UNIT-V

LIFE AND GENERAL INSURANCE

Depending on what purpose insurance covers, they are classified as life and general. In this article, we will explain both these types of insurance and their various aspects.

Types of Insurance.

There are two broad types of insurance:

- Life Insurance
- General Insurance

And you need both in life.

Life insurance: Life insurance is a contract that offers financial compensation in case of death or disability. Some life insurance policies even offer financial compensation after retirement or a certain period of time. Life insurance, thus, helps you secure your family's financial security even in your absence. You either make a lump-sum payment while purchasing a life insurance policy or make periodic payments to the insurer. These are known as premiums. In exchange, your insurer promises to pay an assured sum to your family in the event of death, disability or at a set time

Procedure for issue of a life insurance policy.

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Step # 1. Procedure for Taking a Life Policy:

Life policy is based on the principle utmost good faith. The procedure-filling in the form is quite simple. It is almost like a home industry where the person who wishes to make an investment in the form of insurance. The first thing to do is to fill in a proposal form.

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The proposal form contains the following details:

(a) Name, nationality, permanent residential address, occupation, nature of duties, present employer's name, length of service, previous employment record, father's name in full.

(b) Place of birth, date of birth, proof of age and district of birth.

(c) Term of insurance, nature of insurance, type of policy, amount to be insured, mode of premium payable — yearly, half-yearly, quarterly and monthly.

ADVERTISEMENTS:

(d) Personal information regarding height, weight where the life is proposed.

(e) Details of any previous policies whether one or double insurance.

(f) Family history, history of father, mother, brothers, sisters, children.

(g) Information regarding diseases like epileptics, asthma, tuberculosis, cancer, leprosy, etc.

(h) Information regarding previous records of accident, injury, operation diseases.

Step # 2. Medical Examination:

If the applicant has a family history of disease then the investment procedure is more detailed and description about permanent immunity and other family diseases have to be given including habits, name, income, occupation and salary. A person of normal health almost goes through a medical examination as a matter of formality.

Step # 3. Medical Report:

The next step after filling-in proposal form is to undergo a medical examination from one of the doctors approved by the Life Insurance Corporation.

The examination is usually of a routine kind where the identification of the applicant, his appearance, measurement, weight, condition of teeth, eyes, throat, tongue, ears, condition of heart, chest, digestion, nerve system and past operation is taken into consideration to find out the life span of the individual.

Step # 4. Agent's Report:

The third step consists of a report which is confidential in nature. It is made by the agent who is underwriting the life of the person. His report consist of the age of the person insuring himself, his health, occupation, soundness of payment of premium, proper health and longevity of life.

Step # 5. Acceptance of Proposal:

The Life Insurance Corporation accepts the proposal of the insurer on the commitment made by the agent and after taking into consideration the doctor's medical report. The factors which play a dominating role is the mode of premium, type of policy, the age of the applicant, his health, occupation and habits.

Once these factors have been considered and the Life Insurance Corporation's officers are satisfied, the form is accepted. An investor's form will be rejected only if he suffers from serious diseases or the longevity of life cannot be guaranteed.

Step # 6. Proof of Age:

The next step after accepting the proposal of a person is to ask him to submit the proof the age.

The person who is interested in insuring himself may give this proof by submitting any of the following documents:

(a) A copy of a certificate giving details of the school leaving examination with age or date of birth stated therein;

(b) Municipal records;

(c) Original horoscope prepared at the time of birth, if no proof of age is available;

(d) In the case of uneducated families, entry in the family record through birth register;

(e) Employer's Certificate'

(f) Any other satisfactory proof.

Step # 7. Mode of Premium:

When an investor takes a life policy on his portfolio he must pay some installment to the life insurance company for this investment. This installment is called premium and may be paid periodically.

It may be paid annually, half-yearly, quarterly or monthly. Usually, a period of 30 days is given as grace beyond the due date of payment of premium. The rates of premium are different for different kinds of policies offered as investment.

Step # 8. Issue of Policy:

When all these formalities are completed the Life Insurance Corporation sends a life policy to the insured. This legal document between the life company and the insured states the details of the policy.

It gives details regarding the age, address, sum assured, type of policy with or without profits, date of maturity, premium, mode of payment of premium, name of person who is entitled to receive the ultimate sum, amount at the termination of the policy, the surrender value of the policy, the settlement of claims of policy and all other conditions of the contract.

The Life Insurance Corporation sends this policy under its seal and signature of its officers. On receiving this policy, the investor begins his investment with the Life Insurance Corporation of India.

