LIFE INSURANCE
Made Easy

IFE Academy
Education Simplified

Most Common Excuses for Not Owning Life Insurance

I'll buy it later

It costs more when you become older and you will be uninsured in the interim

It's too Expensive

A healthy 30 year old male could get Rs.1 crore coverage (Term Insurance) for 20 years at Rs.625/- per month.

It's too difficult to understand

It's simpler than your smart phone !!

I don't need it

if you have dependents, you are in need of it.

I have cover given by my employer

you would not be covered if you change jobs or the cover may be insufficient

I've never had it

which is a massive financial risk

IFEA

Investor Education Simplified

Life Insurance

Made Easy

First Edition: 2018

About this guide

This Guide describes to you as a prospective buyer the various types of life insurance products, the various distribution channels and provides some general information about life insurance. It gives you the basic information you need so you can discuss your needs with an authorised intermediary.

Rs. 40/-

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Contents

TYPES OF LIFE INSURANCE INTERMEDIARIES

You can get insurance advice from intermediaries licensed by IRDA.
The intermediary must tell you which Insurer he is acting for and the products and services that he is authorised to provide.

An intermediary shall provide all material information with respect to a proposed cover to enable the prospect to decide on the best one. The intermediary advises the prospect with complete disclosure and transparency.

Representative of a life insurance company

He represents one life insurance company only and can advise you on the products of that company.

Insurance Intermediary:

An Insurance Intermediary means individual agents, corporate agents including banks and brokers they intermediate between the customer and the insurance company.

Agent:

An agent is a person who is licensed by the Authority to solicit and procure insurance business including business relating to continuance, renewal or revival of policies of insurance. An agent could be an individual Agent or a Corporate Agent. An Individual Agent, as the name suggests is an individual who in an intermediary representing an insurance company while a corporate agent is an intermediary other than an individual, representing an insurance company.

Insurance Broker:

An Insurance Broker means a person licensed by Insurance Regulatory and Development Authority who arranges insurance contracts with insurance companies on behalf of his clients. An Insurance broker may represent more than one insurance company.

Difference between an "Agent" and a "Broker":

While an agent represents only one insurance company (one general, one life or both if he is a composite agent, apart from a health insurance company), a broker may dealt with more than one life or general or both.

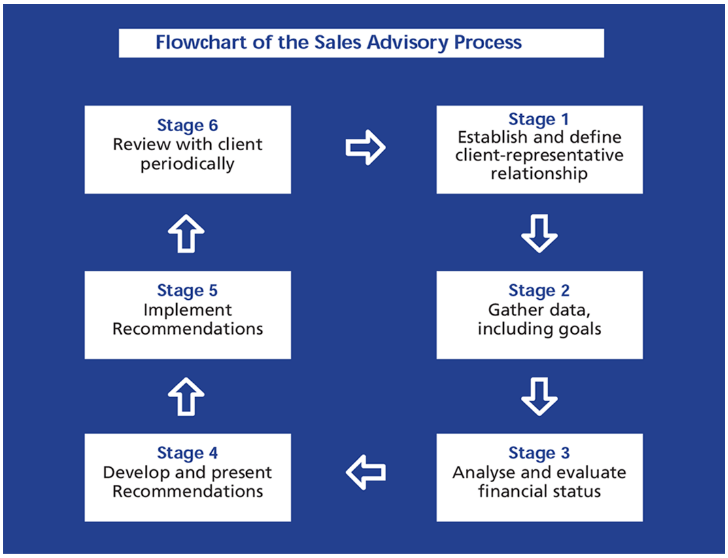
NEEDS - BASED SALES ADVISORY PROCESS

Intermediary / Broker must identify your need by using a fact - finding process. He will then analyse your needs and make recommendations. This process is closely monitored by the Insurance Broker to make sure that you receive the appropriate advice and product recommendations.

Your Intermediary needs to have enough information before he can make a suitable recommendation. He will use the information you disclose on your investment objectives, financial situation and particular needs to advise you accordingly. To get appropriate advice, you need to give relevant personal and financial information.

A product purchased without completing the questions or based on incomplete information may affect the suitability of the recommendation made by intermediary.

Flowchart of the sales Advisory process



Stage 1: Establish and define client-representative relationship

Your Intermediary will meet up with you and explain the purpose of the meeting. He will introduce his company, disclose his status, and explain his role and the types of service and products he can provide.

