



Class: FY BSc

Subject : Insurance

Subject Code:

Chapter: Unit 2 Chp 1

Chapter Name: Life insurance products

Today's Agenda

1. Introduction to Financial Market
 1. What is Financial Market?
 2. About the Financial Market
 3. Why do we need Financial Market?
 4. Functions
2. Market Crisis
 1. Case Study
 - A. Learnings from the Case study
 - B. Next Steps
 2. Importance in Financial Market
3. Market....

1 Life insurance products



Life Insurance can be defined as a contract between an insurance policy holder and an insurance company, where the insurer promises to pay a sum of money in exchange for a premium, upon the death of an insured person or after a set period



1.1 Features

1. Issued in the name of the policyholder
2. Flexible premium payments
3. Customizable tenure
4. Customizable sum assured
5. Pay-out on death or on maturity
6. Ability to assign nominees
7. Features an investment component



<https://www.bajajallianzlife.com/life-insurance-guide/life/features-of-life-insurance.html>

1.2 Reasons to invest in Life insurance

- It helps you save on taxes
- It helps you plan for retirement
- It will help your family pay off debts
- It can help you fulfil long-term plans
- It provides a financial safety net
- It serves as a saving tool
- It is customisable
- It offers mental peace

1.2 Ways to categorise Life insurance products

Type

- Traditional
- Unit-linked

Profit participation

- Participating
- Non-Participating

Term

- Products with fixed term
- Products without fixed term

Premium frequency

- Regular (A,S,Q,M)
- Limited
- Single

Ownership

- Individual
- Group

Type

- Endowment
- Term
- Whole life
- Annuities

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1.3 Types of Life insurance policies



Whole life insurance

- A whole life insurance plan is a form of life insurance that covers you for as long as you are alive. It actually pays the sum assured to your beneficiaries whenever you die.



Term insurance

- A type of life insurance that guarantees payment of a stated death benefit if the covered person dies during a specified term.



Endowment insurance

- an insurance policy by which a stated amount is paid to the insured after the period of time specified in the contract, or to the beneficiaries in case the insured dies within the time specified

1.3 Types of Life insurance policies



Pure endowment

- A pure endowment is a type of life insurance policy in which an insurance company agrees to pay the insured a certain amount of money if the insured is still alive at the end of a specific time period.



Unit Linked Insurance Plan

- A unit linked insurance plan (ULIP) is a multi-faceted product that offers both insurance coverage and investment exposure in equities or bonds.



Annuity

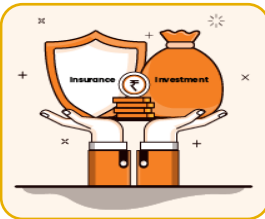
- An annuity is a long-term investment agreement between an insurance company and an individual in which the individual makes a payments in series or in a lump sum, in exchange for which he gets periodic disbursements or income.

1.3 Types of Life insurance policies



Joint Life policy

- The Joint life term insurance policy gives coverage to two people.



Credit life insurance

- Credit life insurance is a type of life insurance policy designed to pay off a borrower's outstanding debts if the policyholder dies.