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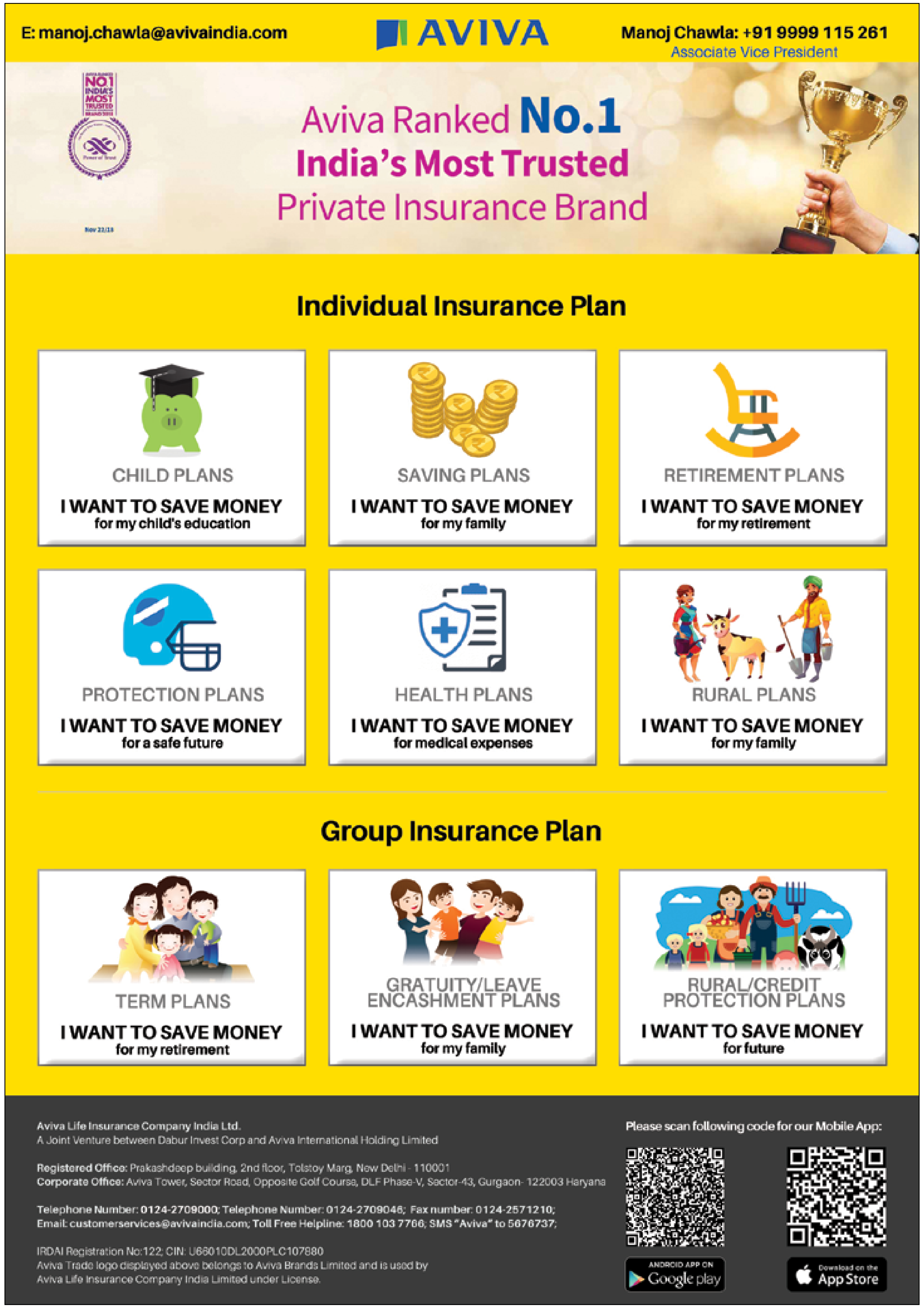
July-August, 2019

