

In the News

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● **YOUR QUERIES**



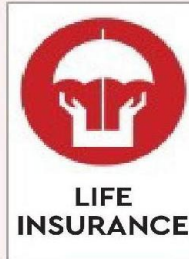
Ashish Vohra

Annuity offer guaranteed rate throughout annuitant's life

● **As I will retire after one year, how should I choose an annuity product for regular income and will the corpus be given back to my family after my death? Also, will the interest rate change every year?**

— Ritesh Poddar

Annuity product offers you a comprehensive range of annuity options, e.g. lifetime annuity, lifetime annuity with capital refund, lifetime annuity with annual increase (increase at fixed simple rate), etc. which you can select, based on your requirement. The annuity products offered in the Indian market come with guaranteed rate of return throughout the life of the annuitant. The guaranteed rate is specified at inception of the annuity plan and will vary across annuity options.



● **Last year, I bought a policy where I have to pay the premium of Rs 50,000 once a year. Can I convert that into quarterly payment to ease my burden?**

—Subodh Gupta

Yes, you may request to change the frequency of payment on any policy anniversary date provided the option to change is available in the product structure. One can usually submit a request for frequency change by sending in an email from the registered email address.

● **For a term plan, can I increase the sum assured be increased from Rs 50 lakh to Rs 1 crore after five years?**

—Vipul Kumar

While most of the insurers in the country do not offer this benefit, there are few which offer fixed increases over a defined term of the policy. In case one wishes to increase the sum insured, it is recommended to do so by purchasing a new policy.

● **How much do I have to pay as charges in unit-linked insurance and does it really help in creating long-term wealth?**

—Mihir Singh

Unit-linked insurance products (Ulips) offered by different insurers have varying charge structures which are regulated and approved by the regulator. The different types of charges deducted under unit linked insurance product are premium allocation charges, mortality charges, fund management charges, policy administrative charges, surrender charges, fund switching charges. Ulips are considered a more reliable wealth creation solution in the long-term.

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