Stage 2: Gather data, including goals

Before recommending an insurance policy to you, your Intermediary will first need to identify and analyse your financial needs.

He will establish which life stage you are at, for example, a student, newly married, planning a family, nearing retirement, and so on. He will gather all relevant financial information to understand your needs, and determine your concerns and financial goals. He will also need to ascertain your attitude to risk.

Your intermediary relies on the information you have provided to assess your financial needs. To assist him in giving you the best advice, it is important to share as much information as possible regarding your financial circumstance.

Risk Profile

Your risk profile refers to how much investment risk you are willing to bear. It varies from individual to individual, and changes as you grow older, as your financial situation and investment objectives change. Please note that cash value of life insurance products may not be guaranteed. For example, if you invest in an ULIP, you need to be prepared that the cash value of your policy will fluctuate according to the fund(s) performance. You need to re-evaluate your investment at different points of time as your risk profile changes.

Stage 3: Analyse and evaluate financial status

Your Intermediary will analyse all information gathered and evaluate your financial situation in relation to your objectives. The analysis and evaluation of the information provided form the basis on which recommendations are made.

Stage 4: Develop and present Recommendations

Your Intermediary will explore relevant alternatives to meet your financial objectives. He will design solutions and provide options that can reasonably meet those objectives. He will explain to you the basis of his recommendation, as well as the costs and charges involved, and the features and risks of the recommended products.

Stage 5: Implement Recommendations

You should evaluate the advice and Recommendations given by your Intermediary, and select the appropriate policy or policies for yourself.

Stage 6: Review with client periodically

Your Intermediary will contact you to conduct a review of your policy or policies. Monitoring them ensures that you are achieving your financial objects. There is no hard and fast rule as to when a review should be done. The normal practice is to monitor and conduct a review annually.

You should also contact your Intermediary to initiate a review whenever there is a change in your objectives, personal or financial circumstances.

CUSTOMER'S COMMITMENT AND RESPONSIBILITIES

Your Commitment to Understand

As a prospective buyer, you should first understand the type of policy that best suits your needs.

Your Duty to Disclose Information

A life insurance contract is based on good faith on the part of the proposer(customer). You must truthfully disclose all the information asked for in the proposal form and provide any other details asked for.

If you do not provide important information set out in your proposal form, any policy issued may not be valid. If you are not sure whether a fact is important, you should disclose it anyway. This includes any information you may have given to your Intermediary but was not stated in the proposal form.Please make sure that you are fully satisfied with the information shown in your proposal form.

TYPES OF LIFE INSURANCE PRODUCTS

Life insurance gives you and your family financial protection against the financial loss that can happen after your death or if you suffer a total and permanent disability.
It can also give you a retirement income or act as a financial back-up in emergencies and protect you against health-care costs.

Whole Life Insurance

With whole life insurance, you get life-long protection. You pay premiums throughout your life, but this can be changed to a limited period. The policy will pay out the sum insured and any bonuses you have built up when you die or become totally and permanently disabled (if this benefit is provided). This plan is suitable for long-term savings if you would like the insurance company to invest on your behalf. As with all investment products, you are exposed to the risk that your investment returns underperform expectations.

Term Insurance

With term insurance, you get protection for a set period. It pays the sum insured only if you die or become totally and permanently disabled (if this benefit is provided) during this period. These products are typically cheaper as they do not provide a savings element (no cash value if you cash in).

Endowment Insurance

With endowment insurance, you get both protection and savings. The policy pays the sum insured and any bonuses that have built up at the end of the set period of time (maturity date), when you die or become totally and permanently disabled (if this benefit is provided) during this period. As with all investment products, you are exposed to the risk that your investment returns underperform expectations.

ENDOWMENT & WHOLE LIFE

Life Annuity

A life annuity provides a regular income to you. Usually you pay a lump sum which is invested by the insurance company in return for monthly payouts.

UNIT linked Insurance (ULIPS)

Your premiums buy life insurance protection and investment units in a managed fund. You can usually decide on which funds to invest your premiums into depending on your risk appetite. The price of your units depends on how the investments in the fund perform. What your policy pays out depends on the price of the units at the time you cash it in or die. You may also get a death benefit on top of the value of your investment units.

