

# Insurance Information Document

This document outlines the major categories of insurance available to customers. It explains what each policy covers, how coverage amounts and premiums are decided, and the key benefits, riders, and regulatory notes.

## 1. Life Insurance (Term Plan)

- **Purpose:** Provides a lump-sum payout to the nominee in the event of the policyholder's death during the policy term.
- **Coverage Amount (Sum Assured):** Usually **10–20× the annual income** of the insured. For example, someone earning ₹10 lakh annually should ideally opt for a cover of ₹1–2 crore.
- **Premium Calculation:** Based on age, health, smoking habits, coverage amount, and tenure. Younger and healthier individuals pay significantly lower premiums.
- **Policy Term:** 10–40 years, depending on age at entry.
- **Benefits:** Pure protection; no maturity or survival benefit if the insured survives the term.
- **Claim Process:** Nominee submits death certificate, policy documents, and claim form. Insurer settles as per IRDAI timelines (usually within 30 days).
- **Exclusions:** Death due to suicide within the first year, misrepresentation of facts.

## 2. Endowment & Savings Plans

- **Purpose:** Dual benefit – life protection plus guaranteed maturity savings.
- **Coverage Amount:** Lower than term plans (5–10× annual premium). Example: Paying ₹1 lakh premium annually may give a life cover of ₹10 lakh + bonus.
- **Premiums:** Higher than term insurance since part goes into savings.
- **Policy Term:** 10–30 years.

- **Benefits:** Death benefit (sum assured + bonuses) or maturity benefit (if insured survives).
- **Suitability:** Risk-averse individuals who want guaranteed returns.
- **Exclusions:** Non-disclosure of medical history, suicide within waiting period.

### 3. Unit-Linked Insurance Plans (ULIPs)

- **Purpose:** Combination of insurance and investment; premiums are partly allocated to market funds.
- **Coverage Amount:** Minimum 10× annual premium (regulated by IRDAI).
- **Premium Structure:** Higher since a portion is invested in equity/debt funds.  
Example: ₹1 lakh annual premium could give ₹10 lakh life cover + NAV-linked market value.
- **Policy Term:** 10–20 years.
- **Benefits:** Death benefit (sum assured or fund value, whichever is higher) + market returns.
- **Risks:** Returns depend on stock and bond markets; not guaranteed.
- **Flexibility:** Policyholders can switch between equity, debt, and balanced funds.
- **Exclusions:** Early withdrawals may attract surrender charges.

### 4. Health Insurance

- **Purpose:** Covers hospitalization, medical treatment, surgeries, and healthcare costs.
- **Coverage Amount:** ₹3 lakh to ₹50 lakh (individual or family floater). Example: A family floater of ₹20 lakh covers spouse and children together.
- **Premiums:** Based on sum insured, age, pre-existing illnesses, and add-ons. A 30-year-old may pay ₹8,000–₹12,000 annually for ₹5 lakh cover, while a 50-year-old may pay ₹25,000+.
- **Policy Term:** Usually 1–3 years, renewable lifelong.

- **Benefits:** Cashless hospitalization at network hospitals, reimbursement facility, tax benefits (Sec 80D).
- **Riders:** Critical illness cover, maternity, room rent waiver, personal accident rider.
- **Exclusions:** Pre-existing diseases (waiting period 2–4 years), cosmetic surgery, self-inflicted injuries.

## 5. Motor Insurance

- **Purpose:** Mandatory under Indian law; protects vehicle owner against financial loss.
- **Coverage Amount:**
  - **Third-Party Liability:** Unlimited liability for injury/death of third party; capped for property damage (₹7.5 lakh as per IRDAI norms).
  - **Comprehensive Policy:** Includes own damage cover, IDV (Insured Declared Value), and add-ons.
- **Premiums:** Calculated on vehicle type, engine capacity, age, and IDV. Example: A ₹10 lakh car may have an annual premium of ₹20,000 for comprehensive cover.
- **Add-ons:** Zero depreciation, roadside assistance, return-to-invoice, engine protection.
- **Policy Term:** 1–3 years.
- **Exclusions:** Driving without license, intoxication, wear and tear, war/nuclear risks.

## 6. Travel Insurance

- **Purpose:** Covers unexpected risks during travel.
- **Coverage Amount:** ₹5 lakh – ₹1 crore, depending on destination and trip value. Example: A ₹20 lakh study trip abroad may have a cover of ₹50 lakh.
- **Premiums:** Depend on age, destination, duration. A 15-day Europe trip may cost ₹1,000–2,500 in premiums.
- **Benefits:** Medical emergencies, evacuation, lost baggage, flight delays, trip cancellations.

- **Policy Term:** Single trip or annual multi-trip.
- **Exclusions:** Pre-existing illness, reckless behavior, traveling against medical advice.

## 7. Critical Illness Insurance

- **Purpose:** Provides a lump-sum payout upon diagnosis of critical illnesses (cancer, heart attack, stroke, kidney failure).
- **Coverage Amount:** ₹5 lakh – ₹1 crore. Example: A ₹25 lakh critical illness policy pays entire amount on diagnosis, regardless of hospital bill.
- **Premiums:** Higher than normal health insurance; e.g., a 30-year-old may pay ₹3,000 annually for ₹10 lakh cover.
- **Benefits:** One-time payout; helps cover income loss + treatment costs.
- **Exclusions:** Illnesses diagnosed within waiting period (90–180 days), pre-existing conditions not disclosed.

## General Insurance Guidelines

1. **Eligibility:** Based on age, income, medical history, and occupation risk profile.
2. **Coverage Amount Selection:** Ideally, health coverage = 50% of annual income; life cover = 10–20× annual income.
3. **Premium Payment:** Can be monthly, quarterly, annually, or single-pay.
4. **Claim Settlement Ratio (CSR):** Customers are advised to check insurer's CSR; higher CSR = higher chance of timely claim approval.
5. **Nomination:** Mandatory for life policies; ensures smooth claim settlement.
6. **Tax Benefits:** Life insurance premiums qualify under Section 80C; health under Section 80D.
7. **Waiting Periods:** 2–4 years for pre-existing diseases; 30 days general waiting period for new health policies.
8. **Grace Period:** 15–30 days allowed for premium payment before lapse.

9. **Portability:** Health insurance can be ported between insurers with no loss of benefits.
10. **Regulatory Compliance:** All products comply with **IRDAI guidelines** for disclosure, pricing, solvency, and consumer rights.