

INSTITUTE OF MANAGEMENT, NIRMA UNIVERSITY



A PROJECT REPORT ON

Taxation As a Selling Tool For Life Insurance



BRIDGEGROUP SOLUTIONS, GURUGRAM

Summer Internship Project Report

Submitted To: *Prof. Sanjay Jain*

In Partial Fulfilment of Requirement for Degree of
Master of Business Administration- Full Time (2020-2022)

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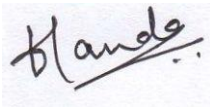
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DECLARATION

I Tanya Handa, student of MBA-FT 2020-2022 batch from Institute of Management, Nirma University, hereby declare that the Summer Internship Project Report on “Taxation as a Selling Tool for Insurance” submitted by me for partial fulfilment of the MBA-Full Time Curriculum is original. I was able to complete the internship and this report smoothly through constant and regular guidance of my mentor in the company, Mr. Kashish Jerath. The information and data given in the report is authentic to the best of my knowledge.

Date: 12th/ July/2021

Sign:

A handwritten signature in black ink that reads "Tanya Handa". The signature is written in a cursive style and is placed over a light blue rectangular background.

Name: Tanya Handa

Roll No: 201457

ACKNOWLEDGEMENT

The internship opportunity with BridgeGroup Solutions Limited was a great chance for learning and professional development. I am grateful for having a chance to interact with different people and professionals who led me through this internship period. I would like to use this opportunity to express my deepest gratitude to **Mr. Kashish Jerath, Senior Manager, Training and Sales** who heartily welcomed me for the internship and for arranging all facilities to make the online training experience easier. I would also like to convey my heartiest thanks to my mentor **Mr. Mayank Soni** who guided me, motivated me and gave necessary advice throughout my project. I choose this moment to acknowledge their contribution gratefully.

I express my deepest thanks to **Prof. Sanjay Jain, faculty mentor at Institute of Management, Nirma University** who provided me constant guidance and valuable advice for improving my learning journey in the internship.

Last but not the least, I would like to thank all the faculty members whose teachings were extremely valuable and useful for successful completion of my internship and the CRC for providing me the opportunity to work on the project.

EXECUTIVE SUMMARY

Bridge Group Solutions is an emerging firm in the highly unorganised and diversified Financial Sector and intends to provide investment solutions to the clients and also establish its impression in this sector. The company has been focused on creating an experienced team, developing technology enablers and institutionalizing standardized processes and attain consistent growth in terms of clients through referrals. Bridge Group Solutions is promoted by a group of like-minded young professionals having deep knowledge in providing investment solutions and consulting.

The purpose of the project undertaken was to understand the working of insurance companies, the different Insurance products in the market, consumer behaviour towards these products and how tax acts as one of the major tools for customers to buy the insurance products specifically the Life Insurance.

Being one of the largest markets of insurance and having several Insurance companies, India still has the least insurance market penetration specially in Tier 2 and Tier 3 cities. It has extreme potential to grow and with the market growing and increased awareness, the penetration is increasing year to year. Along with this, there is an increase in the premium collected and policies sold. The attitude towards the Insurance products is also different amongst the businessman and the salaried people.

Majority of the people, generally consider Life Insurance as an investment and tax saving tool but they are not aware of how the policy money is invested and how safe these investments are. The project thus helps to understand the investment pattern of the Insurance companies. The IRDAI- Insurance Regulatory and Development Authority of India updates and regulates all the 24 Life Insurance and 34 non- Life Insurance companies.

The project also included training on basic understanding and analysis of the stock market including technical and fundamental analysis.

