

Insurance - Myths and Facts

| Myths | Facts |
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| Foolish to buy / invest in insurance | Foolish not to take insurance cover or consider insurance linked products for investment as benefits far outweigh costs |
| Insurance companies are not trustworthy, are cheats | Insurance is one of the most regulated financial products, insurance business transactions are most transparent, there is an effective appeal / regulatory body and providers are most trustworthy and reliable |
| Insurance companies mislead customers | Insurance companies / agents are by mandate bound to ensure customers understand the product and its features fully and correctly. Customers have a 15 day look in period when they can ask for cancellation of the policy for full refund if they have discomfort, doubts not cleared, or find that what they understood or were told was different from what they got in the policy |
| Insurance is for the weak hearted and fools | Insurance is for the intelligent and informed who recognise unavoidable risks in life and the need for cover against unforeseen situations. In fact insurance products enable one to systematically save and plan for the future when they can afford for use when they need the money without depending on third parties, charities, benevolence ... and in a dignified way. Value of insurance is realised in the long run by investing when one is young, has surplus funds, believes he/she is safe and don't need external support. Age old wisdom of savings for the rainy day is even more valid now. Rainy day could be any situation when one is in need of support / help |
| Insurance is not a wise investment considering returns on your money | Insurance products offer competitive tangible returns compared to other investment options. Intangible benefits include the comfort of safety and access to funds when needed. This allows one to feel relieved of stress from uncertainties and focus ones attention on productive activities free of stress and in turn be more productive |
| Why insure when I am okay or comfortable, healthy .. | When you insure when you are comfortable healthy and you feel you don't need, you get good deals in terms of returns on investment and options. When you try to get insurance when you are in dire need no one wants to sell insurance for a risky subject and either avoid or charge exorbitant premium. It is always wise to go to market when you are in a bargaining position and not otherwise |
| What do I get by buying insurance, am I not throwing money down the drain? | No. You are taking a wise decision by taking a position when it is advantageous to you, to claim a right for benefits when in need |

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| Insurance terms are masked in mystery and in decipherable | Insurance terms and conditions are easily understandable and the agent is duty bound to unmask the meaning of any term which you believe is beyond your understanding. Agents will explain in your language and terminology of your comfort and level |
| I am okay I have enough for my needs | Insurance is for you in your later days as well as for those after you. There is nothing that helps you to dream of a comfortable future maintaining the same standard of living for you and your dear / loved ones |
| I think insurance is only life protection | Insurance industry has matured, transformed and is part of a larger space called 'BFSI' - B anking F inancial S ervices and I nsurance (BFSI). As such, insurance is considered a diversified flexible efficient and effective financial instrument to meet diverse customer needs |
| Insurance is for the poor and the sick who are not informed and are ignorant | In fact, most insurance product buyers are people who are far sighted, financially sound, well informed prudent, calculative, intelligent and conscientious of several other options available for protection and prudent financial investment. Insurance buyers are very shrewd ask relevant questions do their home-work discuss with others and then only take a call. They are the smart intelligent diligent prudent conscientious caring matured class |
| Most people are only aware of protection and tax deductions on the premium | There are benefits such as EEE tax benefits (premiums, regular returns including bonuses and lumpsum payouts). The real benefits are many times beyond generally understood |
| Insurance agent is an unemployed person who has nothing else to do | Insurance agents (advisors) are sophisticated, educated, informed with other options but have chosen to be in insurance as a profession not as a last resort to keep oneself engaged for a living |
| Buying an insurance product is a pain (distance, language, communication ..) | Insurance business / advisors makes use of the digital / IT infrastructure (internet, emails, whats'up, SMS, net banking..) extensively for client interaction, documentation, communication, payments and anything. There are several NRI clients for Indian Insurance advisors who operate using the digital medium. |
| Insurance is a government business | Insurance industry has been opened up for the private more than a decade ago under the supervision and control of the IRDA. Private sector insurance advisors and companies are very competitive, responsive, customer friendly, transparent, service oriented, offering value and are responsible |