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Types of Insurance

Types of Insurance							
Life Insurance				General Insurance			
Term Life	Money-back policy	Unit-Linked Insurance Plan	Pension Plans	Motor Insurance	Home Insurance	Health Insurance	Fire Insurance

What is Life Insurance

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Life insurance can help the family even after retirement. Depending on what it covers, Life insurance can be classified into various types:

Term Insurance	- It is the most basic type of insurance. - It covers for a specific period. - family gets a lump-sum amount in the case of death. -.
Whole Life Insurance	- It covers you for a lifetime. - family receives a certain sum of money after death. - They will also be entitled to a bonus that often accrues on such amount.

Endowment Policy	- Like a term policy, it is also valid for a certain period. - A lump-sum amount will be paid to family in the event of your death. - Unlike a term plan, the maturity proceeds after the term period.
Money-back Policy	- A certain percentage of the sum assured will be paid periodically throughout the term as survival benefit. - After the expiry of the term, the balance amount as maturity proceeds. - family gets the entire sum assured in case of death during the policy period. This is regardless of the survival benefit payments made.
Unit-linked Insurance Plans (ULIPs)	- Such products double up as investment tools. - A part of premium goes towards your insurance cover. - The remaining amount is invested in Debt and Equity. - A lump-sum amount will be paid to your family in the event of your death.
Child Plan	- This ensures child's financial security. - In the event of r death, child gets a lump-sum amount. - The insurer pays the premium amounts after death. - child will continue to get a certain sum of money at specific intervals.
Pension Plans	- This helps build retirement fund. - a regular pension amount after retirement. - In the case death, family can claim the sum assured.

Tax Benefits

- Life insurance not only ensures the well-being of your family, it also brings tax benefits.
- The amount you pay as premium can be deducted from your total taxable income.
- However, this is subject to a maximum of Rs 1.5 lakh, under Section 80C of the Income Tax Act.
- The premium amount used for tax deduction should not exceed 10% of the sum assured.

TAX TREATMENT OF LIFE INSURANCE

Any amount received from any life insurance companies is totally **tax free** is one of the most common presumptions of the taxpayers. This is not entirely correct.

Amount received from life insurance companies (including bonus) is **tax free u/s 10(10D)** of the Income Tax Act- 1961, except following receipt:

(a) any sum received u/s 80DD(3) or u/s 80DDA(3); or

(b) any sum received under a Keyman insurance policy; or

(c) Any sum received in respect of any policy issued,

(i) between 01.04.2003 to 31.03.2012, if the premium in any years exceeds 20% of the actual capital sum assured

(ii) After 01.04.2012, if the premium in any years exceeds 10% of the actual capital sum assured. However, if the policy is issued for the life of person with specified disability or person suffering from specified diseases then 10% needs to be replaced by 15%. [No tax impact would be there if such amount is received on the death of a person].

There is no escape from tax on insurance proceeds if the premium paid exceeds 20% or 10% or 15% of the sum assured.

Similar conditions are applicable for **deduction u/s 80C**. The deduction shall be allowed maximum to the extent of the limits of 20% or 10% or 15% as the case may be. (as per Clause 3/3A of Sec 80C)

To track the taxability of such transactions, section 194DA provides for deduction of tax @ 1% (20% if no PAN) of sum paid under a life insurance policy which is not eligible for exemption u/s 10(10D) if aggregate sum paid in a financial year is Rs. 1 Lakh or more. In short, if the TDS credit statement (Form 26AS) of the taxpayers reflects TDS U/s 194DA, one can be sure that amount is taxable. However, one needs to carefully note that Rs. 1 Lakh limit is there for TDS u/s 194DA & not for 10(10D).

An important issue now emerges is with regards to computation of taxable income if amount is not exempt u/s 10(10D). **Whether entire amount received is taxable or only the difference between (i.e., amounts received less amount invested) is taxable?** The issue is all the more relevant as the TDS is to be done on entire amount payment & not on the difference. The long standing dispute has been put to an end by amending section 194DA by recent Union Budget – 2019 **w.e.f. 01.09.2019** which has now provided for TDS on differential amount only, though at a higher rate of 5% (as against 1% earlier). Relevant part of the explanatory memorandum behind above amendment in section 194DA reads as under:

"Several concerns have been expressed that deducting tax on gross amount creates difficulties to an assessee who otherwise has to pay tax on net income (i.e., after deducting the amount of insurance premium paid by him from the total sum received). From the point of views of tax administration as well, it is preferable to deduct tax on net income so that the income as per TDS return of the deductor can be matched automatically with the

return of income filed by the assessee. Hence, it is proposed to provide for tax deduction at source @ 5% on income component of the sum paid by the person."