INVEST IN INVESTING

Insurance

Navigating The Uncertain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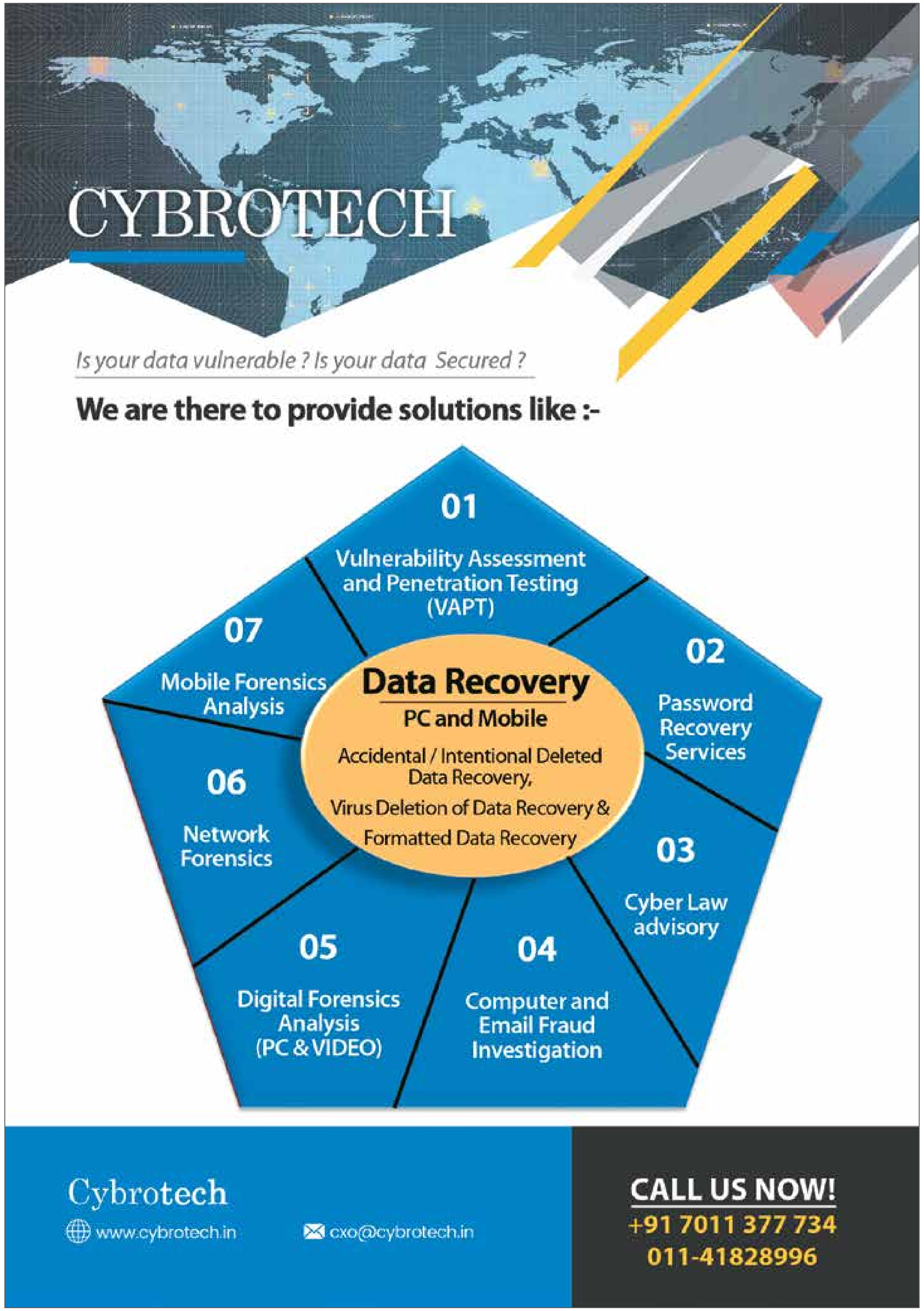
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From the Editor's Desk

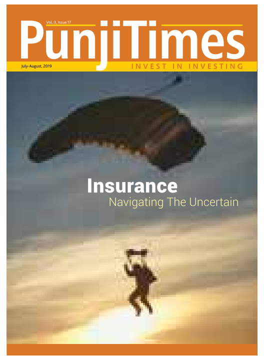
Life holds many uncertainties, some of which can result in substantial financial losses. Although there is no way to prevent loss in all instances, instruments such as insurance offer a financial safety net to individuals, families, and business entities. Insurance, therefore, is a financial matter of paramount importance for every individual and business entity. The cost of this cover is so low that it should be a no-brainer to buy these products. Despite such incredible benefits, insurance is a much-maligned subject. The key reason is that it hasn't been a properly understood product and unfortunately the sales agents take undue advantage of this ignorance.

Insurance products are long term, so a common concern is what happens in the aftermath of an insurance company going bankrupt. In India, insurance companies are governed by the Insurance Regulatory Development Authority (IRDA). Besides enacting laws for the insurance sector, IRDA also lays down very strict financial norms for an Insurance Company. As per current regulations, at any given time, an insurance company has to maintain a reserve of 1.5 times the outstanding dues. This ensures that if things go awry, one at least receives their dues.

