**FREE GUIDE**

How to assess whether your current coverage is adequate — or over-sold.

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# Why Most Indians Are Either Under-Insured or Over-Charged

India's insurance market has a structural problem: most insurance is sold, not bought. As a result, millions of families are either dangerously under-protected or paying premiums for products that deliver poor value. This guide helps you assess your coverage rationally.

## PART 1: LIFE INSURANCE AUDIT

### Step 1: Calculate Your Actual Life Cover Need

- Annual income x 15–20 = Minimum life cover needed
- Add outstanding liabilities (all loans)
- Add future financial obligations (children's education, marriage)
- Subtract existing assets

> Example: Annual income Rs.15L x 15 = Rs.2.25Cr + Rs.50L loans + Rs.75L goals — Rs.30L assets = Rs.3.2 crore cover needed

### Step 2: Audit Your Current Policies

| Policy Type | Cover Amount | Annual Premium | Good Value? |
|---|---|---|---|
| Term Insurance | Rs. _______ | Rs. _______ | |
| Endowment / LIC | Rs. _______ | Rs. _______ | |
| ULIPs | Rs. _______ | Rs. _______ | |
| Group Cover (Employer) | Rs. _______ | Rs. _______ | |

### Red Flags to Watch For

✗ Endowment or money-back policies as primary life cover — poor cover, poor returns

✗ ULIPs with high charges in early years (year 1–3)

✗ Relying solely on employer group cover — it ends when your employment ends

✗ Total life cover below 10x your annual income

> Best Practice: Pure term insurance is the gold standard for life cover. Maximum protection at minimum cost.

## PART 2: HEALTH INSURANCE AUDIT

### Minimum Benchmarks (2025)

| Profile | Recommended Base Cover | Recommended Super Top-Up |
|---|---|---|
| Individual | Rs.10–15 lakh | Rs.25–50 lakh |
| Family Floater | Rs.20–25 lakh | Rs.50 lakh |
| Senior Citizens (Parents) | Rs.10 lakh+ | Rs.25 lakh |

### What to Check in Your Current Policy

- [ ] Is the sum insured adequate for your city's hospital costs?
- [ ] Are pre-existing conditions covered? What is the waiting period?
- [ ] Is it a cashless policy at major hospitals near you?
- [ ] Does it cover day-care procedures?
- [ ] Is there a co-payment clause?
- [ ] Is there a room rent capping that limits real-world coverage?
- [ ] Is it employer-dependent (ends with job change)?

## PART 3: CRITICAL ILLNESS COVER

- Recommended: Rs.25–50 lakh standalone critical illness policy
- Covers: Cancer, heart attack, stroke, kidney failure, major organ transplant
- Pays lump sum on diagnosis — regardless of actual medical bills
- Most valuable for business owners and self-employed (no employer sick pay)

## PART 4: THE OVER-SELLING CHECKLIST

You may be over-insured (and over-charged) if any of the following apply:

- [ ] You have multiple endowment policies with small sum assured
- [ ] You have a ULIP where most of year 1–3 premium went to charges
- [ ] You have insurance-cum-investment products instead of pure term + pure investments
- [ ] Your agent has never reviewed your coverage since purchase

☐ You don't clearly know what you're covered for

## PART 5: THE RECOMMENDED INSURANCE STACK

| Need | Instrument | Why |
|---|---|---|
| Life Cover | Pure Term Insurance | Maximum cover at minimum cost |
| Health Cover | Separate Health Policy | Portable and comprehensive |
| Large Medical Bills | Super Top-Up Policy | Cost-effective high cover |
| Serious Illness | Critical Illness Rider | Lump sum, income replacement |
| Accidents | Personal Accident Policy | Covers disability and death |

Golden Rule: Always keep insurance and investments completely separate. Never mix the two.

Concerned about gaps in your coverage? Schedule a complimentary insurance audit with Simi Agarwal. We will review your current policies and recommend the most cost-efficient structure.

**Schedule a Call**
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**Disclaimer:** This guide is for educational and informational purposes only and does not constitute investment, financial, legal, or tax advice. Please consult Simi Agarwal or a qualified financial planner before making any financial decisions. Investments are subject to market risks.

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