This amendment shall be effective from 1st September, 2019.

Above amendment in **section 194DA** has made it absolutely clear that the entire amount cannot be treated as 'income' and it's only the differential amount that would be taxable as income.

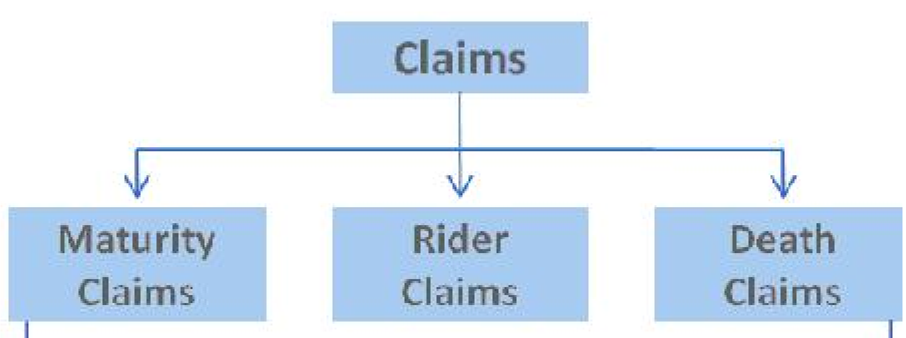
However, even after above amendment, **one issue still remain unresolved i.e., whether income would be taxable- whether as "Income from Capital Gain" or "Income from Other source"?** Issue is controversial as above amendment treats the differential amount as income for TDS @5%. From taxpayer perspective, Income is obviously arising from the investment activity of the taxpayer and so should form the part of the "Capital gain income" & if the period of investment exceeds 3 Years then the benefit of indexation can also be enjoyed by the taxpayers. However, if taxpayer offers income as capital gain then the amount may not match with the TDS statement in Form No. 26AS.

CLAIMS SETTLEMENT

Selection of a proper life insurance policy is a basic requirement of individual's risk management policy. At the same time proper claim settlement is also an important part of the risk management system. A claim is the payment made by the insurer to the insured or claimant on the occurrence of the event specified in the contract, in return for the premiums paid for the insured. The easy and timely settlement of a valid claim is an important function of an insurance company.

In this article we have discussed different types of life insurance claims the settlement process of that.

A claim may arise in three basic conditions:



The Claimant should look about the following points before intimate a claim:

- Whether the policy is in force?
- Whether the policyholder has performed his part? - The policy status with regard to payment of premium, age admission, outstanding loan & interest if any, legal restrictions if any.
- Whether insured event has taken place?
- What are the obligations assumed under the contract?
- Is there any assignment done under the policy?
- Whether all the premiums are paid?

Claim Settlement Process: Death Claim

Step One: Intimation of Claim

The claimant must submit the written intimation as soon as possible to enable the insurance company to initiate the claim processing. The claim intimation should consist of basic information such as policy number, name of the insured, date of death, cause of death, place of death, name of the claimant etc .Claim intimation form can be availed from nearest branch of the insurance company or/and by downloading it from the company website.

Step Two: Documentation

The claimant will be required to provide the following documents along with a claimant's statement:

I. Certificate of Death
II. Proof of age of the life assured (if not already given)
III. Deeds of assignment / reassignments (if required)
IV. Policy document
V. Any other document as per requirement of the insurer

For early death Claim, (If the claim has accrued within three years from the beginning of the policy), the following additional requirements may be called for:

I. Statement from the hospital if the deceased had been admitted to hospital
II. Certificate of medical attendant of the deceased giving details of his/her last illness
III. Certificate of cremation or burial to be given by a person of known character and responsibility present at the cremation or burial of the body of the deceased
IV. Certificate by employer if the deceased was an employee

In special cases as per following the poof of death will be different from the standard specification

- In case of an air crash the certificate from the airline authorities would be necessary certifying that the assured was a passenger on the plane.
- In case of ship accident a certified extract from the logbook of the ship is required.
- In case of death from medical causes, the doctors' certificate and/or treatment records may be required.
- If the life assured had a death due to accident, murder, suicide or unknown cause the police inquest report, panchanama, post mortem report, etc would be required.

Step Three: Submission of required Documents for Claim Processing

For faster claim processing, it is essential that the claimant submits complete documentation as early as possible.