Part-A: ORGANIZATION PROFILE

Name of the Company: Bridge Group Solutions

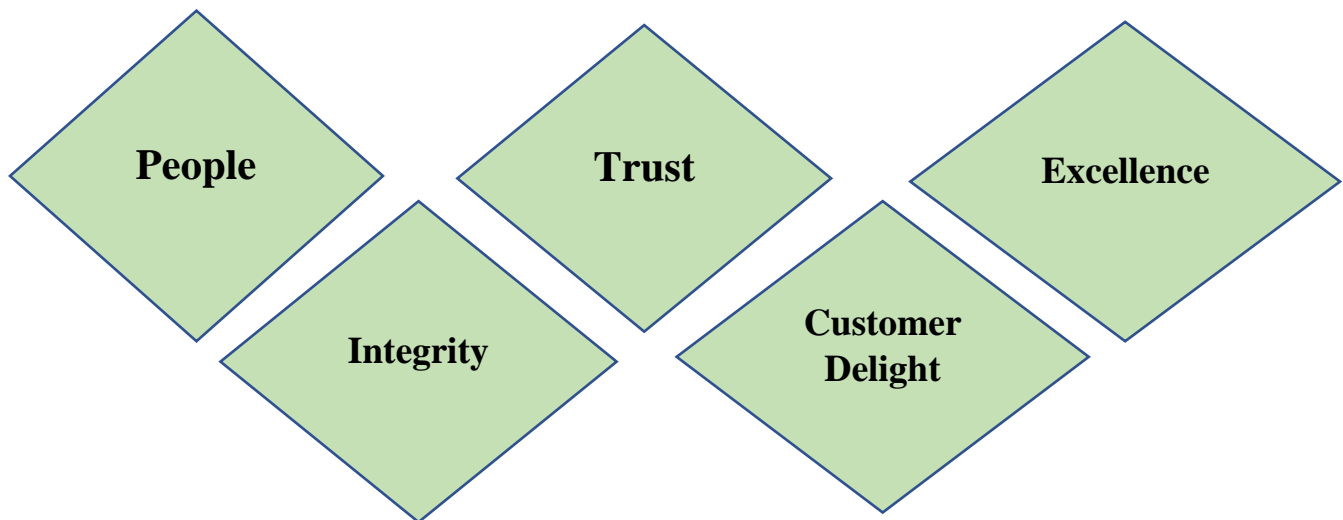
Project Title: Whether Taxation is a selling tool for Life Insurance Organization

Sector: Financial Services

Extension to more than 5 cities

- 113 Projects completed till now, along with 1356 satisfied customers
- 32 Awards received
- 5 years of experience

Values:



Vision: To offer unique financial planning opportunities, to individuals, by assisting them, in accomplishing their financial goals and dreams, in a systematic and efficient approach, leading transformed Planned Finance for Life.

Mission: To provide comprehensive financial planning for individuals, with the whole process driven on systems thereby developing such unique processes that can be controlled, monitored and evaluated by us independently, thus making us self-reliant, with over 10 million clients, by 2028.

Bride Group Solutions was founded in 2012 as Project Outsourcing start-up, with an aim to bridge gaps in process management and outsourcing. The company further expanded its operations in IT and Financial Services over the years. Today, the Bridge Group Solutions enterprise has its presence across varied sectors that incorporate innovations, technology, wealth management and talent management solutions and have expanded to more than 5 cities in less than two years. Under the project outsourcing, the company has taken up projects of different insurance companies. The company has allotted the products of Max Life Insurance and Aditya Birla Health Insurance under the Summer Internship Project.

Bridge Group Solutions helps the customers to foresee upcoming risks and help them reduce it and at the same time maximise returns and take well planned and calculated investment decisions through its trained team, deep analysis and various researches.

ORGANIZATION PRODUCTS and SERVICES

Presently, the company functions mostly in the IMF segment and financial services. Apart from these the company provides services across different sectors such as:

- Manpower Solutions
- ERP and customization of software
- Wealth Management
- Risk Management
- Portfolio Management

PRODUCTS

Protection- Health Insurance, Life Insurance, Travel Insurance

Investment- Mutual Fund, Wealth Management, Portfolio Management, Pension Funds, Real Estate

Outsourcing- ERP & Customized Software, Recruitment Process Outsourcing

MANPOWER SOLUTIONS

The company offers services in manpower recruitment in various sectors such as IT, manufacturing, BFSI, engineering and retail. Recruitment Process Outsourcing (RPO) is when a company transfers all or part of its permanent recruitment to an external provider. An RPO acts as an extension of a company's HR or Resourcing function, by providing a holistic hiring solution to clients. The company provides RPO solutions PAN India through regional centres, which provide flexibility and scalable recruitment solutions throughout the entire process right from sourcing and selection to onboarding. The company makes use of the latest technology to build an agile, skilled workforce for their clients.

