

Build Your Financial Immunity

Protect the financial security of your family through a comprehensive insurance plan says
Abhijit Gulanikar of SBI Life Insurance



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With the outbreak of COVID-19, how is the changing consumer behavior affecting the Life insurance industry?

There is a huge psychological impact of COVID-19, consumers are deeply concerned from physical health and economic perspective. Their attitudes, behaviors and purchasing habits are evolving with the changing environment. We do believe that the need for protecting your family for uncertainty is now more acutely felt than in past. Addressing the need of protection, life insurance acts as an important protection mechanism against uncertainties. While financial impact due to COVID is very high, it might be limiting consumers to put some money aside for financial protection. However, post strict lockdown in March and April, customers are returning back to

life insurance, both new business and renewal premium are seeing encouraging trends.

What do you mean by Financial Immunity and what are the ways through which one can build a robust one?

Financial immunity means protecting financial security of the family from potential risks. The current environment has led to an increased appreciation of risk amongst the consumers. In such a situation, the benefits and importance of building a strong financial immunity is well understood. For instance, to protect our physical assets from getting destroyed in a calamity, we buy a general insurance cover; for ensuring comfortable income post retirement, we buy an annuity policy. Likewise, to build a robust financial immunity it is important to have a comprehensive Term

insurance that protects the individual and the family from any unforeseen event.

Have you designed any products to address the current market needs?

While our existing product portfolio addresses all the key financial immunity aspects of the consumers, in specific, our Poorna Suraksha plan as the name suggest 'complete protection' addresses the insurance needs in the uncertain times. The product offers a dual protection benefit i.e. a Term Cover and a Critical Illness (CI) Cover under a single package. Besides, this it provides a unique feature of 'Auto-rebalancing', which helps in balancing both the cover with an increasing age and address any uncertainty related to life and health.

You mentioned about Auto-Rebalancing feature in the Poorna Suraksha product, how is it unique?

SBI Life's Poorna Suraksha provides a dual protection benefit i.e. both a term cover and a critical illness cover in a single plan. The unique feature of this product is the 'Auto-Rebalancing' component that it rebalances cover between Life Cover and Critical Illness (CI) Cover. At policy inception, the Basic Sum Assured would be split between Life Cover Sum Assured (SA)

& CI Sum Assured (SA) in the proportion of 80:20 respectively. There would be an increase in CI sum assured on each subsequent policy anniversary, as the propensity of being diagnosed with a critical illness is higher. In case of diagnoses of a CI, the insured gets a lump sum to take care of the treatment cost and the future premiums are waived off.

How much of a role does Life insurance play in building financial immunity and how can one ensure adequate insurance coverage to address any life uncertainty?

Life insurance is an essential component in building a robust financial immunity. The amount of life cover needs to be calibrated for change in income, liabilities and accumulated wealth. Early in the working life when expenses eat up most of the income earned setting aside, around ₹7,000-1,50,000 per annum goes a long way covering this main risk. Additional planning for financial immunity against protecting key assets like house, car etc also needs to be looked upon. A basic Term life cover with an in-built critical illness cover can go a long way in ensuring adequate corpus is available to live the current lifestyle in the absence of the bread winners' income. ■