

Readers' Corner

LIFE INSURANCE

Amitabh Chaudhry, managing director and CEO at HDFC Life, answers your questions



AMITABH CHAUDHRY

Which plan should I invest in for my granddaughter, so that money is available when she starts her college education? She is now five years old.

You can invest in a traditional insurance policy, like an endowment or money back plan, so that your returns are protected from market fluctuations. Choose the policy term such that the maturity coincides with the time your granddaughter is in college. (That is, policy term = age at which she will attend college minus her current age). In this way, the required goal is met.

What is claims ratio and what does it indicate?

Should I look at the claims ratio of an insurance company while buying a policy?

Claims ratio refers to the total number of death claims settled by an insurance company against the total number of death claims it received. For instance, if a life insurance company receives 1,000 death claims and settles 980, the claim settlement ratio would be 98 per cent. Its ratio is an important parameter one should look at, especially while buying a term plan.

The agent from whom I bought my policy has left the insurance company.

Who will help me with my claims when my policy matures?

Generally, insurance companies inform the customer concerned or the customer can get in touch at the common e-mail ID to resolve such issues.

The views expressed are expert's own. Send your queries to yourmoney@bsmail.in

