

Frequently Asked Questions

1. Why should I buy an Insurance Policy

- a) To ensure that your immediate family has some financial support in the event of your demise
- b) To finance your children's education and other needs
- c) To have a savings plan for the future so that you have a constant source of income after retirement
- d) To ensure that you have extra income when your earnings are reduced due to serious illness or accident
- e) To provide for other financial contingencies and life style requirements
- f) To replace Spouse's Income

2. Who needs Life Insurance

Primarily, anyone who has a family to support and is an income earner needs Life Insurance. In view of the economic value of their contribution to the family, housewives too need life insurance cover. Even children can be considered for life insurance in view of their future income potential being at risk.

3. How much Life Insurance is needed for me

The amount of Life Insurance coverage you need will depend on many factors such as:

- Number of dependents
- Kind of lifestyle you want to provide for your family
- How much do you need for your children's education
- Your investment needs
- Affordability

You should seek the help of an insurance agent or broker to understand your insurance needs and suggest the right type of cover.

4. What should I look for before I decide to buy a policy

You must check and see whether or not there is availability of guarantee of return, what the lock in period is, details of premium to be paid, what would be implications of premium default, what the revival conditions are what the policy terms are, what are the charges that would be deducted, would loan be available etc.

5. If my policy is not renewed in time before expiry date, will I be denied for renewal?

The policy will be renewable provided you pay the premium within 15 days (called as Grace Period) of expiry date. However, coverage would not be available for the period for which no premium is received by the insurance company. The policy will lapse if the premium is not paid within the grace period.

6. Can I switch the investment fund after taking a policy?

Yes. "SWITCH" option provides for shifting the investments in a policy from one fund to another provided the feature is available in the product. While 4 switches are generally effected free of cost, a fee is charged for switches made beyond the specified number.

7. What happens if payment of premiums is discontinued?

a) Discontinuance within three years of commencement – If all the premiums have not been paid for at least three consecutive years from inception, the insurance cover shall cease immediately. Insurers may give an opportunity for revival within the period allowed; if the policy is not revived within that period, surrender value shall be paid at the end of third policy anniversary or at the end of the period allowed for revival, whichever is later.

b) Discontinuance after three years of commencement - At the end of the period allowed for revival, the contract shall be terminated by paying the surrender value. The insurer may offer to continue the insurance cover, if so opted for by the policy holder, levying appropriate charges until the fund value is not less than one full year's premium. When the fund value reaches an amount equivalent to one full year's premium, the contract shall be terminated by paying the fund value.

c) Policies having 5 year lock-in-period: For policies bought on or after 01-09-2010, lock in period has been increased to 5 years. Upon discontinuance of the payment of premium, the policyholder has the option of (i) Reviving the policy or (ii) Complete withdrawal without any risk cover.

A notice shall be sent by the insurer giving the above options, within 15 days from the date of expiry of grace period, if no option or option (ii) is exercised within 30 days of such notice, the proceeds of discontinued policy shall be refunded but not before the completion of the lock-in period. If such discontinuance is within lock in period, the policyholder shall have the right to revive the policy within a period of two years from the date of discontinuance but not later than the expiry of the lock-in period.

8. Why should I not surrender my policy before its maturity

1. Since buying a life insurance policy is a long-term commitment, it is not advisable to terminate your policy early as you will not receive the total amount of premium that you have paid because the surrender value is usually less than what you have paid. Replacing an existing policy with another is not in your best interest because the new policy is likely to be at a higher premium as you are older. There will also be an initial cost of writing the life insurance policy for a second time. Additionally, the two-year period of contestability will begin again.

2. When a life insurance policy is in force for a number of years (normally a minimum of five years) it would acquire a cash value. The cash value is the 'savings' portion of a life policy. It is derived when your premium payments are more than the cost of insurance, whereby the excess goes into a cash value account and draws interest. If you decide to surrender your life insurance policy, the life insurance company will pay you the cash value, also known as surrender value. You will suffer a loss if you surrender your policy before the maturity period.

9. What has changed in Insurance

- a. Premium Allocation charge decreased from 50% to 3%
- b. Policy admin charge decreased from percentage of premium to fixed charge of max. of Rs. 400 p.m
- c. Fund management charge in Equity decreased from 2.25% to 1.35%
- d. Introduction of Loyalty Addition in the form of addition of units

10. What is eIA & what are its benefits?

1. eIA stands for e-Insurance Account or "Electronic Insurance Account" which will safeguard the insurance policy documents of policyholders in electronic format. This e-Insurance account will facilitate the policyholder by providing access to the insurance portfolio at a click of a button through internet. You can now manage all your life insurance policies of all insurers under a single e-Insurance Account.
2. Benefits of an eIA:
 - No more physical policy documents
 - View and manage all your life insurance policies under a single account
 - Once KYC documents submitted and eIA is opened, KYC documents not required for purchase of new life insurance policies
 - Changes in contact details get auto updated in all your policies across all life insurers
 - Opening eIA is free

IRDA has granted the Certificate of Registration to the following five entities to act as 'Insurance repositories' that are authorized to open e-Insurance Accounts.

- NSDL Database Management Limited
- Central Insurance Repository Limited •SHCIL Projects Limited
- Karvy Insurance Repository Limited
- CAMS Repository Services Limited

11. What is MWPA

MWPA stands for Married Women's Property Act 1874, which was enacted by the Indian legislature to make among other things, certain provisions for insurance on lives by married persons.

A married man can, by taking a policy on his life, make a safe provision for his wife and children, which is beyond his or his creditor's control. It is thus free from creditors, court attachments and also tax attachments.

12. How do I file a claim

You can file your Claim in any of the following ways:

- a. Online Claim intimation
- b. Call us at our 24 x 7 ClaimCare number 1800 266 7766
- c. Visit your nearest ICICI Prudential Life Insurance Branch
- d. Email us at lifeline@iciciprulife.com
- e. SMS 'ICLAIM<space>Policy No' to 56767

**Kindly note that a claim will be formally registered only after receiving a receipt of written intimation at branch/ Claims Cell.

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