

Business Insurance Solution









Married Woman's property Act, 1874

An imperative protection solution for the business family



MWPA wins in all four scenarios in the life of a business family

Typical four scenarios in the life span of a businessman

<p>Scenario 1</p>   <p>MWPA: Wealth created approx. 75 lacs more than the other financial instruments</p>	<p>Scenario 2</p>   <p>Result: Liquid/ personal assets attached to service/ recover loan MWPA: Attachment free wealth Created for family – Approx. 75 lakhs</p>	<p>Scenario 3</p>   <p>MWPA: 1 cr death benefit paid to beneficiary which is more than maturity amount from other financial instruments</p>	<p>Scenario 4</p>   <p>Result: Liquid/ personal assets attached to recover loan MWPA: 1 Cr death benefit paid to beneficiary (attachment free)</p>
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Safety with returns

ICICI Prudential Guaranteed Wealth Protector @ 8% annual returns
with loyalty additions getting added from 6th year onwards and wealth booster added in the 10 years

Policy Year	Annualised Premium	Premium Allocation Charge	Amount available for investment	Mortality Charge	Fund before FMC and GC	FMC	Investment Guarantee Charge	Loyalty Additions	Wealth Booster	Death Benefit	Fund at End	Flat FMC @ 2.50%
1	1000000	60000	932584	16843	979716	12801	4741	0	0	10000000	960005	1050080
2	1000000	50000	943820	15472	2029516	26345	9757	0	0	10000000	1988952	2152748
3	1000000	40000	955056	13910	3153944	40850	15130	0	0	10000000	3091045	3310638
4	1000000	40000	955056	12888	4344553	56213	20820	0	0	10000000	4257999	4526516
5	1000000	40000	955056	11371	5605744	72485	26846	0	0	10000000	5494136	5803284
6	0	0	0	11147	5909357	76403	28297	13833	0	10000000	5805549	6093913
7	0	0	0	11508	6245020	80738	29903	14604	0	10000000	6135307	6399097
8	0	0	0	11773	6600595	85330	31604	15434	0	10000000	6484642	6719565
9	0	0	0	11878	6977482	90196	33406	16313	0	10000000	6854916	7056081
10	0	0	0	11693	7377310	95356	35317	17245	224187	10000000	74,71,918	74,09,451

MWPA, a must for every entrepreneur

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Married Woman's property Act, 1874

MWPA Act: Definition & Interpretation

Section 6 of the Married Women Property Act, 1874 provides that the policy of insurance (MF, FD, Postal cash, gold or any other financial product not allowed) effected by any married man, on his own life, (self proposed policy and not proposed on life of his wife or child) and expressed on the face of it (has to be a fresh application, existing policies cannot be included post issuance) to be for the benefit of his wife or his wife and children or any of them, shall ensure and deemed to be a trust for the benefit of his wife and children, or any of them according to the interests so expressed and shall not so long as any object of the trust remains, be subject to the control of the husband, or of his children, or form part of his estate.

How does MWPA work?

- ✦ *Who can initiate an MWPA?*
- ✦ A Married Man ("Married Man" would include widowers and divorcees - the last two would apply where the beneficiaries are the children of the man)

- ✦ *Who can be the beneficiary?*
- ✦ wife;
- ✦ wife and any of his child/children;
- ✦ any of his child/children

- ✦ *How does it safeguard the asset?*
- ✦ Since a Policy effected by a Married Man under the MWP Act results in a trust, the Life Insured does not have any interest in, nor can he control the Policy
- ✦ The Policy will not be a part of his estate, and cannot be targeted by his creditors
- ✦ The intended beneficiaries therefore may enjoy encumbrance free the proceeds of the liquid asset

- ✦ *How do I initiate a MWP for a Policy?*
- ✦ A simple addendum has to be filled with the application form
- ✦ It can only be done at the proposal stage of the policy only with a new insurance policy
- ✦ Old or existing policies cannot be covered under the MWP Act