Insurance coverage charges generally increase as you age. If you have a combination of high insurance coverage and a poorly performing investment-linked sub-fund, there is the risk that the value of the units in your policy may not be adequate to pay the insurance coverage charges.

GENERAL TERMS AND CONDITIONS OF A POLICY CONTRACT

The following describes the general terms and conditions of a life insurance policy contract. As the terms and conditions may not be exactly the same for every life insurance product, you should check the details of your policy with your Insurance Broker.

Policy Contract

Life insurance is a contract signed between you and a life insurance company. You pay a certain amount (a premium) for a set period. In return, the insurance company will pay an agreed amount to you (or your estate if you die) if you are totally and permanently disabled or any other specified event happens.

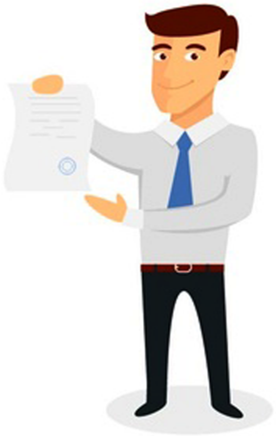
Rider

For extra premiums, a rider can provide additional protection or enhance existing benefits payable under a basic insurance policy.

General Conditions

Making a policy void

After your policy has been in force for a certain period of time (usually one or two years), the insurance company cannot treat the policy as if it had never been issued. However, the insurance company can contest the policy if fraud is proven, in which case it has the right to end the policy at any time, even after the said period of time.



Suicide

If you commit suicide within a certain period shown in the policy, the insurance company will not pay the policy proceeds.

Giving your age incorrectly

If you gave your age incorrectly in the policy document when you bought it, the insurance company will adjust the policy proceeds accordingly.

Free-look period

You have 14 days to review your policy. If you decide that the policy is not suitable for your needs, the insurance company will refund all your premiums less medical and other expenses they have had to pay.
You will need to send them written notice within 14 days from the date you received your policy. If your policy is an uLIP, the insurance company, as well as charging for any medical expenses, can adjust for any change in the market value of the units the policy holds when working out the amount to return to you.

Conditions relating to Premiums

Period of grace

The insurance company will give you extra time (usually 30 days) after the premium due date, to pay your premium to renew your policy. During this period, the policy continues to be in force and the insurance company will expect you to pay the premium.

Reinstating your policy

If your policy comes to an end (other than due to policy expiry or claim settlement), you may reinstate it within a certain period of time (usually two years), as long as you meet certain conditions.

Conditions relating to Loans

Policy loan

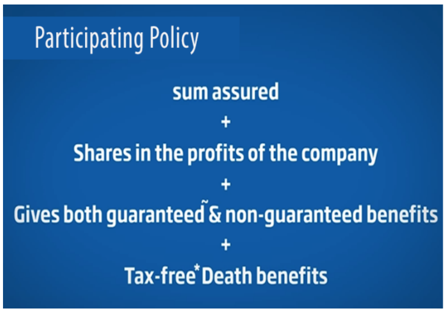
You may apply to your insurance company for a loan as long as the policy has a cash value. This insurance company will charge interest on the policy loan. Some types of insurance may not provide this option. This feature is not available in term insurance policies.

Conditions relating to Policy Values

'Participating' policy or 'Non-participating' policy

A 'participating' policy participates in or shares in the profits of the insurance company's participating fund. Your share of the profits is paid in the form of 'bonuses' or 'dividends'.

Bonuses or dividends are not guaranteed as they depend on how the life fund's investments are performing, how many claims are made on the fund, and expenses incurred. A 'non-participating' policy is not entitled to any profits the life fund may make.



Cash Value or Surrender Value

The cash value (surrender value) is the amount you will be paid if you cash in (surrender) your policy.

Whole life and endowment policies usually build up cash values after a minimum period (usually at least three years). Cash values for uLIPS plans depend on the current value of the units in them, while term insurance plans usually do not have any cash value.

Paid-up Value

If your policy has built up a cash value, this condition allows you to change your policy to a paid-up policy. In this case, you can stop paying premiums and your policy will stay in force for a reduced sum insured for the rest of the policy term.

Reports for your Policy

If you have an uLIP policy, you will receive a statement on the units you hold in your policy at least once a year. You can also expect to receive a fund performance reportat least every year.If you have a participating policy, you will receive a yearly statement on any annual bonus or dividend from your insurance company.

