

In the News

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● YOUR QUERIES



Ashish Vohra

Term plan premium rates vary based on age

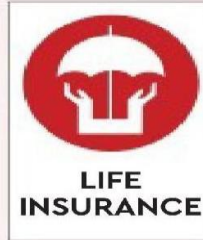
● **Is it advisable to take a term plan at the age of 50 as the premium is very high?**

—Utkarsh Dutta

It is advisable to the customer to have a term cover in place to ensure that the standard of living of his family is maintained and they are secured of any financial burden that may arise post the unfortunate demise of the insured. In case of loans, credit insurance is an economical option available with most of the financial institutions. Premium rates under a term plan vary based on age of the customer at the time of taking the policy. As the risk of death increases with age, the premium rates also increase.

● **Between a guaranteed insurance product and market-linked insurance product, which one will you suggest I should buy?**

—Vikram Saluja



Both the product categories have different value proposition and need. The selection of product depends on your need and your risk taking ability. If you have a long term financial goal

of getting a defined return, then you should opt for guaranteed insurance product else if one wishes to tap the positive market movements then he/she should go ahead with market - linked insurance products. However, the downside risk also lies with the investor while investing in market linked products.

It is advisable to the customer to have a diversified portfolio with some investments in guaranteed products to fund expenses that will be incurred at defined milestones like child's education, marriage etc. and some in market linked products where the customer can benefit from the positive market movement bearing the downside risk as well.

● **Is there any plan like Sukanya Samriddhi in insurance where I can save for my daughter's wedding at higher rates?**

—Gautam Bisht

Sukanya Samriddhi is a deposit scheme run by the government for girl child and the interest rate is 8%. The insurance products with guarantees offer coverage for risk of death and have higher limits on investment; however the returns are lesser than the current yield on Sukanya Samriddhi account. On the other hand, ULIPs along with coverage for risk of death and higher limits on investment provide the opportunity to tap the positive market movement and generate higher returns.

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