ERP AND SOFTWARE CUSTOMIZATION

Enterprise Resource Planning (ERP) is business process management software that allows an organization to use a system of integrated applications to manage the business and automate many back-office functions related to technology, services and human resources and tasks such as product planning, development, manufacturing, sales and marketing and integrating it to a single database. The company provide two types of ERP services:

- Off the self
- Customer ERP Software

WEALTH MANAGEMENT

As a part of wealth management, the company provides financial planning, investment portfolio management and a number of aggregated financial services. Through a consultative process the company understands the client's wants and tailors a personalized strategy for appropriate financial products and services. They provide financial and investment advice, legal or estate planning, accounting and tax services, and retirement planning, to manage a client's wealth for a set amount.

RISK MANAGEMENT

Risk management is the identification, evaluation, and prioritization of risks followed by coordinated and economical application of resources to minimize, monitor, and control the probability or impact of unfortunate events or to maximize the realization of opportunities.

PORTFOLIO MANAGEMENT

Portfolio management involves decision-making about investment mix and policy, matching investments to objectives, asset allocation for individuals and institutions, and balancing risk against performance. Portfolio management is all about determining strengths, weaknesses, opportunities and threats in the choice of debt vs. equity, domestic vs. international, growth vs. safety, and many other trade-offs encountered in the attempt to maximize return at a given appetite for risk.

INSURANCE MARKETING FIRM

IMF or Insurance Marketing Firms have multiple tie-ups with insurers. These companies are approved by IRDAI and work according to their regulations. They act as distribution channels for insurance and other financial products to their clients through professionally run companies/firms. The IMF structure provides agents with a window of opportunity to evolve into financial planners by building a multi-product, advisory led architecture, which would certainly be in the long-term interest of clients.

ORGANIZATION SECTOR: INSURANCE and FINANCIAL SERVICES

ADVANTAGES FOR FINANCIAL SERVICE SECTOR IN INDIA

- Increasing Demand: Rising Income is increasing the demand for financial services across income brackets
- Growing Penetration: Rise in awareness about credit, insurance and investment and their penetration in rural areas

- Policy Support: The government has approved 100% FDI for Insurance intermediaries and increased FDI Limit in the Insurance Sector to 74% from 49% under the Union Budget 2021-2022 International Financial Services Centres Authority (Banking) Regulations, 2020 are expected to facilitate the constituent operations in IFSC and help the sector work at par to its potential.

GOVERNMENT INITIATIVES FOR THE FINANCIAL SECTOR

- Bank Recapitalization
- International Financial Services Centres Authority (Banking) Regulations, 2020
- 100% FDI for Insurance intermediaries and increased FDI Limit in the Insurance Sector to 74% from 49%

The Insurance industry provides protection against various financial losses that maybe caused due to different mis happenings. The Indian Insurance Sector is basically divided into two different categories-

- Life – Insurance
- Non- Life Insurance

The Non- life Insurance is also known as General Insurance.

Both the Life and General Insurance and the companies selling these services are governed and regulated by IRDAI. The IRDAI also acts as an upholder of all insurance related consumer rights. The Insurance carriers assume the risk associated with the annuities and assign premiums to be paid for the different policy products.

With 24 life insurance companies and 34 non - life insurance companies in India, LIC – Life Insurance Corporation of India is its biggest public company holding near to 2/3rd of total insurance business in life insurers, among the non – life insurers there are six public companies. There is also a public re – insurer named GIC – General Insurance Corporation of India.

Market Size

- Total size of Insurance market of India is USD 280 billion in 2020
- It is expected to increase at the CAGR of 5.3% between 2019 to 2023
- Private companies account for 48.03% of market share in general insurance and health insurance market where as 33.78% is their share in life insurance segment in FY20
- In FY21, the new premium of life insurance companies is USD 31.9 billion

There are two categories of Insurance plans:

- Traditional Plans
- Non- Traditional Plans

TRADITIONAL PLANS

The Traditional Insurance plans are low risk insurance covers that provide various benefits such as income return, safety and tax benefit. They usually invest in bonds and other low-risk investment instruments to provide guaranteed maturity amount to policyholders. They are further classified into two as:

- Participating Plans
- Non-Participating Plans

Such plans include the whole life insurance policy products, money back plans, retirement plans etc.

NON-TRADITIONAL PLANS

The non- traditional plans are a combination of both insurance and investment provided through a single product. The investment is usually done in the markets which lead to a certain risk being involved with such products. The higher risk of such plans also enables the policyholder to earn higher returns.

The Unit-Linked Insurance Plans or ULIPs are an example of the non-traditional plans which are comparatively new than the other life insurance products. The customer can opt between equity-related or debt-related funds for their premium as per their risk appetite.