About IRDAI

Insurance Regulatory and Development Authority (IRDA) was set up as an autonomous body under the IRDA Act , 1999 to protect the interests of policyholders and to regulate, promote and ensure orderly grows of the insurance industry. Redressal of grievances is one of the key components of IRDAI's efforts in protection of interests of proposers and policyholders. Insurers are also required to have an effective Grievance Redressal Mechanism and IRDAI has issued guidelines for Redressal of grievances so as to ensure that the complaints are resolved in a time bound and efficient manner.

Grievances

Grievance/compliant has been specifically defined in Regulation 4(4) of the Insurance Regulatory and Development Authority of india (Protection of Policyholders' interests) Regulations, 2017 which reads as follows:

"Complaint" or "Grievance" means written expression(includes communication in the form of electronic mail or other electronic scripts), of dissatisfaction by a complainant with insurer, distribution channels, intermediaries, insurance intermediaries or other regulated entities about an action or lack of action about the standard of service or deficiency of service of such insurer, distribution channels, intermediaries, insurance intermediaries or other regulated entities; Explanation: An inquiry or request would not fall within the definition of the "complaint" or "grievance". An insurance company is required to resolve a grievance within two weeks of its receipt. If a customer is unhappy with an insurance company or an intermediary associated with the company, he should approach the Grievance Redressal Officer of the company first and give the complaint. Complaint is to be given in writing along with the necessary support documents.

Escalation:

In case the complaint is not resolved within two weeks of its recipt or it is unattended, or if the insurance company does not resolve the complaint to the satisfaction of the complainant, the complainant can escalate his complaint to IRDAI. IRDAI will take it up with the insurance company concerned and shall facilitate re-examination of the complaint and resolution by the insurance company

A Complaint can be registered with IRDAI through any of the following modes

1. Calling Toll Free Number 155255/1800 425 4732 (i.e.IRDAI Grievance Call Centre) or
2. Sending an e-mail to complaints@irda.gov.in
3. Registering a complaint on Integrated Grievance Management system at www.igms.irda.gov.in
4. Fill and send the complaint Registration form available in the IRDAI's consumer education web site policyholder.gov.in along with any letter or enclosures, if felt necessary, and send by post or courier to:

The General Manager,
Consumer Affairs Department - Grievance Redressal Cell,
Insurance Regulatory and development Authority of India
(IRDAI) 3-4-817/818, United India Towers, 9th Floor,
Hyderguda, Besheerbagh,
Hyderabad - 500 029.

Notes

e-Insurance

A Single window to all your insurance policies

Contents

Introduction

Today, insurance customers and clients' expectations have been shaped by their digital experiences with sophisticated companies in other sectors, such as Amazon and Uber. The digital bar for insurers is high and rising. Those companies that can meet this challenge will build greater customer loyalty, cut costs and improve profitability.

In Insurance Industry, consumers began in 2005 to search for insurance policies online and also did policy comparisons. A decade after, insurers are selling policies online and that, too, quite successfully.

The Insurance Regulatory and Development Authority (IRDA), which had proposed digitisation of insurance policies in 2013. With this initiative, the insurance industry is now all set to reach a new milestone.

What digitisation offers

With digitisation in place, each policyholder will get a policy document known as the e-insurance policy, which will be the evidence of an insurance contract, but only in an electronic format. Each customer will have to open an e-insurance account, which will hold the electronic version of his/her life, health and pension policies, and any other policy-related documents. Policyholders can also convert their physical documents to e-documents for free.

Insurance repositories will provide services such as generating premium-due calendars, premium and claims history, service request tracking, facilitating online premium payment and so on.

The most significant benefit of digitising your insurance policy is that in case you are planning to get another insurance policy, you won't have to show supporting documents such as KYC. Moreover, all your documents will be safe and stored in one central data repository.

Background

Secrecy, forgetfulness or sheer lack of knowledge can cost you and your loved ones real money. Nearly Rs 12,000 crore. This data, collated across life and general insurance companies, shows the huge size of unclaimed money-pot and is an indication of the kind of financial resources that is simply getting wasted as it waits for the rightful owner. This unclaimed money could be from death or maturity claims, survival benefits and premium refunds etc.