The aim of this edition is to shed light on various insurance products without getting into technicalities, to help readers choose the policy that would best fit their needs.

Best,

Team Meri Punji



Punji (*noun / Hindi*) - **Capital** *meaning, wealth in the form of money or other assets owned by a person or organization or available for a purpose such as starting a company or investing.*

Disclaimer

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July-August, 2019

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Employer-Employee Insurance

Organizations are successful because of the efforts, commitment, motivation, and the loyalty of the workforce. However, these must be earned by the management through innovative HR policies that show employees that the company cares for them. An Employer-Employee Insurance is a policy taken by an employer for the benefit of an employee.

CONCEPT OF THE POLICY

- Employer takes a policy on the life of an employee
- Employer pays the premium on the policy
- Employer executes a conditional assignment of the benefits of the policy in favour of the employee, clearly defining the time, terms, and conditions of assignment
- On satisfactory completion of the predefined period, the employer assigns the policy in the name of the employee

BENEFITS THAT ACCRUE TO THE EMPLOYEE

- An employee can enjoy rewards under this policy if they stay associated with the company for a long period of time; they can enjoy maturity or surrender value of the policy after assignment
- The policy acts as a life cover in case of an unfortunate event

TAX IMPLICATIONS

For the Employer

- The premium paid can be accounted for as an expense under the head "Employee Retention Expenses" and can be charged off against the "Taxable Profits" of the company
- In case the employee leaves before the assignment of the policy, the maturity/surrender value received by the company is added to the "Taxable Profits" and taxed accordingly

For the Employee

- At the time of the assignment of the policy, the notional surrender value is treated as perquisites in the hands of the employee and taxed accordingly
- Thereafter, the pay-outs received are tax-free in the hands of the employee
- In case of the untimely demise of an employee, the death benefits received by the employee's family are also tax-free

RESTRICTIONS UNDER E&E INSURANCE

- While a proprietor cannot be offered an E&E cover, the employees of a proprietary firm are eligible for it on a case-to-case basis. Since a board of resolution is a mandatory requirement and sole proprietors cannot provide board resolutions, the issuance of the policy in such cases is currently a challenge
- In the case of a partnership firm, the policy cannot be taken on the life of any partner of the firm. However, the employees of the firm are eligible for the cover
- Policies proposed by the employer cannot be booked under the Married Women's Property Act (MWPA)

DIFFERENCE BETWEEN E&E AND GROUP INSURANCE POLICY

Group Insurance Policy	Employer – Employee Policy
Can be offered to any group of people who share a common characteristic. For instance, credit card users of a certain bank or loyalty program, members of a certain brand, etc.	The relationship must be that of an Employer-Employee
A single master policy is issued covering the group	The policy is issued individually
The group should have a minimum number of members	There is no restriction on the minimum number of employees. Even a company with one employee can take this cover
The group is generally dynamic i.e. members can move in or out. A member remains insured until such time that he/she remains a part of the group	Till the time the policy is not assigned to the employee, he/she has to be an employee of the company to remain insured. However, once the policy is assigned to an employee, he/she will enjoy the full benefits of the policy irrespective of the employment status. The purpose of this policy is to serve as a time-bound incentive and reward programme and not a Damocles' Sword to bind an employee to a company

LIFE INSURANCE & MWP ACT

We buy a life insurance cover to protect ourselves and our family members in case of an unfortunate event. We are also aware that an individual needs to buy an adequate term plan if their family members are dependent on them.

Let's consider a scenario – Mr. Harish is a businessman and borrows some capital to expand his business. He purchases a term insurance policy with his spouse as the nominee. After his sudden demise, his creditors approach the court and assert their right to get paid out of the proceeds of the policy.

In this example, though Mr. Harish has taken a term insurance policy, his family has not benefited from it. The claim proceeds (death benefits) are given to his creditors.

In today's world, 'buying on credit' has become common. Whether employed or self-employed, most of us buy on credit (home loan, personal loan, consumer loan, etc.). Apart from this, disputes in a joint family after the death of a breadwinner is another problem. In such a scenario, how can you make sure that only your dependents receive the insurance policy claim proceeds?

Are you aware of the Married Women's Property Act 1874 (MWP Act)?

The MWP Act was established to protect the properties owned by women from relatives, creditors, and sometimes from their own husbands. The Act's objective is to protect women's rights, even after marriage. The Act is applicable for all married women of all religions. 'Section 6' of the MWP Act covers life insurance plans.