PRINCIPLES OF INSURANCE

1. **At most good Faith:** Insurance is a contract between two parties and when contract is signed the customer and company both are expected to state everything fairly without hiding anything. The terms of the policy and the information needed about the customer should be disclosed properly and truthfully. In case any information turns out to be false, the policy stands void and the company is not liable to make the payment.
2. **Insurable Interest:** Insurance is taken only if there is a financial loss attached with a person.
3. **Principle of Indemnity:** No profit can be earned from General Insurance.

While the first two principles are applicable in case of life insurance, the last principle is only applicable in case of general insurance.

BUSINESS MODEL OF INSURANCE COMPANIES

The fundamental business models of insurance companies include understanding and diversifying consumer risks. The entire risk from individual players is pooled and redistributed across a larger portfolio. Most of the insurance companies generate revenue in two ways:

- Charging premiums in exchange for insurance coverage
- Reinvesting the premium amount in other return generating assets.

BIGGEST PLAYERS IN THE INDIAN INSURANCE INDUSTRY



LIFE and HEALTH INSURANCE

The internship included mostly Life and Health Insurance products and therefore a detailed description of the two as compared to the other products has been given below.

The Life Insurance is a contract between the policyholder and the policy issuer/insurer. It guarantees that the insurer will pay a specific amount of money to the nominee made by the policyholder, in case if the policyholder dies. This death benefit amount is paid in exchange for the premiums paid by the policyholder during their lifetime. The policyholder can pay single premium up front or pay regular premiums in fixed intervals of time.

There are two main types of Life Insurance:

- Term Life Insurance
- Permanent life Insurance

The difference between the two is that term life insurance policies expire after a certain number of years whereas, permanent life insurance policies remain active until the insured dies, stops paying premiums, or surrenders the policy.

TYPES OF LIFE INSURANCE

1. **Term Life**—Term life insurance lasts a certain number of years such as 10, 20, 30 years which can be chosen at the time of taking the policy as per the requirement of the policyholder. The best term life insurance policies balance affordability with long-term financial strength.
2. **Level Term**—The premiums are the same every year.
3. **Increasing Term**—The premiums are lower when the policyholder is younger but it keeps on increasing as one gets older. This is also called “yearly renewable term.”
4. **Return of Premium**—Return of premium (ROP) policies include a built-in savings mechanism. A fixed premium amount is paid for the duration of the policy, but unlike traditional term life insurance, money is returned back at the end of the term.
5. **Permanent**—This stays in force for the insured’s entire life unless the policyholder stops paying the premiums or surrenders the policy. It’s typically more expensive than term.
6. **Single Premium**—In this case the policyholder pays the entire premium up front instead of making monthly, quarterly, or annual payments.
7. **Whole Life**—Whole life insurance is a type of permanent life insurance that accumulates cash value.
8. **Universal Life**—A type of permanent life insurance with a cash value component that earns interest, universal life insurance has premiums that are comparable to term life insurance. Unlike term and whole life, the premiums and death benefit can be adjusted over time.

9. **Guaranteed Issue**—A type of permanent life insurance available to people with medical issues that would otherwise make them uninsurable, guaranteed issue life insurance will not pay a death benefit during the first two years the policy is in force (unless the death is accidental) due to the high risk of insuring the person. However, the insurer will return the policy premiums plus interest to the beneficiaries if the insured dies during that period.

LIFE INSURANCE RIDERS

Many insurance companies offer policyholders the option to customize their policies to accommodate their needs. Riders are the most common way policyholders may modify their plan. The policyholder generally has to pay an additional premium for each rider or a fee to exercise the rider, though some policies include certain riders in their base premium.

- The accidental death benefit rider provides additional life insurance coverage in the event the insured's death is accidental.
- The waiver of premium rider relieves the policyholder of making premium payments if the insured becomes disabled and unable to work.
- The disability income rider pays a monthly income in the event the policyholder becomes unable to work for several months or longer due to a serious illness or injury.
- Upon diagnosis of terminal illness, the accelerated death benefit rider allows the insured to collect a portion or all of the death benefit.
- A guaranteed insurability rider lets the policyholder buy additional insurance at a later date without a medical review.

