

Five steps to ensure you have got the right life cover

Go through your policy document carefully to understand all the terms and conditions

● YOUR MONEY

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LIFE INSURANCE is a critical part of your financial portfolio. Therefore, you must ensure your policy is as per your expectations. Mistakes, if any, need to be fixed immediately. Remember that you won't be around when the policy claim is made. And therefore, mistakes left unfixd could financially distress your family. Let's look at five steps to take after receiving your policy document.

Check if the policy is as expected

As soon as you receive the policy document, take the time to review it. Go through the contents of the document in detail. Ensure that the policy is as per your expectations, and nothing is amiss. Some key features to ascertain are the sum assured, policy tenure, the amount of pre-

mium you need to pay, and frequency of premiums. Also, ascertain the kind of policy you have received. For example, you wanted a term plan but were accidentally sold a ULIP. If you're in doubt about these matters, call and speak with the insurance company.

Personal & nominee details

If your policy details are correct, your nominees will have an easy time making a claim. Ensure that your policy document correctly lists information such as personal details, bank details, contact details and nominees. Any errors made here need to be corrected immediately. This should be easy to do. You can log on to the insurer's customer portal to initiate the edits. Alternatively, you could email or call them. This would prevent confusions during the claims process.

Tell your nominees

Your nominees—typically your spouse, children, or parents—need to be informed that you have purchased a life cover and that they are its beneficiaries. The policy should be accessible to them. You must also walk them through the details of the policy. Most policies have a sum assured. But many new life insurance products also

have a host of add-ons whose exact benefits may confuse your family. For example, a term plan with an income rider pays out not just a sum assured but also a monthly income for 10 years. You must explain to your nominee what this rider means for them.

Pay premiums on time

Check the frequency at which premiums need to be paid. Most people prefer annual premiums while others like it

monthly or quarterly. Ensure you know the due dates and have cash in hand to pay the premiums. It would be ideal to automate your payments through an ECS mandate. A missed premium would lead to a lapsed policy leaving your nominees without coverage—a situation you can wholly avoid.

Don't like the policy? Return it

If you find that the policy doesn't meet your requirement, use the free-look period. In it, you can return the policy in 15 days and get a refund. This is a standard procedure for all life insurance policies. If you have availed the policy through a distance marketing channel, you have 30 days to return it. However, make sure you have valid reasons for returning the policy. That said, you still need life insurance, so you must get the policy that best meets your requirements.

Lastly, don't settle for one level of coverage. As you age, your income will increase, and your family's lifestyle will also evolve. Ensure that the coverage you have today will be enough for your family's evolving needs. Therefore, every few years, reevaluate your coverage and get additional coverage if required.

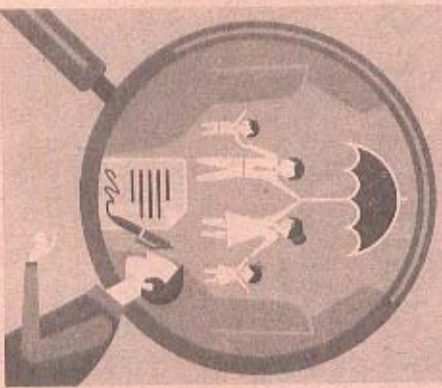


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