If you take an insurance policy under the MWP Act, your life insurance policy is treated as a Trust and you can rest assured that the policy money will be given to your nominee(s) only. The claim proceeds are free from creditors, courts, and tax attachments.

Section 6 of the MWP Act allows an individual to buy a policy for himself under the Act and create a trust for the same. There is no need for creating a trust under the Trust Act. The beneficiaries (wife and/ or children) can also be trustees. The policyholder has the option to change the trustees at any point in time.

LIFE INSURANCE & MWP ACT

Who can take an insurance policy under MWPA?

Any married man can take a life insurance policy under the MWP Act. This includes divorced persons and widowers. The policy can be taken only on one's own name (the life assured has to be the proposer himself). Any type of plan (money-back/term plan/endowment, etc.) can be endorsed to be covered under the MWP Act.

Even a married woman can buy MWP policy in her name with her children as beneficiaries, though the husband will not get anything from the policy. It will be considered a separate asset as if she is unmarried.

How to get an Insurance Policy covered under the MWP Act?

Getting a policy assigned under the MWP Act is easy and inexpensive. At the time of applying a proposal (buying a policy), a separate MWPA form has to be filled by the proposer for it to be covered under the Act. You need to provide details of the beneficiaries, the share of the benefits that are to be accrued to them, and the trustees. Providing the trustee(s) names is not mandatory.

Do note that the existing life insurance policies cannot be assigned under MWP Act. The beneficiaries can be:

- The wife alone
- The child/children alone (both natural and adopted)
- The wife and children together or any of them

Can I change the beneficiaries and trustees' names?

Each policy under the Act is considered as a separate trust (there is no need to create a trust). At the time of the proposal, you have to mention the names of the beneficiaries. You may also mention the names of trustees (not mandatory though).

But if the beneficiary is a minor, the appointment of the trustee is compulsory. The trustee cannot be a minor or from a HUF (Hindu Undivided Family). Also, the proposer can neither be the beneficiary nor the trustee. The beneficiary and the trustee can be the same person; for e.g., your wife can be both the beneficiary and the trustee.

The trustees can be the wife and/or one or more of the adult children, or a third person. You (the policyholder) have the option to change the trustees at any point in time. However, the beneficiaries of the plan, once declared, cannot be changed.

In case of a death claim, the insurance policy proceeds are given to the trust and cannot be claimed by the creditors.

Can I assign or take a loan on policies which are under the MWP Act?

No, you cannot assign the policy to another person (or) take a loan on the policies which are covered under MWPA. However, if the loan request comes from you, signed by the beneficiary and the trustee, it can be processed.

Can I surrender the policies which are under the MWPA?

The surrender request should come from the policyholder and signed by the trustee (if appointed) and beneficiary. The beneficiary should be an adult at the time of the request. Surrender proceeds will be paid to the trustee/beneficiary. The policy maturity benefits will also go to the trust.

Due to a lack of awareness, very few policies are being taken under the MWP Act. Life insurance is a tool to protect the dependent family members. If this purpose is to be achieved in its fullness, then having the life insurance plan covered under the MWP Act is the easiest and the best way. So, the next time you are buying a life insurance policy, consider assigning it under the MWP Act. However, do not misuse the MWP Act with an intention to defraud your creditors ■

Directors' & Officers' Liability Cover

A company is an artificial person legally recognized to carry out its business through its officers. Any decisional lapse by an officer or a director of the company has the potential to blow into a huge financial liability for both the company and the individuals. Directors and officers are now perceived as professional managers who are accountable for their actions and can be held personally liable if their negligence results in a loss to shareholders or other entities.

Director & Officer (D&O) Liability cover is a type of liability insurance covering directors and officers for claims made against them while serving on a board of directors and/or as an officer. D&O liability insurance can be written to cover the directors and officers of for-profit businesses, privately held firms, not-for-profit organizations, and educational institutions. In effect, the policies function as "management errors and omissions liability insurance," covering claims resulting from managerial decisions that have adverse financial consequences..

WHO IS COVERED?

- Existing directors and officers of the company
- Past and future directors and officers of the company
- Legal heirs, representatives or assigns of such directors and officers
- Directors and officers of subsidiary companies
- It is not necessary to specify individual names of directors/officers but the designation of the officers to be covered should be specified

The policy protects directors and officers against:

- It covers the directors and officers who have committed A wrongful act (not committed willfully) in one's capacity as a director or officer of the company
- Legal costs in defending allegations or suits alleging a wrongful act
- Any awards granted to the claimants against the directors and officers, including out of court settlements

The liabilities may arise from:

- Statutory liabilities – legal statutes
- Companies Act violations
- Listing agreements with Stock Exchanges
- Corporate governance issues
- Overseas exposures and the litigious environment prevailing in different jurisdictions

WHAT IS NOT COVERED?

