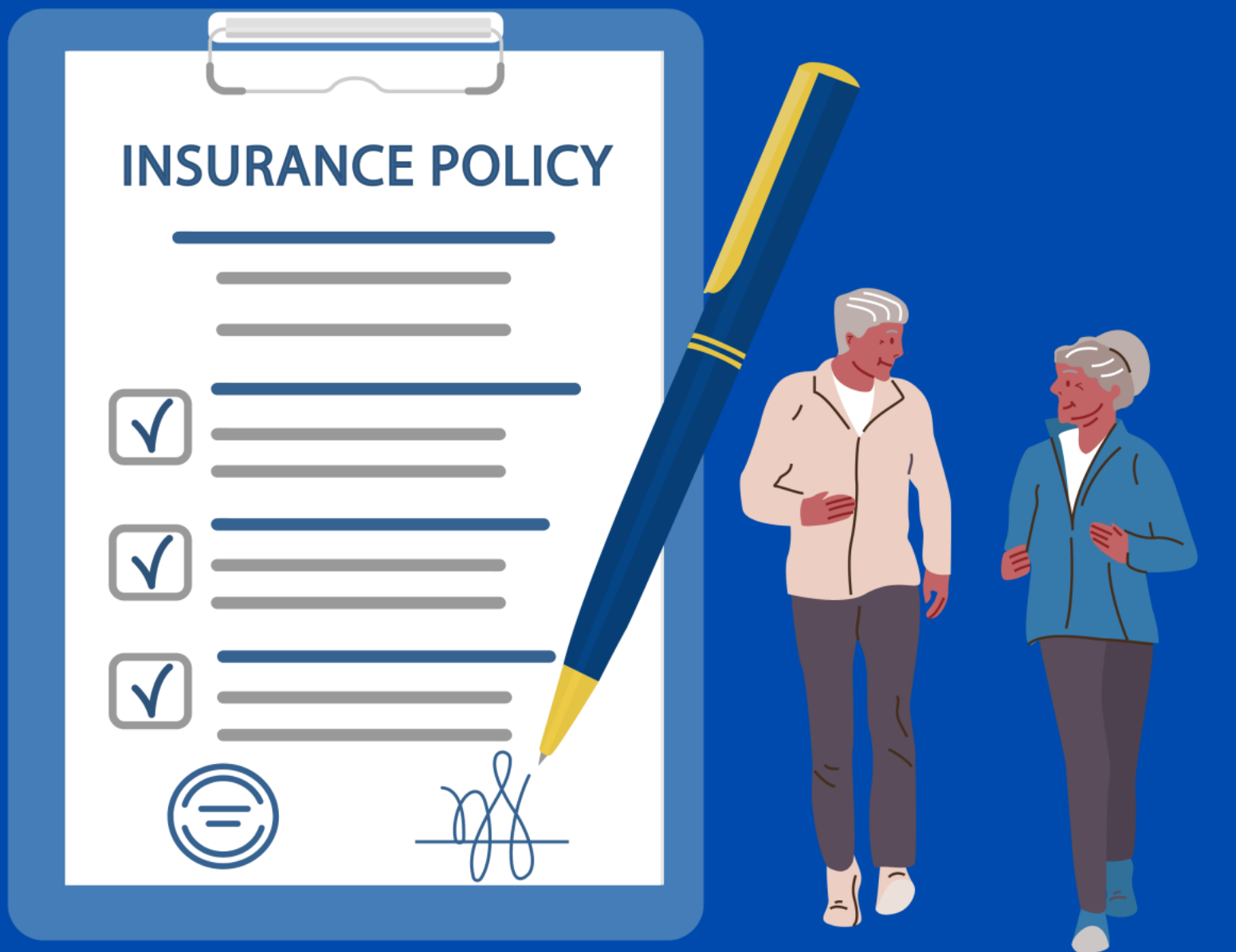


Checklist for Buying a Term Insurance Plan



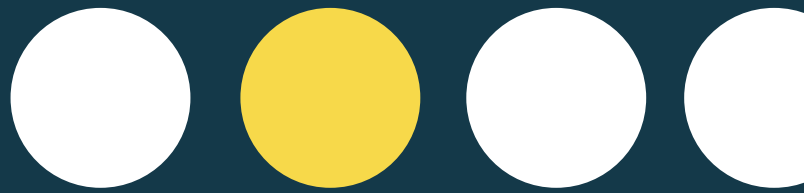


Table Of Contents

| | |
|---|---|
| 1. Assess Your Insurance Needs | 2 |
| 2. Understand the Policy Term | 2 |
| 3. Compare Premiums and Benefits | 2 |
| 4. Check Claim Settlement Ratio | 2 |
| 5. Check for Riders/Additional Benefits | 2 |
| 6. Exclusions and Terms of the Policy | 3 |
| 7. Tax Benefits | 3 |
| 8. Check for Online vs. Offline Plans | 3 |
| 9. Check Policy Lapse Rules | 3 |
| 10. Inflation and Future Needs | 3 |
| 11. Check Policy Conversion Options | 4 |
| 12. Free Look Period | 4 |

When buying a Term Insurance Plan, it's essential to ensure that the policy fits your needs and provides adequate coverage for your family in case of your untimely demise. Here's a comprehensive checklist to guide you through the process:

1. Assess Your Insurance Needs

- Determine coverage amount: Calculate the sum assured based on your family's future expenses, liabilities (loans, debts), lifestyle, and long-term financial goals.
- Income replacement: Ensure the coverage will replace your income for a specified period to provide financial security to your dependents.

