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The ongoing global health crisis has compelled us to reset our lives, and, most importantly, has drawn our attention to finance and savings. To have better security, people are thinking of purchasing life insurances. However, for first timers, buying a life insurance is not an easy thing to do, since there are lots of options to choose from available in the market.

To help us understand more about life insurances, **Ankit Agarwal, MD Alankit Limited**, offers a few expert tips. He suggests that buying a life insurance makes a lot of sense when making strong financial decisions. Regardless of what your income is, no one can predict what the future holds.

“Primarily, anyone who is the sole breadwinner and supporting his family financially should actually consider buying a life insurance,” says Agarwal, adding that life insurances can assure your family with immediate financial security in the event of your demise.

Agarwal says that the foremost step is to understand about the life insurance aligning with your needs and requirements followed by the under-listed:

- Evaluating your insurance needs is important in order to ensure whether the amount of life insurance you plan to buy will provide the required financial security to your family after your death.
- Life insurance policies comprise two basic types: Term insurance and savings-cum-protection insurance. It is wise to compare both the insurance policies depending on your financial needs at present and for the future.
- Assessing the future of your insurance policy is a must in order to avail all the benefits that your policy includes.
- To check the claim settlement history of the insurance company comes as a responsibility

it becomes more expensive with every passing year as you age,” he says.

In market terms, the premium for this policy will be more if it is bought at a later age as compared to an individual buying the policy at a young age. So whenever you buy, the premium instalment at the beginning of the plan remains the same throughout the policy period. Because of which the premium outgo will be lower if one buys the policy at an early age.

Difference between policies

Many people are of the opinion that a retirement plan is more fruitful than a life insurance since it takes a lot of time to settle claims. While both serve different purposes,



adding that life insurances can assure your family with immediate financial security in the event of your demise.

“To cope with financial contingencies and maintain living standards are the other major reasons to buy a life insurance policy,” he says, adding that people with minor children, families who cannot afford funeral expenses, parents whose children require special needs and lifelong care, and young adults whose parents have taken personal or education loans for them should certainly consider buying a life insurance to secure the financial health of their family.

Things to consider

However, purchasing a life insurance policy can be a daunting task with all the options available. Do consider a few things before purchasing one.

comes as a responsibility while you plan to buy an insurance policy for yourself. It takes a bit of research to verify if your insurance company pays the promised benefits.



When should you buy one?

Agarwal suggests buying a life insurance policy early in life since it has a host of benefits. “The right age to buy a life insurance plan is under 35 years of age. However, it is advisable that the sooner you buy, the better it is because

different purposes, Agarwal explains that retirement plans act as investment plans to help individuals create a corpus for a bright future whereas the function of a life insurance policy is to provide a set amount of coverage for the entire life of an individual.

“As long as an individual pays the premiums for the continuation of his policy, his beneficiary will be able to reap the benefits upon the death of the policy holder,” he says. Agarwal is of the opinion that life insurances prove to be more beneficial than retirement plans in most cases.