Just to put it in context, a kitty of Rs 12,000 crore is comparable to the Skill India Mission outlay for imparting skills to 1 crore people for 4 years, or more than half of the Clean Ganga budget outlay. According to a DNA Money analysis, life insurance companies are in possession of unclaimed amount worth over Rs 11,000 crore belonging to policyholders at the end of June 30, 2017.

More than half of it – Rs 6,003 crore – belongs to LIC, the biggest player in the life insurance industry. Private-sector insurers including Reliance Nippon Life Insurance, SBI Life Insurance, Bajaj Allianz Life Insurance, ICICI Prudential Life Insurance, and HDFC Standard Life Insurance have between Rs 500 crore to about Rs 950 crore each. These figures are mentioned in the 'L-19 current liabilities' disclosure put out by life insurers in their latest June quarterly financial report. PNB MetLife India Insurance, Aditya Birla Sun Life Insurance, Aviva Life Insurance and Tata AIA Life Insurance individually have Rs 200 crore to about Rs 300 crore lying unclaimed.

Anilkumar Singh, chief actuarial officer, Aditya Birla Sun Life Insurance said, "Money paid due to maturity of policies or due to surrender of the policy and not received by the customer is considered as unclaimed insurance money. Unclaimed funds are due to change of address of the customer, instruments getting lost, incorrect bank account details, branch details undergoing a change, etc.”

About 11 life insurance companies individually have unclaimed money worth between Rs 20 crore to Rs 65 crore.Also, public sector and private sector general insurance companies have a combined amount of about Rs 900 crore lying unclaimed, the data shows.

Mahavir Chopra, director-health, life and strategic initiatives, Coverfox.com said that any amount that has not been claimed for more than six months since their settlement date are considered under unclaimed amount by the insurance company. This could be in the form of death or maturity claims, survival benefits, premium refunds (when a policy is cancelled) or indemnity claims - including accrued interest, etc.

The Insurance Regulatory and Development Authority of India (Irda) has issued clear guidelines to all insurance companies (in both life and non-life insurance space) to provide details of unclaimed insurance money on their respective websites. To save the insurers the trouble of putting out details of very small claim, the rules allow companies to publish details if the unclaimed amount is of Rs 1,000 or more.

"As per the recent IRDA circular, any unclaimed money with an insurance company will be moved to the Indian government's Senior Citizens Welfare Fund, if the amount has been lying unclaimed for 10 years from the date it was payable to the policyholder or the beneficiary. If no insurance claim is made for a period of 25 years after the transfer, you will have to forfeit the money and it will belong to the government," Chopra said.

Courtesy: DNAindia.com

What is Insurance Repository concept?

It is a facility that allows you to hold insurance plans in the demat form. As is the case with shares and bonds, which can be held in a demat account with a depository, you can keep your insurance policies in an e-insurance account with an insurance repository.

Who are the Insurance Repositories?

An Insurance Repository (IR) is a company licensed by IRDA for maintaining data of insurance policies in electronic form on behalf of Insurers. An IR will thus enable policy holders to buy and keep insurance policies in electronic form, rather than as a paper document. Insurance Repositories, like Share Depositories or Mutual Fund Transfer Agencies, will hold electronic records of insurance policies issued to individuals and such policies are called “electronic policies” or “e Policies”. Only entities approved by Insurance Regulatory and Development Authority (IRDA) can become an Insurance Repository.

In India following entitles can act as Insurance Repositories:

M/s NSDL Database Management Limited
M/s Central Insurance Repository Limited
M/s Karvy Insurance Repository Limited
M/s CAMS Repository Services Limited

What are the advantages of having Insurance Repository account?

There are multiple benefits in holding insurance policies in electronic form under a single eIA. They are:

- Safety: Loss or damage that are likely with paper policies is done away with electronic form i.e., safe custody.
- Convenience: Electronic policy details can be accessed online at any time, pay premium online and even log in service requests and complaints (if any).
- Less paper work: Documentation is much simpler when a new e-Insurance policy is brought under an existing eIA.

- No cost: Opening an eIA and maintaining e-policies is absolutely free. Converting existing policies into electronic mode does not involve any cost.
- Data updation: Single request for contact details updation, premium alerts for payment of premium, ease in registering bank account details for premium payment and payouts.
- Consolidated: With one time Know Your Customer updation all insurance policies are under one account. Consolidated insurance statement is received on an annual basis.
- Claims: Single view of all policies to an authorized person in case of death of the eIA account holder for settlement of claims.

