Life Insurance

Project - 1

FY SEM-1(2022)

RAGHAV CHUGH (14)
SECTION-A
26 December 2021

PRODUCT DESIGN

(HEARTBREAK INSURANCE)

ABOUT THE POLICY

Heartbreak insurance could be an actual product someday. So the policy here covers the heartbreak that are caused by various situations. It could be relationship breakups , cancelled weddings , cancellation of other events like dates and some other lover related issues causing trouble. The policy allows to insure yourself or your best friend or someone you love as a matter of fact against unlikely circumstances.

HOW TO KNOW IF GENUINE OR NOT ??

There are various ways in which the existence of a genuine relationship can be known . Out of all these conditions at least two need to be met on the basis of which the premium would be decided.

- Presenting a public declaration of your relationship :

Presenting proves such as Facebook status. Sending the screenshot of your Facebook status to the company would be a good proof towards receiving the policy and the premium rates. Any form of public declaration on social media would be a good way to prove the righteous.

- Financial papers proving the relationship :

The above condition is easier to prove than this one. Some sort of scanned copy of the marriage certificate of the insured can be sent to the company. Along with that statements from joint bank accounts , if any. Papers of properties with a joint name of the two along with the all the details of how it was bought. Any joint lease statements would also work

- Past Relationships details:

The idea behind this is not to invade privacy as a matter of fact but know what kind of relationships has the person been in past that would help in deciding the accurate premium rates for the same person. Although the whole point behind the policy is to compensate for the emotional and financial loss in a way , its important to know about the past , so that it is known whether the person is actually looking for some heartbreak insurance and why.

The effort still would be to remove all the unnecessary paperwork that exist in the insurance ecosystem already. The idea is to utilise social media and know about what goes on in everyday life and use the platform to know about people and their current status.

HOW DOES IT WORK ?

First of all, there is no cash benefit available as relationship is something which is intangible and we cannot put a price tag on it. It won't be necessary for the couples to breakup in order to receive the benefits.
Some conditions have to be met in order to receive the benefits. The couples in the relation should both be at least 18 years old. The relationship can't be shorter hence you and your partner must be in the relationship for at least 8 months. The policy asks to give the details of all the major events planned upfront so that it can be known by the company.
When the policy is redeemed , it won't give cash benefit but two different holiday packages for each one for a short duration and also shopping vouchers at some major brands.

WHAT ARE CIRCUMSTANCES COVERED ?

The breakups that happened after checking if it really happened. Any unfortunate death of the loved ones or the partners. Any natural disaster that results in cancelling of the event which was informed prior. Any sort of injury or illness to your partner. Any travelling reservations that get cancelled resulting in delay or cancelling of the event planned.

HOW TO PROVE THAT YOU ARE HEARTBROKEN ?

This would be the last step to analyse. If you have suffered a heartbreak , you can again prove it by sending the screenshot of you Facebook status. Other couples can send their divorce papers or proofs of the separated property papers. Testimonials of your friends or family would be required which is absolutely important. That would help in assessing the status in a simpler way and help altogether.

1. INFERRED COST

Jamie paid a total of Rs. 2930 during the year for the accidents that occurred. Her major expense of all was when her sprinkler system failed due to a fir next door and many of her goods were damaged that was Rs.2500. If we assume that she didn't have any insurance policy she would have paid a lot more , approximately RS.6620.

Let's try and calculate how much did she save the year in total after taking in account the premiums and the copays.
PAID IN PREMIUM : RS.2149
PAID IN COSTS AND COPAY : RS.2930

Assume that she had to pay RS.6620(without any insurance) but she paid a total of RS. 5079(including costs and premiums) subtracting both she saved RS. 1541 during the year.

She could have saved more if she had taken the renters insurance too.