- Fraud
- Intentional non-compliance acts
- Illegal remuneration or personal profit
- Property damage and bodily harm
- Legal action is already taken when the policy begins

The policy provides extensive cover against a wide variety of potential allegations that could be made by various stakeholders.

Who can bring the action?

- Government or regulatory bodies
- Shareholders
- Employees
- Directors
- Official receiver/liquidator
- Customers and clients
- The public in general as a Public Interest Litigation
- Creditors and vendors

The rating parameters and premium depend on:

- The risk profile of the company
- Limit of indemnity
- Past financial/claims history
- Asset size
- Organisational structure
- Geographical spread
- Jurisdiction/territory
- Subsidiaries
- Recent profile (mergers/takeovers, etc.)

WHY IS A D&O POLICY A GOOD IDEA?

Regulatory compliances are getting stricter and the penalties for lapses harsher. A company's management is held responsible for a failure to comply with laws and regulations. Additionally, employees today are more aware of their rights than ever before, and are not afraid to exercise them even if that means filing a lawsuit. Likewise, investor activism is holding businesses accountable for their actions in order to improve practices and drive successful, profitable businesses.

A D&O Cover is necessary to enable managers to make decisions without the looming threat of personal liability. Instead of being forced to protect their livelihoods by fighting each and every claim in the court, managers can settle these claims quickly and relatively discreetly ■

TERM PLAN

In today's fast-moving world, which is full of uncertainties, one should always be prepared for financial contingencies. Typically, individuals/ families plan their financial goals and requirements and invest in mutual funds, fixed deposits, etc. An insurance product is required to bridge the gap or difference between the amount required for achieving financial goals and current capital/estimated savings. Insurance products are designed to support the family financially in case of the early demise of the bread earner. They take care of the financial responsibilities and liabilities of the family and provide financial stability. Amongst the various insurance products available in the Indian market, term insurance is the cheapest and provides one of the highest coverage against a significantly low premium.

Term Plan is the simplest form of insurance, which provides a risk cover in the event of death. The only condition is that if the insured outlives the term period of the policy, there is no payment made by the insurance company. Even with this condition, it is the most relevant and sought out product. It is easy to understand compared to other policies that comprise of a risk plus savings component. Here, one can pay the desired amount of premium and get a risk cover accordingly.

BENEFITS

- It offers a high risk cover with a low premium
- Flexibility while choosing the amount and period for which one wants to take the term policy
- Provides tax benefit under section 80 C of Income Tax Act
- Provides financial stability to the family
- Provides peace of mind

POINTS TO BE CONSIDERED WHILE SELECTING A TERM PLAN:

Amount of Risk Cover and Premium

One should first ascertain the amount for which one needs the risk cover based on financial requirements. The basic rule to calculate the risk cover is to consider an amount 5 times the annual income post 5-6 years or a risk cover equivalent to future expenses. Once the amount of risk cover is finalized, a cost-benefit analysis of plans by different companies can help you choose the lowest premium for your required risk cover.

Period of the Plan

Insurance companies provide term plans for different periods i.e. the maximum age until which policies provide cover varies between 65 years - whole life (100 years). As one plans their financial goals and retirement corpus, the major gap required for managing financial needs is before retirement. Thus, before buying, one should always look for the maximum maturity age until which the cover is offered and based on your requirement, opt for the tenure for which the policy is needed.

Types of Term Plans

A term plan offers 3 common options:-

1. **Pure Term Plan** – This is a plain vanilla product where one has to pay for the complete policy period to be covered. When one stops the payment of premium, the cover also ceases to exist. The only benefit of this product is the death benefit. If one outlives the policy period, no benefit amount is paid by the company
2. **Term Plan with return of premium** - Here, the insurance cover is till the period of policy in case of continued payment of premium. The only benefit of this is that if one outlives the policy period, the total premium paid for the policy is returned to the policyholder. The cost of this option is higher than the pure term plan
3. **Term Plan with Additional Benefits** – The additional benefits in a term plan come as a rider which is either inbuilt in the plan or taken additionally. Common riders offered by insurance providers are as follows:
   - Accidental Benefit
   - Critical Illness Benefit
   - Accidental Death Benefit
   - Accidental and Permanent Disability Benefit
   - Waiver of Premium Benefit
   - Hospital Cash Benefit

   With additional benefits, the cost of the policy also increases.

