you need.

Most importantly, you have the option to choose between the single-trip policies you often consider when booking and the lesser-known annual policies, which provide coverage for every trip you make in a year. Generally, annual policies cost around the same amount as three or four single-trip packages, so you don't have to be a weekly business traveler to see the benefits of a year-round plan.

You can pick a customized plan for yourself, your family, or your business, and students and healthy senior citizens can often get coverage at discounted rates. While you'll be able to choose between domestic and global policies, you can also take advantage of cost-effective policies that limit your coverage to the specific area where you'll be traveling.

CORPORATE INSURANCE

(Protect your office and earn assets.)

Insurance is a necessity of life, no matter what aspect. It is no different with corporations since they can suffer if they are not protected against the financial hardships such as accidents and natural disasters. If your company is currently uninsured, the following should serve as proper motivation to buy corporate coverage.

One benefit of corporate insurance is liability protection. Who do you suppose would be responsible if a guest or visitor suffers a slip and fall or other accident on your property? It could be that the individual did not pay close attention to his or her surroundings; nevertheless, as the company owner, you will be held fiscal responsibility for the accident. If you do not have liability protection, the costs associated with the accident will come from the company itself, and in some cases could prove to be more than the company can withstand.

Another form of corporate insurance is workers compensation. If you have employees, having workers compensation insurance is the law in Delhi & Mumbai as well as many other states. If one of your employees falls or gets injured while on the job, the company is responsible for the medical expenses and lost wages. A well-designed corporate insurance package will provide workers compensation protection and cover the costs of the injury, doctor's visits, and pay for pain and suffering.

A corporate insurance package should include property coverage. If your business owns property such as office space or warehouses, it should be insured against damage or destruction caused by natural disasters (hurricanes, tornadoes, electrical storms, wind storms, and so on), fire, and other exposures that could cause damage. Finally, Commercial property insurance is not only a prudent choice for owners; your lender will require it as well if there is money borrowed against your property.

Finally, depending on the business, you may also require commercial auto insurance, cargo coverage, equipment floaters, E&O, D&O or one or more of many other types of commercial insurance.

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