Step Four: Settlement of Claim

As per the regulation 8 of the IRDA (Policy holder's Interest) Regulations, 2002, the insurer is required to settle a claim within 30 days of receipt of all documents including clarification sought by the insurer. If the claim requires further investigation, the insurer has to complete its procedures within six months from receiving the written intimation of claim.

After receiving the required documents the company calculates the amount payable under the policy. For this purpose, a form is filled in which the particulars of the policy, bonus, nomination, assignment etc. should be entered by reference to the Policy Ledger Sheet. If a loan exists under the policy, then the section dealing with loan is contacted to give the details of outstanding loan and interest amount, which is deducted from the gross policy amount to calculate net payable claim amount. Generally all claim payments would be made through the electronic fund transfer.

Maturity & Survival Claims:

The payment by the insurer to the insured on the date of maturity is called maturity payment. The amount payable at the time of the maturity includes a sum assured and bonus/incentives, if any. The insurer sends in advance them intimation to the insured with a blank discharge form for filling various details in it. It is to be returned to the office along with Original Policy document, ID proof, Age proof if age is not already submitted, Assignment /reassignment, if any and Copy of claimant's Bank Passbook & Cancelled Cheque. Settlement procedure for maturity claim is simple after receipt of completed and stamped discharge form from the person entitled to the policy money along with policy documents, claim amount will be paid by account payee cheque.

Regarding maturity claims certain points are to be remembered:

- If the life assured is reported to have died after the date of maturity but before the receipt is discharged, the claim is to be treated as the maturity claim and paid to the legal heirs. In this case death certificate and evidence of title is required.
- Where the assured is known to be mentally deranged, a certificate from the court of law under the Indian Lunacy Act appointing a person to act as guardian to manage the properties of the lunatic should be called.

For Survival Benefit claim, Policy bond and discharge voucher is required.

Rider Claims:

The life insurance policy can be attached with different riders like accidental rider, Critical illness Rider, Hospital cash Rider, waiver of Premium Rider etc. For different Riders different proceedings can be opted for claim settlement. In some cases the claim may proceed as well as with the death Claim (Like Waiver of premium rider, accidental death Rider etc). But in some other cases different documents can be required for along with the duly filled Claim form & Policy Copy:

- For Critical Illness Rider, necessary medical documents such as first investigation report, Doctor's prescription, Discharge Summery etc are required
- For Accidental disability rider, Attested copy of FIR, Doctor Certificate of disability, Photograph of the injured with reflecting disablement, Original Medical bills with prescriptions/ treatment papers etc are required.
- For Hospital cash rider medical documents are required such as Medical & Investigation report, Prescriptions, Medical and Investigation Bills, Discharge Card etc.

Conclusion: Importance of Proper Documentation in Claim Processing:

It is noted that in many cases the life insurance claim has been denied by the insurer because the claimant has failed to follow some step or not able to submit the necessary information to the company. So it is recommended that when you claim for life insurance, take proper steps and documentation so that you can collect your Benefit without difficulty or delay.

General Insurance

A general insurance is a contract that offers financial compensation on any loss other than death. It insures everything apart from life. A general insurance compensates you for financial loss due to liabilities related to your house, car, bike, health, travel, etc. The insurance company promises to pay you a sum assured to cover damages to your vehicle, medical treatments to cure health problems, losses due to theft or fire, or even financial problems during travel.

Simply put, a general insurance offers financial protection for all your assets against loss, damage, theft, and other liabilities. It is different from life insurance.

Let us help you understand better:

Situation 1	Situation 2	Situation 3
You plan to propose to your girlfriend on the Eiffel Tower.	You cannot stop celebrating your new car. You hit the	Your daughter wants to become a pilot. You save all your disposable income to

You already finalised the deal with a jeweller in Paris. But, things don't go as planned and you meet with an accident there.	roads with your latest possession. Everything goes well until a car suddenly tries to overtake you. It leaves huge dents and dislocates your left mirror.	fund her dreams. Unfortunately, you fall severely ill.
Your treatment requires Rs. 50,000. But, still paid for that dainty piece of jewellery.	Your new baby on the block needs repairs worth Rs. 30,000. Yet, you have a smile on your face.	You need Rs. 2 lakh for your treatment immediately. Yet, you also easily pay your daughter's course fees.

HOW?