Premium Paying Option

Term plans come with 2 different premium paying options:

1. **Regular Premium Payment** – This is for the pure term plan, wherein the premium is paid for the complete policy period. If the premium stops, the policy also stops.
2. **Limited Premium Payment** – The buyer gets an option to pay for a limited time period and stay covered for the complete policy period. Here, the cost of the policy is higher than the regular premium paying option.

Based on the points discussed, one can opt for the policy that's best suited for them ■

BASICS OF INSURANCE

WHY INSURANCE?

Insurance is an intangible financial product which protects against any future contingencies. It is a risk cover product with a low recurring cost and acts as a safety net by providing high financial coverage. It can be bought for assets like a house or a vehicle, or for business and profession, or for the life or health of a person.

The benefits of having an insurance product are as follows: -

- It protects against future contingency
- Provides financial security to the family/business
- Helps in achieving financial goals
- Provides tax benefit

WHAT ARE THE DIFFERENT TYPES OF INSURANCE?

Insurance is broadly categorised into two types i.e. Life Insurance and Non-Life Insurance.

LIFE INSURANCE

As the name suggests, life insurance deals with human life. The main purpose of life insurance is to provide financial protection to the family in case of the demise of the breadwinner of the family. Life insurance can also be taken as an investment product but one should clearly understand that this investment is not for higher returns but for specific pre-defined objectives. There are different types of life insurance products available in the market which are either pure insurance or insurance plus investment products.

The different types of life insurance are as follows:-

Pure Risk Plans

1. **Term Plan:** It is the simplest form of insurance which provides financial cover in the event of death. If the insured outlives the term of the policy, no payment is made by the insurance company. As the product does not carry any maturity value, this plan offers a higher coverage value against a low premium.
2. **Whole Life Insurance Plan:** In this plan, the life cover is provided for the whole life and is not restricted to a defined period. The maximum policy period is until the age of 100. If the policyholder outlives the tenure, they get a maturity value equal to death benefit like endowment policies.

Risk plus Investment Plans

3. **Endowment Plan:** This is a limited period product, where there is an option to choose the premium paying term and policy period is then automatically calculated. The life cover is for the policy period. It provides risk cover in the event of death or survival benefits on the maturity of the policy.
4. **Money Back Plan:** It is similar to endowment plans, the advantage being that it gives back the proportionate maturity value at regular intervals. In this plan, other than guaranteed maturity value, a certain amount of bonus can also be added if declared by the company.
5. **Retirement/Annuity Plan:** It is a savings plus insurance plan, which helps in retirement planning and provides death benefit. The premium collected over a period or the lump sum amount paid provides a stream of funds which creates a replica of your current regular income after retirement as planned.
6. **Child Plan:** It is a product for securing a child's future financial requirements. The policy maturity period is so opted that maturity benefits are payable when the child attains the age of 18. These benefits can be paid either annually or as a lump sum, as opted by the policyholder. In case of demise of the policyholder, future premiums are waived off and the policy continues until the end of its period. The maturity benefits are paid out as per the policy plan. Some products provide additional death benefit i.e. a lump sum payment at the time of death and thereafter maturity benefits on completion of the policy period.
7. **ULIP (Unit Linked Insurance Plan):** It is an insurance cum investment product. A small part of the premium goes into insurance i.e. risk cover and the balance amount goes into investment. The insurance company invests in market-linked instruments. The investment product is chosen by the policyholder. The maturity value is dependent on the product's market performance. These plans have a benefit of partial withdrawal of funds after 5 years .

NON-LIFE/GENERAL INSURANCE

Any policy that does not provide life cover but protects an individual or business against various losses. The time period for general insurance is mostly 1 year. Different types of general insurance products are as follows:

Personal Non-life Insurance products

1. **Motor Insurance:** This insurance is to protect two-wheelers, three-wheelers, and four-wheelers against man-made or natural damages. The extent of compensation depends on the

insurer. It is mandatory to have a motor insurance as per Indian laws.

2. **Health Insurance:** Medical expenses have the ability to create a significant dent in one's saving. This insurance covers the expenses related to the whole or a part of medical expenses borne by an individual or a family due to major health issues.

3. **Home Insurance:** This is taken to protect the home and the items within against the loss caused due to fire, burglary, natural calamities, etc.

4. **Travel Insurance:** This insurance is taken to protect the individual/ family during the time period of domestic or international travel. It covers major issues related to travel i.e. trip cancellation, lost luggage, health concerns, etc..

Professional/Business General Insurance Products

1. **Marine Insurance –** This insurance covers the ships in transit and transportation of cargo and containers between ports.