Most people use life insurance to provide money to beneficiaries who would suffer a financial hardship upon the insured's death. However, for wealthy individuals, the tax advantages of life insurance, including tax-deferred growth of cash value, tax-free dividends, and tax-free death benefits, can provide additional strategic opportunities.

Funding Retirement—Policies with a cash value or investment component can provide a

source of retirement income. This opportunity can come with high fees and a lower death benefit, so it may only be a good option for individuals who have maxed out other tax-advantaged savings and investment accounts.

Avoiding Taxes—The death benefit of a life insurance policy is usually tax free under Section 80C.

Borrowing Money—Most permanent life insurance accumulates cash value that the policyholder can borrow against. Technically, you are borrowing money from the insurance company and using your cash value as collateral. Unlike with other types of loans, the policyholder's credit score is not a factor. Repayment terms can be flexible, and the loan interest goes back into the policyholder's cash value account.

HEALTH INSURANCE

The Health Insurance is an insurance product that helps in covering the medical expenses of an insured person. It reimburses expenses incurred due to illness or hospitalization of the insured person.

TYPES OF HEALTH INSURANCE

1. Individual Health Insurance

It is a type of product that covers an individual themselves. It covers all the costs such as hospitalisation, day care procedures, hospital rent etc. The sum insured amount is solely allocated for the insured person.

2. Family Floater Plan

The family floater plan allows to cover all the family members under a single policy where the sum insured is shared amongst all the members. Such plans are more affordable as compared to the single plans, however the sum insured per member is reduced.

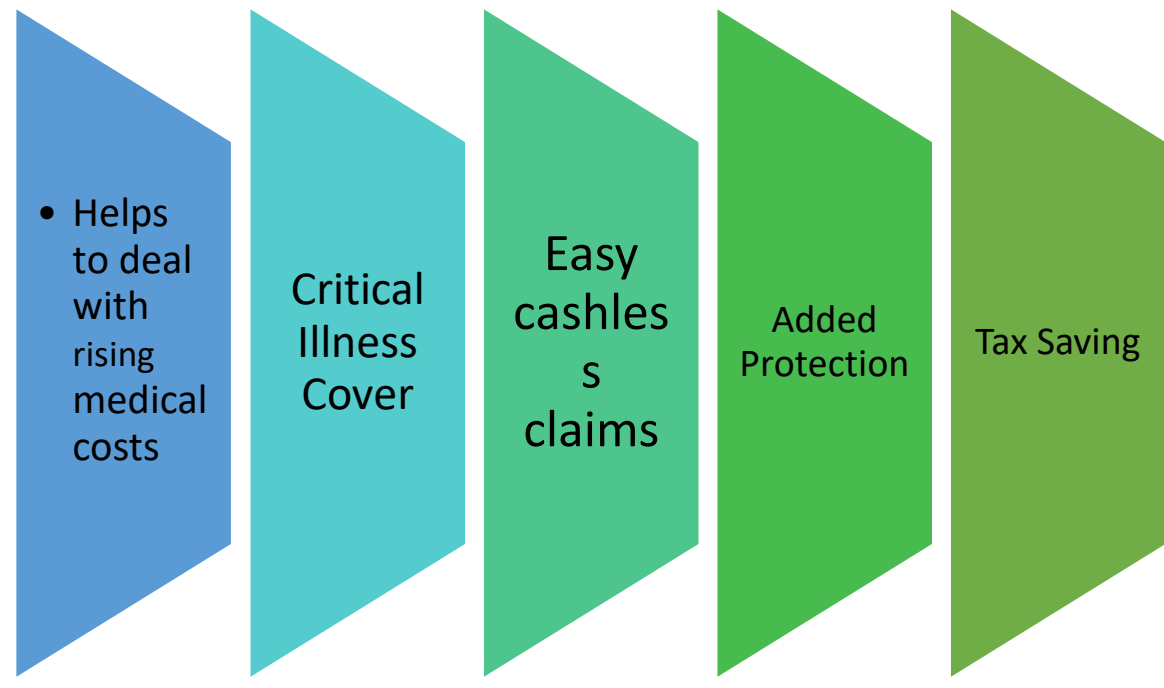
3. Senior Citizens Health Insurance

These health plans have been designed specifically for the senior citizens and their medical requirements and needs. Since older citizens are more likely to have health issues, these policies may require a full medical check-up beforehand and are generally more expensive than regular insurance policies.