Authorized Representative (AR)

A policy holder who opens an eIA shall appoint an Authorized Representative (AR) who shall be entitled to access the account in the event of demise of the policy holder or in his incapacity to operate the e-Insurance Account. The AR is entitled only to access the eIA so as to know the portfolio of insurance policies and the nominees of the respective policies held under that account.

The AR is different from a nominee and has only access rights to the eIA in the event of demise of the policy holder. The benefit of appointing authorized representative helps nominee to initiate the claim process.

E-Insurance Account Opening Process

- Fill the e-Insurance Account Opening Form
- Enclose KYC documents to e-Insurance Account Opening Form
- Submit e-Insurance Account Opening Form along with the KYC documents to the nearest Approved Person (Integrated)
- Integrated will verify the e-Insurance Account Opening Form with the originals of KYC documents and process the application. Kindly carry originals of KYC documents for verification purposes.
- Insurance Repository (IR) will open the e-Insurance Account and communicate the e-Insurance Account number, login id and process to set password.
- Finally, access the account with given login id and password.

KYC Documents for opening an e-insurance account are:

- Identity proof
- Address proof
- Proof of Date of Birth

What to do when you buy a new policy?

If you have an e-insurance account, buying a new policy in the electronic form becomes easier. Just quote your account number in the application and opt for a policy in the electronic form. Since the KYC documents would already have been submitted and verified, the insurance firm won't have to repeat the process. The policy will reflect in your account after it is issued.

How do you make changes in a policy?

The insurance repository is the single point of service for all your requirements, so you will need to submit your request to it. If the change is at the account level (address or contact details), the repository will execute it after due verification and then intimate the insurance company. If the change is at the policy level (nomination, sum assured or account details), the repository will forward the request to the insurance company.

How can the existing policies be converted to the demat form?

All the existing life insurance and pension plans (and other policies when it is extended to all) will need to be converted into the demat form if you want them stored in the e-insurance account. You will need to fill up a request form for conversion.

FAQ on Insurance Repository

1. What is Insurance Repository?

“Insurance Repository” means a company formed and registered under the Companies Act, 1956 (1 of 1956) and which has been granted a certificate of registration by Insurance Regulatory and Development Authority (IRDA) for maintaining data of insurance policies in Electronic form on behalf of Insurers. The Insurance Repositories provide the ease of holding insurance policies issued in an electronic form.

2. What is the objective of an Insurance Repository?

The objective of creating an insurance repository is to provide policyholders a facility to keep insurance policies in electronic form and to undertake changes, modifications and revisions in the insurance policy with speed and accuracy. In addition, the repository acts as a single stop for several policy service requirements. The Insurance repository system also brings about efficiency and transparency in the issuance and maintenance of insurance policies.

3. Can Insurance repository sell/solicit Insurance policy?

No, Insurance repositories cannot sell/solicit insurance policies. They are authorized only to maintain the policies in electronic form and provide a service record of all insurance policies.

4. What is an eIA (e-Insurance account)?

eIA stands for e-Insurance Account or “Electronic Insurance Account” which will safeguard the insurance policy documents of policyholders in electronic format. This e-Insurance account will facilitate the policyholder by providing access to the insurance portfolio at a click of a button through internet. IRDA has granted the Certificate of Registration to the following entities to act as 'Insurance repositories' that are authorized to open e-Insurance Accounts.

- M/s NSDL Database Management Limited
- M/s Central Insurance Repository Limited
- M/s Karvy Insurance Repository Limited
- M/s CAMS Repository Services Limited

Each e-Insurance Account will have a unique Account number and each account holder will be granted a unique Login ID and

Password to access the electronic policies online.

5. Do I need to pay for opening of e-Insurance Account or on periodic basis?

NO. e-Insurance account is offered 'free of cost' to the applicants.

6. Can any individual open more than one e-insurance account with any Insurance Repository?

NO. As per the IRDA guidelines, an individual cannot open multiple e-Insurance accounts.

7. Who is an Approved Person (AP)?

An Approved Person is a Point of Sale (PoS) appointed by Insurance Repository and will be working on behalf of Insurance Repository to extend the IR services.