2. **Business Insurance –** This is taken to protect business assets and the employees of a firm due to the loss occurred in day to day business. It primarily covers property damage due to fire, theft, indemnity insurance to cover employees, customers, legal issues, employer-employee risks, etc.

3. **Other Insurances** like Agriculture Insurance, Crop Insurance, Aviation Insurance, Professional Insurance, etc.

Points to be considered before buying an Insurance policy:-

Before buying an insurance policy one should take the following things into account:

1. **Need and Quantum –** One should first identify the need i.e. the basic insurance products required to protect against future contingencies. Derive the value of cover from the insurance product and distribute the cost of the premium

2. **Cover and Exclusions -** One should always look at what is covered and what the major exclusions are in a policy. The exclusions need to be understood carefully for future reference

3. **Cost-Benefit Analysis -** There are many players in the market who provide similar insurance products. One should look at the benefits and period of the policy provided by each insurance company. One can perform the cost-benefit analysis of each product online or can take help from insurance brokers who work with multiple insurance companies

4. **Review -** As a person evolves with time, their needs also change. One should always review insurance products based on current/future needs and and buy accordingly

Pension Guaranteed Plans

ACHIEVING FINANCIAL STABILITY POST RETIREMENT

Retirement is a natural progression of work life. To enjoy a stress-free and tranquil retired family life with an opportunity to pursue one's passion, one needs to have a stable and steady source of income. This is why the importance of post-retirement financial planning should never be undermined.

Managing finances post-retirement can be a daunting task with inflation eating into your corpus and rising healthcare costs upsetting monthly budgets. Retirement planning is just not about building a retirement corpus. The more important part is to ensure that this corpus delivers healthy returns over the lifetime of an individual so that at no stage is one doomed to old-age poverty. Does this issue have a straightforward answer? Not really. Financial planners and experts have varied views on this subject. However, the consensus stays in favour of Equity Mutual Funds.

Undoubtedly, mutual funds offer much higher returns as compared to any other investment instrument. But one cannot ignore the risks associated with this instrument. The foremost risk is the erosion of capital, leading to diminishing returns. Putting all eggs in one basket may not be the idle solution. Hedging risks by selecting a few different options is the way to go.

Let's first understand the different instruments available in the market to park one's retirement corpus to get a regular income.

After viewing all the options available, the next step is to choose an instrument suitable to one's requirements and decide how much corpus to park in each instrument. One size does not fit all and therefore one will need to consider the pros and cons of each option. The investment should be based on the need and risk-taking capacity of an individual.

Bank FDs – Historically, Bank FD returns have been just about 1.5-2% higher than inflation. Such returns can never generate sufficient income to lead a financially stable retired life. On the other hand, FD returns are guaranteed for the period of deposit and can also be withdrawn. Bank FDs should not be the primary instrument of investment of retirement corpus. Due to safety and liquidity, the FDs should be an instrument of investment for emergency funds. Thus, as a thumb rule one should not invest more than 15-20% of the retirement corpus in Bank FDs.

Mutual Funds – Long-term data has clearly established that Equity Mutual Funds have consistently generated 10-12% returns over long investment periods. Mutual Funds also have very high liquidity and a lower tax incidence. This instrument, however, has couple of downsides. First of all, the investor has to be financially savvy. Secondly, the returns are equity market performance linked, hence they fluctuate and the possibility of abysmally low returns over the short term cannot be ruled out. In spite of these downsides, Equity-Linked Mutual Funds remain the best option to generate high returns. Based on these facts one should invest 50-60% of the retirement corpus in Mutual Funds.

Guaranteed Income Pension Plan - This instrument is a solution that fills in the gaps and downsides associated with FDs and Mutual Funds i.e. good returns and protection against market fluctuations. These pension plans offer financial stability and safety of the retirement corpus. The returns are fixed at the time of investment and guaranteed for life or tenure opted. The rates can vary between 7-13% depending on the deferment period which can be chosen between 0-10 yrs. The greatest advantage these plans offer is returns on joint-life basis. This means that the guaranteed returns can be enjoyed by the primary recipient throughout their life, followed by the secondary recipient - also for life. The secondary recipient can be anyone who is financially dependent on the primary recipient. These plans are so simple that they need no financial acumen. In the Indian context, this plan assumes a greater importance because of the lack of financial inclusion of women in families, a harsh reality of our socio-economic structure. At end of the life of both recipients, the invested corpus is inherited by the nominee. Transition at all stages occurs seamlessly as per the instructions recorded in the paperwork at the time of investment. A guaranteed regular income for life, irrespective of any situation, along with protection of the capital, makes this instrument a compelling must-have for a portfolio. It is advisable to invest 30-40% of one's retirement corpus in Guaranteed Income Pension Plans.

