

WHATSINIT

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CALCULATING the cost of a life insurance plan

■ AT times, one comes across articles in newspapers and magazines which compare insurance to various financial instruments. Some of them even talk about the cost proposition and compare insurance to other financial instruments. However, what falls to get highlighted is that insurance is the only product that ensures that the corpus you planned for your family's future is available whether you are around or not. Life insurance is essentially a safety net, a rational attempt to hedge one's own mortality against financial security for their family. If bought with a clear understanding of one's financial goals and the wherewithal for achieving the same, life insurance is a sound investment. Throughout our lives, we strive to provide our loved ones with a secure and happy life. We work hard and save as much as possible so they do not have to suffer financial stress when we are not around to provide for them anymore. Therefore, an insurance policy which would cover unforeseen costs like unpaid bills, personal debts, or outstanding loans would be worth every paisa you invest in it.

Luckily, insurance is much more affordable today than in the years gone by. Insurance Regulatory Development Authority (Irdra), the insurance regulator of the country along with the industry has made many efforts to ensure that an insurance policy is easily accessible.

Recent regulatory changes mandate that new traditional insurance plans will now provide a higher death cover.

If selected carefully and correctly, an insurance plan could act as a smart wealth plan for your future retirement and provide much needed financial security to your loved ones.

Various riders can also be added to the policy to guard against unexpected circumstances. In fact, when you really think it through, not having an insurance policy is probably the most costly option in the long run.

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