8. What is an e-Insurance account application form? Where can it be obtained from?

An e-Insurance account application form is one that is used by an individual to open an e-insurance account with the Insurance Repository. This form would be available with Insurance Company, Insurance Repository or an Approved Person.

9. What are the requirements to be completed for opening an e-Insurance account?

An e-Insurance account holder or policyholder is required to

a. Fill the e-Insurance account form and

b. Submit

- Photo ID,
- Recent passport size photograph,
- Cancelled Cheque (In case of ECS/NEFT services for insurance premium payment transaction) and
- Address proof.

10. Can I open an e-Insurance account without having a life or non life policy for my own self?

Yes, an individual who is not having any insurance policy can open an e-Insurance account. While buying a policy, he may quote his eIA number or after buying a policy in paper form, the policyholder can give a request for dematerialization.

11. How many days does it take to open an e-Insurance account after all the necessary formalities are completed?

An e-Insurance account will be opened within 7 days from the date of submission of application complete in all respects. Once, an account is opened, a welcome kit with the details of how to operate the same would be sent to the applicant/e-Insurance account holder.

12. How will I come to know that my e-Insurance account has been opened & how will I receive my User ID & Password?

Once e-Insurance account is created, you will receive a welcome kit. A pin mailer shall be sent separately. Using the login credentials and PIN, you can access and start using your e-Insurance account.

13. Can I convert my existing paper polices into electronic policies?

Yes, it is possible to convert the existing paper policies into electronic form. A service request may be made to the Insurance Repository or Insurer or the Approved person in this regard.

14. If I already have an e-Insurance account, how do I buy a new policy in electronic form?

Once you have opened an e Insurance Account, to buy a new policy in electronic form, you just need to quote your unique e-Insurance account number in your new insurance proposal form and make a request to issue policy in an electronic form.

15. Which are the insurance policies that can be held in electronic form?

All Life insurance, Health insurance, General insurance & Annuity policies that are issued by registered insurance companies with IRDA and who have signed up with the Insurance Repositories are eligible to be held in the electronic form.

16. How can I come to know that my policy is successfully credited into my e-Insurance Account?

You will receive a mail and SMS on your registered e-mail id and mobile number.

17. What are the charges for maintaining policies in electronic form?

All the services provided by Insurance repositories are FREE of charge.

18. What are the benefits of holding Insurance Policies in electronic form?

The following are the broad benefits of holding Insurance Policies in electronic form:

Safety: There is no risk of loss or damage of a policy as is common with paper policies; the electronic form ensures that the policies are in safe custody and can be easily accessed whenever and wherever needed. A copy of the policy can be downloaded at any time by accessing the e-Insurance account.

Convenience: All insurance policies, be it life, pension, health or general, can be electronically held under a single e-Insurance account. This means all details of all policies are available in a single account (place). The details of any of the policies can be accessed at any time by logging on to the online portal of Insurance Repository.

Single Point of Service: Service requests in respect of e-Insurance account or any of the electronic policy can be submitted at any of Insurance Repository's service points. A single request can sometimes cater to the requirements of several Insurers. As an illustration, a single change of address request made to the Insurance Repository can update the policies issued by multiple Insurers. There would be no need to go to several offices of individual Insurers for service.

Less Paper work and savings in time: An e-Insurance account holder is freed from the trouble of submitting KYC details each time a new policy is taken. Further, any changes in personal details like address or contact number can be effected through a single request thus saving on paper and time.

Statement of Account: At least once every year, the Insurance repository would send a statement of account to the e–Insurance account holder with the details of the policies of the account holder.

Payment Options: Premium for all the policies can be paid online and several service requests can be logged from the e-Insurance account.

Increased number of service touch points: Since, the Insurance repositories function in addition to the Insurers, the policyholders will have increased number of touch points for having their servicing needs attended.

Easy payout transfers: Policy benefits would be paid through electronic facility to the registered bank account, thus ensuring speedier and convenient settlement.

Single view: Single view of all policies will be made available to an authorized person in case of death of the e-Insurance account holder.

19. What all policy details will be available in the e-insurance account?

A list of all policies that are credited will be available in the e-Insurance account. For each policy, policy level details like the status, commencement, maturity/expiry, nomination, assignment, endorsement, address, terms and conditions etc., would be available. In addition, the e-Insurance account holder will be able to download a copy of the policy bond.

