

Basics of Insurance



Indian Securities Market - Overview



Starting Investment in Securities Market

Accounts Required



Bank Account



Trading or Broking Account



Demat Account

Many DPs offer a 3-in-1 account opening facility which gives you the convenience of opening a trading, demat and bank account – all together. Now many DPs are offering online demat account opening. Trading or Broking account is required only if you want to buy / sell shares through stock exchange.

About NSDL



1996

First Depository
in India



One of the leading Depositories in
the world

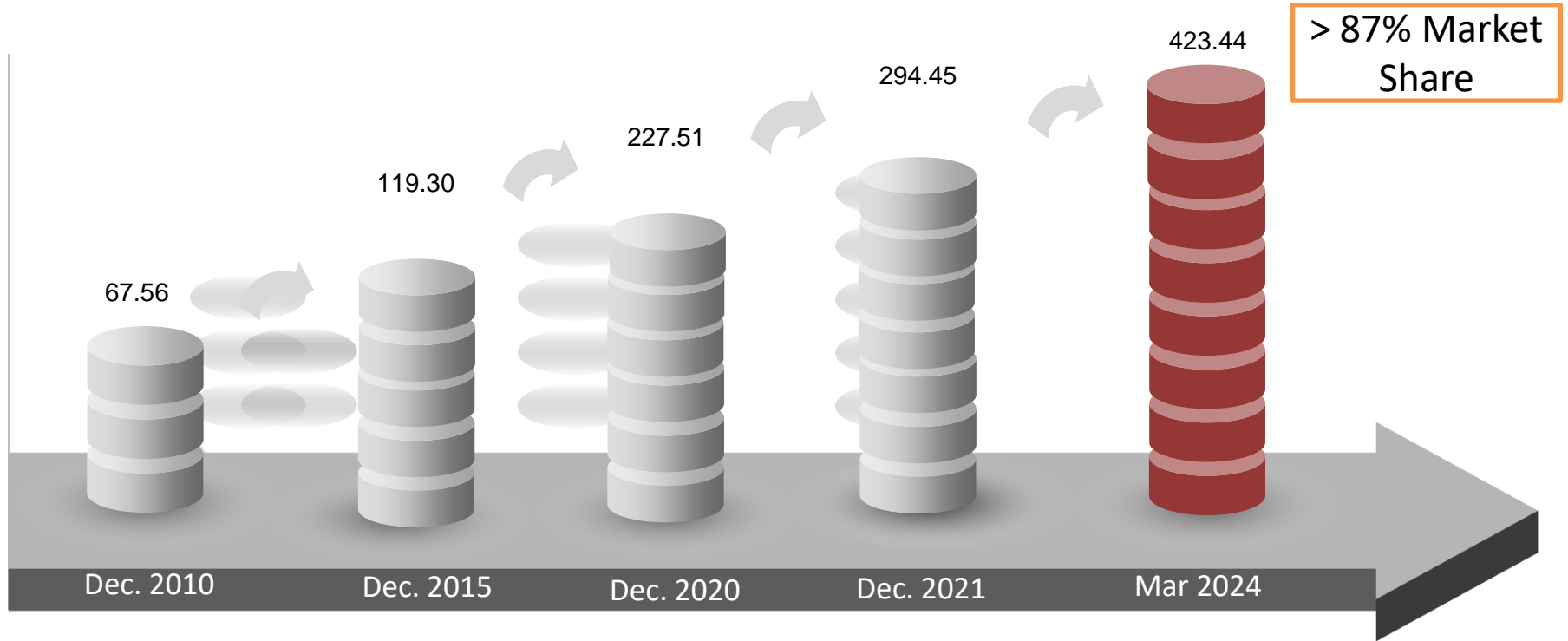