4. Critical Illness Insurance

Health issues such as cancer, stroke, kidney failure and cardiac diseases can be very expensive to deal with. The critical illness insurance product is curated specifically for such health conditions. They can either be purchased as a rider or add-on with your regular health insurance plan or separately as their own plan. They provide claim payouts as a single lump sum payment after the diagnosis of a critical illness.

BENEFITS OF HEALTH INSURANCE



INSURANCE MARKETING FIRMS

Many life insurance companies sell multiple types and sizes of policies, and some specialize in meeting specific needs, such as policies for people with chronic health conditions. There are also brokers who specialize in life insurance and know what different companies offer. Insurance Marketing Firms or IMFs act as distribution channels for insurance and other financial products to their clients through professionally run companies/ firms.

Bridge Group Solutions acts as an IMF and provides products and services from some of the biggest insurance companies such as Max Life Insurance, Aditya Birla Capital, IndiaFirst Life Insurance etc.

The products include:

- Term life cover
- Whole Live Cover
- Health Insurance
- Money Back Plan

Insurance Marketing Firms are involved in the following activities:

• **Procuring and Selling of Insurance Products:** The IMFs can procure two life, two health and two general insurance products from different insurance companies. They are also engaged in outsourcing of activities by Insurance companies. They can undertake insurance servicing activities only when they have agreement for solicitation with Insurer and can become approved person of insurance repositories.

• **Market other financial products by respective financial regulators:** Marketing of different financial products such as mutual funds, pension products, non-insurance products offered by Government of India, department of Post, banking financial products, NBFC products etc.

ELIGIBILITY TO BECOME AN IMF

- The company should be a private limited company or a limited liability partnership or be recognized by IRDA
- It should have a minimum net worth of INR 10Lakh
- It must have professional indemnity coverage
- The Principal Officer must meet all IRDAI eligibility criteria and the staff must be licensed by an institution designated by IRDAI.

ADVANTAGES OF BECOMING AN IMF

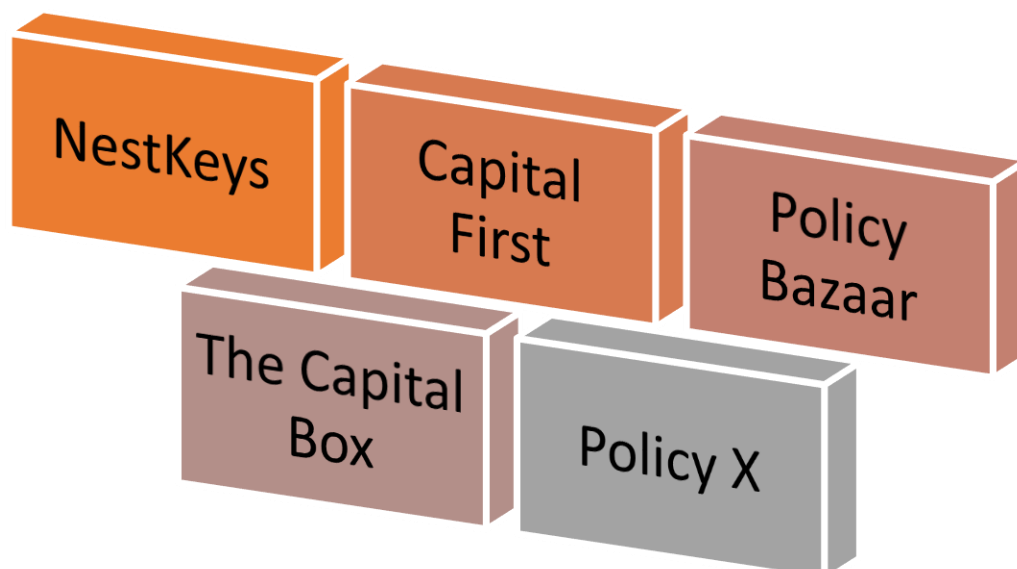
- Better Commission and Income
- Opportunity to become a part of healthy corporate & professional setup
- Multiple product Offerings
- Business expansion opportunity through channel sales
- Unlimited rewards and recognition

- Offer one customer one adviser Model, it gives an opportunity to enjoy maximum wallet share hence ensure increased income

PARTNER INSURANCE COMPANIES



COMPETITORS



SWOT ANALYSIS OF BRIDGE GROUP SOLUTIONS

STRENGTH

- Pool of skilled professionals
- Client-focussed product and services
- Transparent Functioning
- Customer Satisfaction
- Various plans for different people
- Training process of BGS is robust

WEAKNESS

- Lack of market penetration
- Less concentration towards low-income group
- Lack of different marketing techniques to generate product awareness and understand the consumer needs

OPPORTUNITIES

Covid-19 emerged as an opportunity for the insurance sector as people are starting to realize the importance of insurance and the safety it provides against the risk. There is also an opportunity to increase the market penetration in the Tier 2 and Tier 3 cities. The company can also expand its offices in different cities and extend its operation in the Insurance sector to increase the customer base.