20. What is the procedure to effect changes in my policy or e-Insurance Account? Should the request be made to the Insurance Company or IR?

All requests in respect of either your e-Insurance account or any of the electronic policies may be made to the Insurance Repository. However, requests in respect of the policies can also be made directly with the Insurer concerned.

Upon a request, the Insurance repository would handle all servicing needs that fall within scope of their services directly and would forward the others to the Insurer concerned. An update to the policyholder would be provided by the Insurance Repository on the status of the request in respect of all the requests that it receives.

21. Who is an Authorized Representative and what is his/her role?

An Authorized Representative is a person who is appointed by e-Insurance account holder to operate his/her e-Insurance account in case of unfortunate demise or incapability of e-Insurance account holder to operate the account. The Authorized Representative will intimate the Insurance Repository about the demise/incapability of policyholder with valid proof.

22. Can an Authorized Representative be changed?

Yes. Authorized Representative can be changed by making a request to the Insurance Repository.

23. Can 'Nominee' and 'Authorized Representative' be the same person?

Yes both Nominee and Authorized Representative can be the same person.

24. What is the grievances redressal mechanism at Insurance Repository?

Every Insurance repository will have a policyholders' grievances cell to address the grievances in respect of repository services and electronic policies held by them.

25. What communications shall the e-Insurance account holder receive in a hard copy?

- Welcome Kit with details of e-Insurance Account and modus operandi of its operation, the login ID.
- A Pin mailer with the password.
- The statement of account giving the details of all policies held whenever additional insurance is taken or a policy matures/ surrendered/ lapses would be provided to the e-insurance account holder.
- When a new policy is issued the insurer shall send an insurance information sheet containing the basic details of insurance policy to the address stated.

26. Is it possible to shift from one Insurance repository to the other?

Yes, the e-Insurance account holder will have an option to shift from one Insurance Repository to the other. All the policy details and transaction history would then be transferred to the new Insurance repository.

27. Is it possible to opt out of the Insurance repository system?

Yes, the policyholder shall make a request to his insurer and upon completion of all formalities in respect of the same, the hard copy of the policy document shall be made available.

28. How will the Authorized person deal with the e-Insurance account?

After the demise of the e-Insurance account holder and after settlement of all insurance claims, the Authorized representative needs to make a request to the Insurance Repository to close the e-Insurance account.

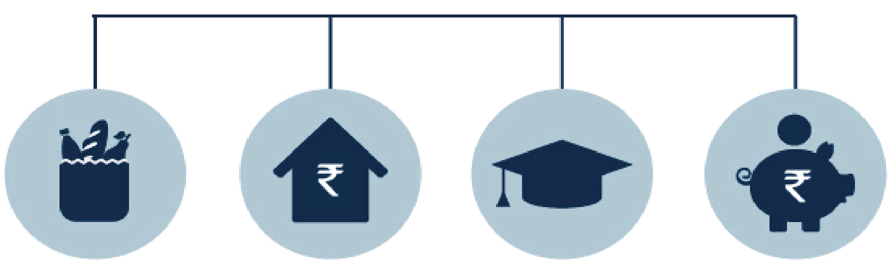
Notes

Notes

Life Insurance

Why do I need it?

Every life has a value and is worth protecting. If an unexpected situation were to happen, life isnruance proceeds can help pay for:



- Bills and ongoing expenses
- Outstanding debt
- Future needs, like education
- Spouse's retirement plan

MYTH: Life insurance is too expensive.

FACT: A healthy 30-year-old could get Rs.1 crore coverage for twenty years at Rs.20 per day.

About IFEA

IFEA was established in 2011 as a Not-for-Profit entity to promote Financial Education. IFEA conducts Investor Awareness Programs across the country with the support of other market participants. www.ifea.in is a comprehensive website on Financial Education. It has various sections such as Videos, Puzzles & Games, Financial Calculators and Library. It gives a holistic view on financial education combining various aspects such as Savings Investments, Credit, Insurance and Pension at a single place. IFEA periodically publishes Investor Educational materials and distributes it to general public.

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Investor Education Simplified

Investors Financial Education Academy
5A, 5th Floor Kences Towers, No.1, Ramakrishna Street, North Usman Road,
T.Nagar, Chennai- 600 017. Ph: 044-2814 0815 email:bulletin@ifea.in www.ifea.in