Though there are various pension plans available in the market, the HDFC Pension Guaranteed Plan stands out. This plan comes with a number flexible and functional options with a guaranteed regular income for life ■

Ages of Primary & Secondary Beneficiaries:	55 Years & 52 Years respectively
Retirement Income start age:	60 Years
Deferment Period:	06 Years
Guaranteed Rate of Return for life for both:	9.25%
End of Life Benefit:	110% of amount invested

DECODING INSURANCE TERMINOLOGY

ANNUITY

This is a scheme where a certain amount is paid in yearly/half-yearly/quarterly/monthly intervals.

BENEFICIARY

The person(s) or entity(s) (e.g. corporation, trust, etc.) named in the policy as the recipient of insurance proceeds upon the death of the insured.

ENDOWMENT POLICY

An insurance policy where the assured has to pay an annual premium which is determined on the basis of the assured's age at entry and the term of the policy. The insured amount is payable either at the end of specified number of years or upon the death of the insured person, whichever is earlier.

GRACE PERIOD

The length of time (usually 31 days) after a premium is due and unpaid during which the policy, including all riders, remains in force.

INDEMNITY

The legal principle that specifies an insured should not collect more than the actual cash value of a loss but should be restored to approximately the same financial position as that existed before the loss.

INSURABLE INTEREST

A condition in which the person applying for insurance and the person who is to receive the policy benefits will suffer an emotional or financial loss, if any untouched event occurs. Without insurable interest, an insurance contract is invalid.

MONEY BACK PLAN

A plan in which part of the sum assured is paid back to the policyholder at regular intervals.

NOMINATION

An act by which the policyholder authorizes another person to receive the policy moneys. The person so authorized is called the Nominee.

PAID-UP POLICY

A life insurance policy in which if all the premium payments are complete and the insured is free of all payment obligations, the policy stays intact until the insured's death or termination of the policy.

PREMIUM

The payment, or one of the regular periodic payments, that a policyholder makes to an insurer in exchange for the insurer's obligation to pay benefits upon the occurrence of the contractually - specified contingency (e.g. - death).

PREMIUM BACK TERM INSURANCE PLANS

These offer a refund of all the premiums paid, in the event of the life assured surviving till the end of the policy term. The total sum assured is paid to the beneficiaries if the death occurs during the policy term.

RIDER

Usually known as an endorsement, a rider is an amendment to the policy used to add or delete coverage.

SURRENDER VALUE

The value payable to the policyholder in the event of his deciding to terminate the policy before its maturity.

TERM INSURANCE

Life insurance payable only if the death of the insured occurs within a specified time, such as 5 or 10 years, or before a specified age.

WHOLE LIFE INSURANCE

A life insurance policy where benefits are payable to the beneficiary on the death of the insured, irrespective of when that may occur. The premium payment can happen for a specified number of years or throughout life

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About Us

Financial Sketchers (India), registered under: IRDA (Insurance Regulatory Development Authority) comprises of a team of experienced & certified advisors. The company has over 20 years of diverse experience in: Wealth Management and managing investment portfolio for their clients in domestic and international space.

We prefer and are happy to provide door-step-service to our clients to build trust and long term relationship.

Our current countries of work include: India, Hong Kong, Singapore, UK/ UAE and now extending to Kenya as well starting Dec 2017. We could carve out a neat investment portfolio for Indian individuals/ businessmen to spreads across their investments in the stated countries.

India, as a country, currently stands as a 'favorite' of all Indians across the globe for its formidable growth trajectory that it is poised to acquire. There is a heavy inflow of investments in India from across companies and individuals from Kenya itself.

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ADVANTAGES OF FILING TAX RETURNS

- Filing returns makes you a responsible citizen of your nation.
- This can boost your chances of getting a suitable home loan if you apply for one in the future.
- Some credit card companies demand proof of tax returns before issuing a card.
- As income is recorded by the tax department, it is easier for individuals to enter into future transactions with minimal complications.
- In cases when you want to claim adjustment against past losses, a return is compulsory.

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Every individual is unique and so are his or her investment needs. Investment planning must always be aligned with one's goals. Hence, our approach is to help you chalk out an investment strategy that is best fit for 'you'.

We see ourselves as educators rather than advisors. Our endeavor is to build awareness about the various kinds of investment products in the market. After all, an informed decision is always a better decision.

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