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How to choose a life insurance policy for you? by [Chris Luke](#)

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Insurance in India is divided into four types: Life, Fire, Marine and Miscellaneous. Life insurance is the biggest seller among these and amounts for the most number of policies sold.

There are two main ways you can buy a life insurance policy in India. The traditional way is to contact an insurance agent who will come home and try and sell you a policy. The new method is to go online, research various policies and then buy the policy online, where it's offered at a significant discount to its offline variant. The policy will be the same but the lower costs associated with online mode of transaction ensure that you could buy the same policy for a lower amount.

Almost all insurance companies in India offer their policy online. There are also a huge number of websites that explain the benefits of various policies in explicit detail. These websites also offer comparisons between various policies. Another feature that's available online is a premium calculator that helps you decide how much insurance cover you need to buy. Once this is settled, you need to look at what kind of policy you want to buy.

Term Insurance: Term insurance is for a specific period, and has the lowest possible premium. It offers coverage up to 35 years. Premiums are fixed and do not increase during your term period. In case of an untimely death, your dependents will receive the benefit amount specified in the agreement. You can customize a Term insurance with the addition of riders.

Endowment Insurance: This is ideal if you have a short career path, and hope to enjoy the benefits of the plan in your life time. These plans are useful when you retire as they can generate a monthly pension for the rest of your life.

Whole Life policies: These policies have no fixed end date for the policy; only the death benefit exists and is paid to the named beneficiary. The policy holder is not entitled to any money during his or her own lifetime, i.e., there is no survival benefit. Primary advantages of Whole Life Policies are guaranteed death benefits, guaranteed cash values, and fixed and known annual premiums.

Money-Back Plans: These are ideal for those who are looking for a product that provides both - insurance cover and savings. The payout is exempt from taxes except under specific situations.

Unit-linked Insurance Plans: These are popular, as they deliver the benefits of an insurance policy with returns of a mutual fund. Part of the premium is invested in equities and the remainder is used for insurance and fund management expenses.

Pension Plans: These are of two types - Endowment and unit linked. Endowment plans invest in fixed income products, so the rates of return are very low. ULIP Plans offer higher returns but have higher risk.

The benefits of a life insurance policy are that they ensure the financial security of your family in case of any uncertainty. Rather than depending on a broker or insurance agent, get online compare policies, read feedback and then make up your mind about the policy you want to buy.

Article Source:

[Chris Luke](#) - About Author:

Chris holds a strong professional background with the life insurance sector in India. Travelled across the world and had the prestigious opportunities of meeting top insurance companies in the world, Chris now shares his experience through writing across different websites. He personally feels that every individual in India should opt for a good a [life insurance policy](#) or a [ULIP Plans](#) and for this recommends AEGON Religare Life Insurance to his viewers. For more information about them, visit website aegonreligare.com.

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