Your Travel insurance made you ready for emergencies. It paid for the expenses related to your accident. You could, thus, go ahead and surprise your partner with a diamond ring without worrying about the treatment costs.	The dent in your car didn't cause a dent in your pocket. Your motor insurance' own damage cover paid for your car's damages caused by the accident. In fact, the insurer settled the bill directly at the garage.	You didn't face a dilemma of choosing one over the other and compromise your daughter's future. Your health insurance took care of your treatment costs. Your savings, thus, remained unaffected by your sudden illness.

As you can see, General Insurance can be the answer to life's various problems. But, for that, you need to select the right insurances from the myriad ones available.

What are the types of General Insurance available? / What all can be insured?

You can get almost anything and everything insured. But there are five key types available:

1. Health Insurance
2. Motor Insurance
3. Travel Insurance

4. Home Insurance
5. Fire Insurance

Health Insurance

This type of general insurance covers the cost of medical care. It pays for or reimburses the amount you pay towards the treatment of any injury or illness.

It usually covers:

- Hospitalisation
- The treatment of critical illnesses
- Medical bills prior to or post hospitalisation
- Day care procedures like Cataract operations

You can also opt for add-on benefits like:

- Maternity cover: Your health insurance covers you for the costs related to childbirth. This includes pre-delivery check-ups, hospitalisation during delivery, and post-natal care.
- Pre-existing diseases cover: Your health insurance takes care of the treatment of diseases you may have before buying the health insurance policy.
- Accident cover: Your health insurance can pay for the medical treatment of injuries caused due to accidents and mishaps.

Your health insurance can also help you save tax. Your premium payment can reduce your taxable income.

For	Tax deduction on the premium amount	Total
Self	Rs. 25,000 (Rs. 30,000 if you are a senior citizen)	Rs. 25,000 (or Rs. 30,000)
Parents, who are senior citizens	Rs. 30,000	Rs. 55,000 (or Rs. 60,000)

Senior citizen = Individual aged 60 or over

Motor Insurance

Motor insurance is for your car or bike what health insurance is for your health.

It is a general insurance cover that offers financial protection to your vehicles from loss due to accidents, damage, theft, fire or natural calamities

You can also get motor insurance for your commercial vehicles.

In India, you cannot drive or ride without motor insurance.

Let’s look at the two key types:

1. Car Insurance

It’s precious—your car. You paid lakhs of rupees to buy that beauty. Even a single scratch can be painful, forget about bigger damages.

Car insurance can reduce this pain for a few thousand rupees.

How it works:

What the insurer will pay for depends on the type of car insurance plan you purchase

2. Two-wheeler Insurance

This is your bike’s guardian angel. It’s similar to Car insurance.

You cannot ride a bike or scooter in India without insurance.

How it works:

As with car insurance, what the insurer will pay depends on the type of insurance and what it covers.

Types of Motor Insurance:

Third Party Insurance	**Comprehensive Car Insurance**
Compensates for the damages caused to another individual, their vehicle or a third-party property.	Covers all kinds of damages and liabilities caused to you or a third party. It includes damages caused by accidents, sabotage, theft, fire, natural calamities, etc.

You can increase your insurance protection with these Add-on covers for your car and bike insurance:

For more details about Motor Insurance, click here.

Travel insurance

A travel insurance compensates you or pays for any financial liabilities arising out of medical and non-medical emergencies during your travel abroad or within the country.

There are two types of Travel Insurance.

Single Trip Policy	**Annual Multi Trip**
It covers you during a trip that lasts under 180 days.	It covers you for several trips you take within a year.

What all does travel insurance usually cover?

- Loss of baggage
- Emergency medical expenses
- Loss of passport
- Hijacking
- Delayed flights
- Accidental death

Home Insurance

Home insurance is a cover that pays or compensates you for damage to your home due to natural calamities, man-made disasters or other threats.

It covers liabilities due to fire, burglary, theft, flood, earthquakes, and sabotage. It not only offers financial protection to your home, but also takes care of the valuables inside the property.

Some of the common types of home insurance are:

Standard fire and special perils policy	This covers your home against fire outbreaks and special perils. The dangers covered are: - Natural calamities like lightening, flood, storm, earthquake, etc. - Damage caused due to overflowing or bursting of water tanks, pipes, etc. - Damage caused due to man-made activities such as riots, strikes, etc.
Home structure insurance	This protects the structure of your home from any kinds of risks and damages. The cover is also extended to the permanent fixtures within the house such as kitchen and bathroom fittings.
Public liability coverage	The damage caused to another person or their property inside the insured home can also be compensated.
Content Insurance	This covers the content inside the insured home. What’s commonly covered: Television, refrigerator, portable equipment, etc.

