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## Sizeable segment of urban Indians have a false sense of financial preparedness

**KR SRIVATS**

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Almost 42 per cent of urban Indians have a false sense of financial preparedness, a new survey by life insurer Aditya Birla Sun Life Insurance reveals.

Close to half the people – 2,061 people were surveyed in the 25-50 age group across 13 cities – who were feeling prepared had a false notion and were investing in incorrect financial products to tackle their biggest uncertainties of life, the 'Protection Survey 2018' showed.

This is leading to their false sense of preparedness as other products are not suitable to completely beat their worries, it showed.

"The Protection Survey 2018 is a real eye-opener as it broadly reveals the preparedness of urban Indians across various segments of society towards protecting self and family," Pankaj Razdan, MD and CEO, Aditya Birla Sun Life Insurance, said.

"The biggest worry is that there is right intent, but lack of financial awareness. While some are just worried and are not taking any

measure, some have taken actions but not the appropriate ones." He felt that every individual should take informed decisions and opt for adequate protection solutions and appropriate products. This will help them reduce uncertainty and fulfil their life goals.

Simply put, the financial products urban Indians are investing in are unsuitable to completely beat their worries. For instance, 41 per cent respondents with child's education as their major worry haven't invested in any child insurance plan, 51 per cent have not pur-

chased any term plan and have 'family's security if something happens to them' as their biggest uncertainty.

Over four-fifth of the respondents have some policy but were severely under-insured.

Although a staggering 83 per cent were aware of the amount needed to protect their family, the extent of actual cover was very low, a mere 1.67 times the annual income. As per research, the average life cover that an individual should ideally have is 7-10 times of one's annual income.