2. Understand the Policy Term

- Choose the appropriate policy term: Ensure the term aligns with your financial obligations, such as until your children are financially independent or a major loan is paid off.
- Age consideration: The policy should cover you until your retirement or the period your dependents rely on you financially.

3. Compare Premiums and Benefits

- Premium affordability: Ensure the premium fits your budget but don't choose solely based on the lowest premium. Compare benefits across insurers.
- Premium payment frequency: Look for flexible payment options (monthly, quarterly, annually).

4. Check Claim Settlement Ratio

- Insurer's reputation: Opt for an insurer with a high claim settlement ratio. This ratio indicates the percentage of claims settled compared to claims filed.
- Customer reviews: Check the insurer's customer service and reviews for hassle-free claim settlements.

5. Check for Riders/Additional Benefits

- Critical illness cover: Provides extra coverage in case you're diagnosed with a severe illness like cancer, stroke, etc.
- Accidental death benefit: Increases the sum assured if the policyholder dies due to an accident.
- Waiver of premium: Ensures future premiums are waived off if you're unable to work due to disability.
- Income benefit rider: Provides a monthly income to your family for a defined period after your death.

6. Exclusions and Terms of the Policy

- Understand exclusions: Review situations where the policy will not pay (e.g., suicide within the first year, death due to participation in dangerous activities).
- Grace period and renewal conditions: Know the grace period for premium payment and terms for policy renewal.

7. Tax Benefits

- Tax exemptions: Check if the policy premiums are eligible for tax deductions under relevant tax sections (like Section 80C in India).
- Payout tax treatment: Understand the tax implications on the death benefit received by your beneficiaries.

8. Check for Online vs. Offline Plans

- Lower premiums for online plans: Often, online plans have lower premiums due to reduced administrative costs.
- Accessibility and convenience: Opt for a method of purchase that is convenient and gives you access to all policy details.

9. Check Policy Lapse Rules

- Grace period: Know how much time you have to pay after missing a premium payment before the policy lapses.
- Revival options: Understand the procedure to reinstate a lapsed policy and any additional fees or medical tests required.

10. Inflation and Future Needs

- Adjust for inflation: Ensure the coverage amount will be sufficient in the future considering inflation.
- Increasing cover: Some plans offer increasing sum assured, where the cover grows annually to counter inflation.

11. Check Policy Conversion Options

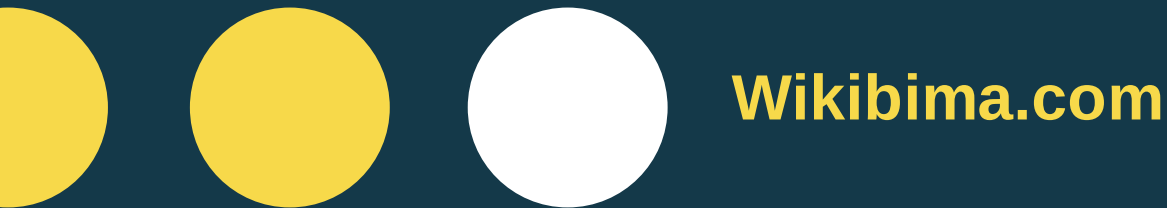
Convertible option: See if your term insurance plan can be converted to a whole life plan at a later stage, allowing for flexibility as your financial situation evolves.

12. Free Look Period

Review the free look period: Ensure the policy has a free look period (usually 15-30 days) during which you can review and cancel if unsatisfied without significant financial loss.

By reviewing these factors, you'll be better equipped to choose a term insurance plan that offers the right amount of protection at a cost you're comfortable with, ensuring financial security for your loved ones.

40



Whether you're a first-time buyer or reviewing your existing policy, this e-book offers:

A checklist to make the buying process simple and stress-free. With this easy-to-follow guide, you'll be confident in choosing the term insurance plan that provides maximum protection for your loved ones, giving you peace of mind in an uncertain world.

Are you overwhelmed by the number of term insurance options available and unsure where to start? Choosing the right plan can make all the difference in securing your family's financial future. In this comprehensive guide, we break down everything you need to know before purchasing a term insurance plan.