MONTH	WHAT HAPPENED	WHICH INSURANCE WOULD COVER THIS ?	DID JAMIE HAD COVERAGE	HOW MUCH WILL JAMIE HAVE TO PAY ?
January	Jamie got sick and visited the doctor. Without the insurance , the appointment cost rs.120 and the antibiotics cost rs.110	**MEDICAL**	**YES**	**RS. 30 COPAY FOR DOCTOR & RS. 10 FOR PRESCRIPITON**
March	Jamie fell on ice while hiking and had to get stitches in the emergency room. Without the insurance, the procedure cost Rs 250	**MEDICAL**	**YES**	**RS. 50 COPAY FOR THE EMERGENCY ROOM**
July	A kitchen fire in the apartment next door caused the sprinkler system to activate in Jamie's apartment as well. Her couch, her television, her computer, and her bookcase were ruined. The cost of the damage was Rs. 2500	**RENTER'S**	**NO**	**SHE WILL HAVE TO PAY THE COMPLETE 2500 OUT OF HER OWN POCKET AS SHE DIDN'T HAVE ANY RENTER'S INSURANCE**
September	Jamie hit a deer when driving home from work. She wasn't hurt , but the damage to her car was Rs. 3400	**AUTO**	**YES**	**RS.300 DEDUCTIBLE**
October	Jamie got her dirt in her eye while picking fruit at a local farm. She went to the eye doctor when her eye became red and swollen, the doctor prescribed her eye drops. Without insurance , the appointment cost rs.150 , and the Eye drops cost rs.90	**DISABILITY**	**YES**	**RS.30 SHE HAS TO COPAY FOR DOCTOR ,RS.10 FOR THE MEDICINES**

2. CONSIDERING INSURANCE IN MY LIFE

There have been a lot of medical issues in my family, not the major ones but the minor ones but it's always smart to stay protected against any of the financial risks. There were two instances in my family that I know of where a lot of money could have been saved if correct insurance was taken.

My uncle suffered with a heart attack a couple of years back. My dad had to rush back to his hometown because thats where my uncle lived. The attack was critical and he had to undergo some surgery which was very sensitive. He survived and made it through. The bills were very costly , he did have an insurance but it had terns stating the amount to be paid under certain conditions . My uncle is a drinker , so the insurance company did not pay the complete amount. He took the policy where the premiums were low which didn't cover him for the bigger part of the bills. If he had taken the right policy considering each aspect then he could have saved a lot more money .

Another instance where my dad had insurance for our office and warehouse but , again it didn't cover all the terms. The insurance covered if the space gets damaged due the natural disasters but it didn't cover the loss when government takes the land. The metro line falls in the area of the office and government asked to clear the warehouse , but the insurance policy didn't cover that loss as nothing was mentioned if something of this sort happens. Although , government did pay a very small amount which is not even 5 percent of the loss faced. So, if he had taken the policy which also covered this kind of issue then, the loss could have been avoided to a greater extent.

3. Jamie gives advice

Insurance can be one of the most important and useful tools for the financial aspect in our life. It should be made a necessity part is what I believe. As a person starting with a new job , one of the main objectives is to focus on wealth creation for the long run and insurance can directly contribute in that. Elimination of unnecessary risks and prevention of financial losses align with the objective of wealth creation and supports that to the completely extent. To protect family is everything. Insurance ensures to protect the family after the death or in illness , as it takes away the financial burden faced. As a new employee, insurance can be a great away to save on taxes and add to your savings in the long run. Retirement planning is essential , hence taking the right insurance at the right time for the correct period can benefit your retirement plans also. All of us need a peaceful life, insurance makes sure that we don't have to worry about the risks and incidents that might occur and reduces our stress. As Jamie herself took a few insurance policies that saved her money. If she hadn't took let's say her auto insurance, she would have faced a loss of 3400 which is huge , but instead , she just had to pay 300 as the copay. Also , she expected that she didn't require the renter's insurance , but life doesn't work that way. Her goods got damaged and she had to replace them incurring a major cost of 2500. If she had insured then she would have been protected and saved. You should not make the sea mistakes as her , learn form it , calculate how much you can spend on insurance and try to make it a priority. It will not only protect you financially but will be very good to your mind as well.

THANK YOU !!