



Is your Current Insurance Plan Enough to save you From Anything Critical?

WORK SAMPLE FOR FINANCE NICHE

In today's short Life, we are all busy with something, and it never crosses our minds how much we need protection against bad health, an accident, or sudden loss of life. Okay! We aren't asking you to attract negativity here. But here is the thing: Can positive thinking alone help you sneak out of the situation?

Two Real-Life Incidents That Raise Important Questions

Case 1: Medical Emergency During COVID-19

Story

Meet Sunny! Who knows? Now, why is having a Good Insurance Policy so important?

One of my friends, whom we can call Sunny (actual name not disclosed as per his request), faced hospitalization during COVID, and it was not just him; his wife and his parents too had to be hospitalized for around one week in the second wave. He had corporate Insurance of 5 lacs, so he never felt the need to take more Insurance.

Fortunately, each survived COVID, and their two kids showed no significant symptoms. All of them came home after one week of hospitalization; however, although they were pleased that they survived this crisis, Sunny deeply thought about his other loss.

The total hospital bill was approximately 20 lacs for four people. So he had to pay 15 lacs from his pocket, and this came from his savings, which he had set aside for his kid's education.

The good news is that all are in good health, and the Hospital did not stop treatment due to a lack of money, but we know that worse could have happened if he had no money or wanted more money or even surgery, as his father was a heart patient.

Learning from this incident, he took a personal health policy and a super top-up plan after a few weeks.

Learning:

Always have sufficient Insurance, as we never know what the future holds, and worst is the pressure to arrange higher funds when your dear one is in the hospital. Sunny is not alone; several incidents have wiped out families' savings and property. Many are unaware, but several of us are just one major medical incident away from bankruptcy.



Imagine a situation where you leave this world suddenly. Do you think your insurance policy is enough to take care of your Family from any debacle?

Let me brief you on another incident in Bangalore early this year. Sunny was fortunate as he was alive and could arrange funds for his Family.

Case 2: Sudden Death and Its Financial Impact

Story

Meet Suresh and Know How Term Life Insurance Helps a Lot

A gentleman named Suresh (actual name not disclosed), who worked in a reputed software company in Bangalore, passed away due to a heart attack. He didn't get up in the morning.

I know this sounds unreal, but it happens, and you must have heard about these incidents.

He had a good salary (INR20 lacs per year) and has been working for the last ten years. His wife was also working but on a lower salary at a school (INR4 lacs). He had one kid of 5 years old. He had taken a flat on EMI of INR50,000 per month a couple of years ago. His total savings was less than INR10 lacs as he had paid a down payment of more than 30 lacs for his house and bought a car of 10 lacs last year.

He had a term life insurance, but Policy was taken to cover the housing loan as mandated by the loan company. So his house was secure, but what about the household expenses? Will her wife be able to manage the same lifestyle?

Suresh's company provided INR 15 lacs as it was towards his corporate life insurance as an employee. But will this be sufficient, along with his low saving for his wife and kid for the next 20-25 years?

We can't compensate for the grief of losing a dear, but if finances are strong for a family, it helps to live a decent life.



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Numerous cases of accidents and critical illnesses such as cancer ruin a family and swallow all the savings. But the main point is, are we even aware of it? And are we doing enough to survive such situations, or are we Turkey sitting on the Fire? Because how you have planned your finances and built your assets defines how you and your Family would survive after any unfortunate incident. Now think hard over It, but understand Insurance is essential.

So, What Extraordinary have you done to save your Family from any Unfortunate Circumstances?

The best answer is to earn a good income from a salary or business, save most of it, and invest in good assets where it will multiply. But it does take at least 10-15 years? So what happens if you are hit by such a situation when you have worked for just two years? Will you have the financial power to weather the storm? The answer is no unless you are one whose first salary starts with 40+ lacs or your business idea clicks and you are rich within 2-3 years.

But these are rare cases, and what if you face them in the first month of your career?



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Here Is a Solution

Enough of stories and situations. Relax. There is a solution, and most of us know about it but don't opt for it; it's called Insurance. There are several types of Insurance and many riders to confuse you, and the main question is how much to take.

To simplify: for Life, there is life insurance so that once you are gone, your Family can still live a certain standard of Life, and your kids can go to good school and college.

Health insurance protects you from health-related issues and significant medical expenses.

For accidents, there is very cheap accident insurance.

Critical illness policies for acute illnesses such as cancer and kidney or liver transplants exist. Even to protect your dream home where you have spent lacs and crores, and you never thought what happens if there is a Fire, there is a policy to compensate for any significant incidence.

I understand this article was unpleasant, but it is high time we consider your financial health and insurance needs.

Final Thoughts

It is never late to make the right decisions. You don't have to wait and learn like Sunny to make the right decision. Sunny told me to highlight his case so others could learn from it. Before I sign off, I know you must be thinking of taking an Insurance Policy sooner, but which one and how much?

We will soon be publishing the second part of it. Although we can't recommend which policy company as we are not registered advisors, there are enough advisors who can guide us on what to look for and help us apply the thumb rule on how much is sufficient for an individual.

Till then, ensure safety and then enjoy Life.



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