Fire Insurance

Fire insurance pays or compensates for the damages caused to your property or goods due to fire.

It covers the replacement, reconstruction or repair expenses of the insured property as well as the surrounding structures.

It also covers the damages caused to a third-party property due to fire.

In addition to these, it takes care of the expenses of those whose livelihood has been affected due to fire.

Types of fire insurance

Some of the common types are:

Valued policy	The insurer firsts value the property and then undertakes to pay compensation up to that value in the case of loss or damage.
Floating policy	It covers the damages to properties lying at different places.
Comprehensive policy	This is known as an all-in-one policy. It has a wide coverage and includes damages due to fire, theft, burglary, etc.
Specific policy	This covers you for a specific amount which is less than the real value of the property.

How to buy Insurance?

You can buy in 4 simple steps:

<u>**Step 1:**</u>

KNOW WHAT YOU NEED

- Understand the covers you need based on personal requirements.
- Get all the important details. For example, in the case of motor insurance get details such as the manufacturing date of the vehicle, engine specifications, etc. For health insurance, check whether you need insurance for self or the entire family.
- This initial assessment will help you get an idea about the coverage that you need.

Step 2:

CHECK OPTIONS AVAILABLE

- Compare the benefits offered.
- Check the add-ons offered
- Don't forget to read the exclusions
- What's the sum assured?
- Are there any extra services offered

Step 3:

PICK THE RIGHT PLAN

- Select the plan that best suits your requirements.
- Reach out to the company offering the plan.

Step 4:

PAY PREMIUM

- Fill in the application and pay the premium.
- You can do it online on the insurer's website.
- You can also buy from a broker or the dealership.

What does insurance not cover?

Your policy may not cover liabilities in certain situations. These are known as exclusions.

Let's have a look at a few of them.

Life	If death occurs due to: - Alcohol or drug abuse - War or terrorism - Suicide or self-inflicted injuries - Gross negligence or carelessness
Car	- Damage caused when the policy is not active - Loss of personal belongings kept in the car - Damage to a car that is not insured - Damage caused when driving without a license - Damage caused when driving under the influence of alcohol or drugs - Damage due to wars, mutiny or nuclear risks
Bike	- Damage due to war, mutiny or nuclear risk - Normal wear and tear and general ageing - Tire or tube punctures. (If, however, your two-wheeler is damaged at the same time, you will be compensated for 50% of the cost of repair or replacement - Mechanical or Electrical breakdown - Any loss or damage caused outside India
Health	- Hospitalisation due to war or related activities - Medical condition due to abuse of intoxicants or hallucinogenic substances - Any medical condition existing before buying the policy during the waiting period - Non-allopathic therapies such as acupuncture, yoga, naturotherapy, etc. - Diagnostic charges if the reports do not confirm the existence of the covered disease - Self-inflicted injuries
Travel	- Travelling against the advice of the physician - Baggage delay for less than 24 hours - Psychological illness or self-inflicted injuries during your trip - War or civil unrest in international locations - Participation in hazardous sports like bungee jumping, parachuting, etc.
Home	- Wilful destruction of the property - Damages caused due to wear and tear - Damages caused due to war - Loss of money kept inside the property

	- Loss to a property that has remain unoccupied for a certain period
Fire	Loss or damage caused to the property due to: - Nuclear perils - War or related activities - Pollution or contamination - Mechanical or electrical breakdowns

How much does insurance cost?

The insurance costs depend on the premium amount. This premium amount depends on several factors that differ from insurance to insurance.

Life Insurance

- Age
- Health (past and current)
- Your occupation
- The type of coverage/plan
- Your smoking and drinking habits
- The sum assured

Motor/Auto Insurance:

- Make-Model of the vehicle
- The type of coverage/plan
- The value, age of your vehicle
- Your claim history

Travel Insurance

- The sum assured
- The type of coverage/plan

- Age
- Your health
- The location of travel

Health Insurance

- Your family health history
- The sum assured
- The type of coverage/plan
- Your age and gender
- Your health history

Home Insurance

- The size of your home
- The type of coverage/plan
- The age of your home and the systems installed therein
- The location of your home
- The sum assured

You can also use online calculators to check the premium amount.

How to use the insurance money?

- You have to make a claim against your insurance policy.
- Give details about the loss you suffered. This differs from insurance to insurance.
- Submit the bills/proof of damage, loss, hospitalisation, etc.
- The insurance company would verify your claim.
- It will then pay the bill or reimburse you for your loss.

Website: https://www.slideshare.net/FinMitra/life-insurance-policies-48686929