THREATS

Covid-19 pandemics can be short-lived, but the economic impact on the company can be long-term. The impact of Covid-19 will definitely be felt across society as socio-economic and behavioural impact on consumer preferences, role of governments and its policies.

The biggest threat to the company is from the emerging **Insurtech Sector**, which has made insurance purchasing more convenient and efficient for the customers. It also provides great

features such as comparison of same category products so that the consumer can purchase the product which is most suitable as per their needs.

PART-B: PROJECT WORK

OBJECTIVE

To understand the potential market for Insurance



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graph TD; A[To understand the potential market for Insurance] --> B[To understand the individual preferences and requirements about different category of products]; B --> C[To gain knowledge about the factors that influence the purchase of Insurance products]; C --> D[To understand the awareness of people about Insurance]; D --> E[To understand the effect of Taxes as a selling tool for Life Insurance];
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To understand the individual preferences and requirements about different category of products

To gain knowledge about the factors that influence the purchase of Insurance products

To understand the awareness of people about Insurance

To understand the effect of Taxes as a selling tool for Life Insurance

DETAILS OF TASK ASSIGNED BY THE COMPANY

The main tasks allotted by the company include the following:

- 1) Understanding about the working of Insurance Sector through study of different product offerings and market research about prospective clients. It also includes in depth knowledge about the financial sector and the services provided by different service providers
- 2) The impact of taxation on different financial products
- 3) Personal awareness and imparting the same to clients about the different financial products available in market
- 4) Lead Generation for the company, particularly for Insurance products such as Max Life Insurance- Monthly Income Advantage Plan (MIAP), Saving Advantage Plan (SAP) and Aditya Birla Health Life Insurance
- 5) Interacting with clients to understand their requirements and suggest products that best suit them best as per their financial position and requirements and gain practical knowledge through the interaction
- 6) Managing relations with the client

DETAILS OF TASK COMPLETED

- Lead generation and conversion of potential clients for different products such as health insurance and life insurance products
- Interaction with the clients on day-to-day basis for smooth operation and facilitation throughout the entire duration of informing about the products till the conversion
- Collection of details from the client, helping them in their doubts and completion of all formalities
- Understanding of the stock market through the training imparted
- Gained knowledge about the different investment options and the respective risks associated with them

- Understanding of the Indian Securities Markets and its structure, different types of operational accounts, types of analysis (fundamental and technical), etc

PRODUCT PROFILE

1. MAX LIFE MONTHLY INCOME ADVANTAGE PLAN (MIAP)

MIAP is Guaranteed Monthly Income Advantage Plan that helps to ensure that the policyholder easily meets the future commitments and the family remains financially secure, even in policyholder's absence. The plan provides life coverage of up to 25 years with a limited premium payment term.

Type of Plan-Money Back Insurance Plan

Variants available-

Premium Payment Term (PPT)	Policy Term
12 years	22 years
15 years	25 years

Minimum Entry Age-18 years

Maximum Entry Age-

- 55 years for 12 pay variants
- 50 years for 15 pay variants

Maximum Maturity Age

- 77 years for 12 pay variants
- 75 years for 15 pay variants

Premium Payment Mode- Annual, Semi-annual, Quarterly, Monthly

Minimum annual premium- Rs 50000

Features of the Products are as follows:

1. **Guaranteed regular monthly income:** After completion of the premium payment term, the plan provides guaranteed regular monthly income which can be used for future expenses or for retirement.
2. **Financial coverage even in the absence of policyholder:** This plan offers a lump-sum benefit to the nominees if in case of the death of the policyholder
3. **Maturity benefit:** Upon maturity of the policy, plan would pay the total accrued compound bonuses and terminal bonuses to make sure you are financially stable.
4. **Death benefit-In case of death:** Max Life pays off 11 times of the annualised premium till the date of death of the insured.
5. **Waiver of Premium-**This is basically a policy continuation benefit like if in any unfortunate situation, Max Life waives all the future premiums payable by the policyholder and makes the nominees eligible for maturity and income benefits.
6. **Tax benefit-**Tax benefit as per the prevailing tax laws

Riders coverage: Under MIAP plan policyholder also gets Max Life Term Plus Rider Plan and Max Life Accidental Death and Dismemberment Rider Offerings by the plan.

The premium payment mode can be changed anytime during the policy term. Risk coverage will be active throughout the income benefit period of 10 years. All the benefits and premium rates are the same for male and female. Guaranteed surrender value is credited on completion of 3 years of the policy.

Value Proposition of the plan-

- Get monthly income for 10 years after completing your premiums
- Get accrued bonuses along with Terminal Bonus on maturity of the policy
- In case of death, policy continues as is and your family receives policy benefits

2. SAVING ADVANTAGE PLAN (SAP)

It is a participating product. The target group for this product are the customers who needed a lumpsum amount at the end of a specific tenure.

Variants Available

Premium Payment Term (PPT)	Policy Term
12 years	17 years

Minimum Entry Age-91 days

Maximum Entry Age- 60 years

Minimum annual premium- Rs 35000

Features of the Products are as follows:

- 1. Guaranteed Additions:** This plan provides guaranteed 5.5% of Guaranteed Sum Assured on Maturity as Guaranteed Additions, at the end of each policy year, for first 5 policy years, to boost the policyholder's benefits.
- 2. Death Benefit:** In case of death of the life insured on or before completion of 10 policy years, Guaranteed Death Benefit along with accrued Guaranteed Additions, Paid Up Additions (if any) & Terminal Bonus (if any) shall be payable. In case of death of the life insured after 10 policy years, 110% of Guaranteed Death Benefit along with accrued Guaranteed Additions, Paid Up Additions (if any) & Terminal Bonus (if any) shall be payable.
- 3. Tax Benefit:** The policyholder is entitled to certain applicable tax benefits under section 80(C) and section 10(10D) of Income Tax Act 1961 on the premiums paid and benefits received as per the tax laws.

PART-C: LEARNINGS FROM THE SUMMER TRAINING PROJECT

LEARNINGS and CONCLUSION

- Gained knowledge about the different insurance products- Max Life Monthly Income Advantage Plan, Savings Advantage Plan and Aditya Birla Health Insurance
- Understood the financial process and procedures of the company
- Gained knowledge about how insurance products can be great tax saving tools under different sections such as Section 80C and Section 80D for life insurance and health insurance respectively
- Understood the sentiment of the market and consumer behaviour towards the insurance products
- Understood the preference of people towards term life insurance as compare to whole life insurance as the latter involves expensive premium amounts
- The internship also helped understand how Covid-19 drove the insurance market where people were inclined towards the health insurance more as compared to the whole life insurance products. Covid- 19 also helped in increasing the awareness towards insurance in the market
- During the exercise of selling the products, the main learning was how to pitch something to the customer and how to explain things so that the customer shows the intent to purchase
- Along with the pitching exercise, another learning was knowledge we got during the sessions on equity and share markets. Learning on various tools like Equity shares, debentures, bonds, Futures and options, hedge funds, derivatives etc
- Learning on purchasing and selling of securities, how to predict the market through software and carrying out technical analysis

FINDINGS

- The Insurance market and the customers can be differentiated based on different categories such as: age, income group, gender, occupation. These help in determining the product need of the customer and suggest the best plan to them accordingly
- People tend to prefer monthly premium payment options rather than annual or half yearly option
- Tax benefits play a major role for people to buy a policy
- Contrary to the fact that People tend to consider the risk coverage factor only people consider all the features of the product in addition to it
- People are generally influenced by friends and family about the decision of purchasing insurance products. The people also have more trust on government insurance agencies such as LIC and GIC as compared to the private companies.
- The people were more careful about selecting the product as their sentiments had changed due to the claim-settlement defaults by company during Covid-19
- The people are interested more about the savings scheme than insurance, the better the savings plan more is the tendency to buy the policy
- When given option of investment and insurance policy people have developed an inclined interest towards other investment options such as mutual funds, equity due to less premium amount, shorter lock-in duration and higher returns.

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