Demat accountholders present
in 99.27% of pincodes in India

Wide service network – all States
and UTs

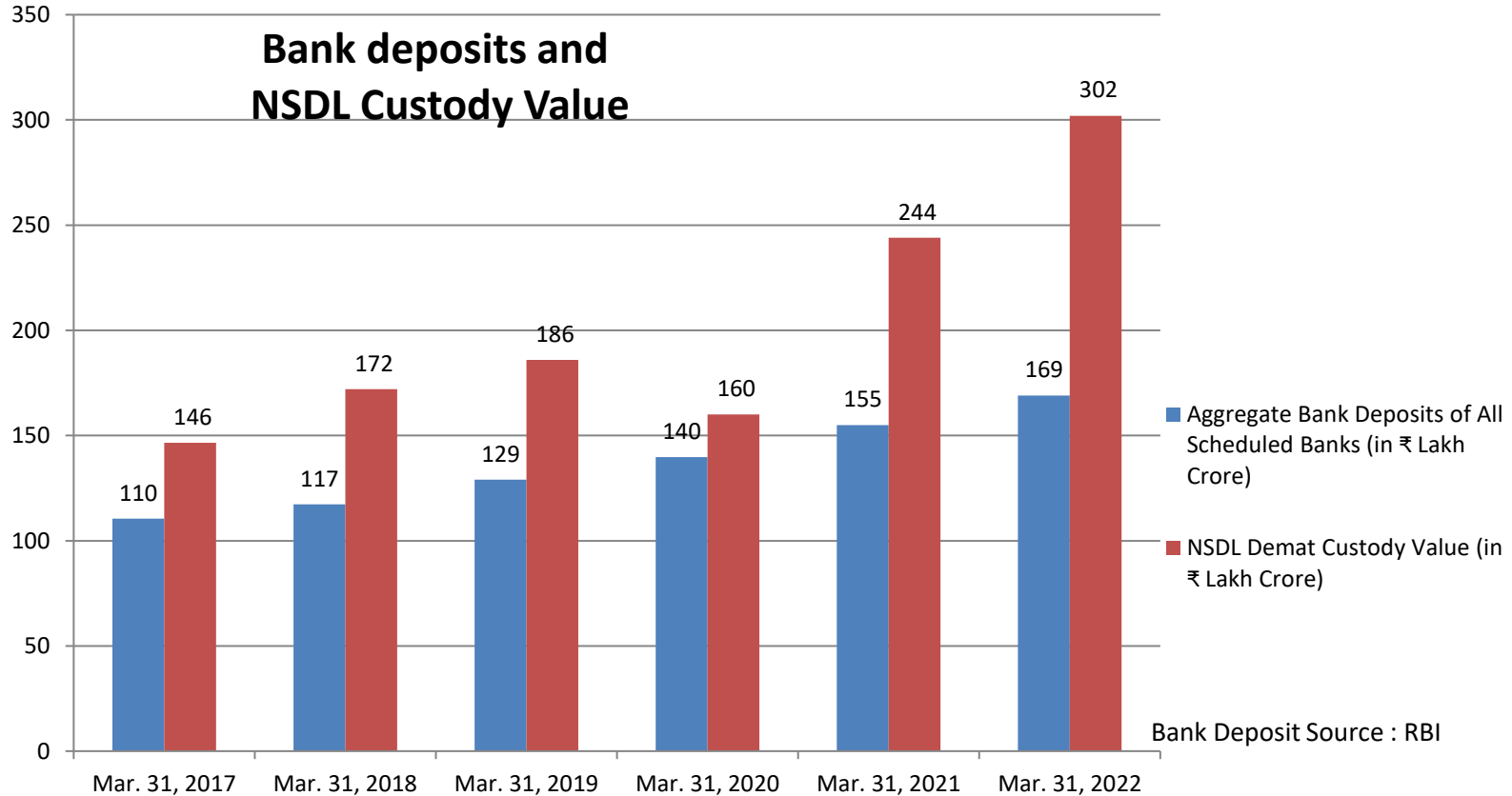
No. of Service Centres – 61,298

Growing Custody Value

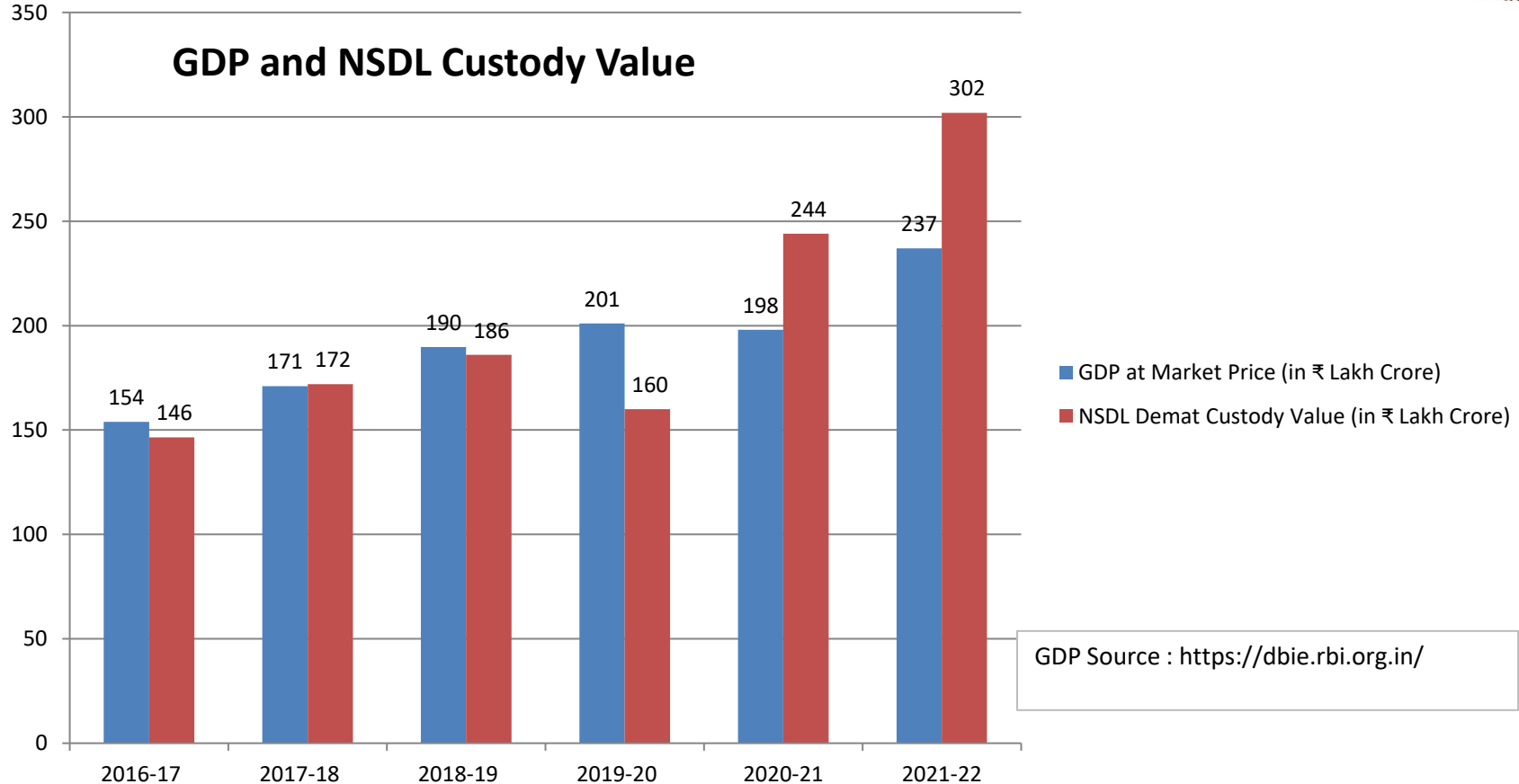


Total Value of All Assets Held In All NSDL Demat Accounts in ₹ Lakh Crore

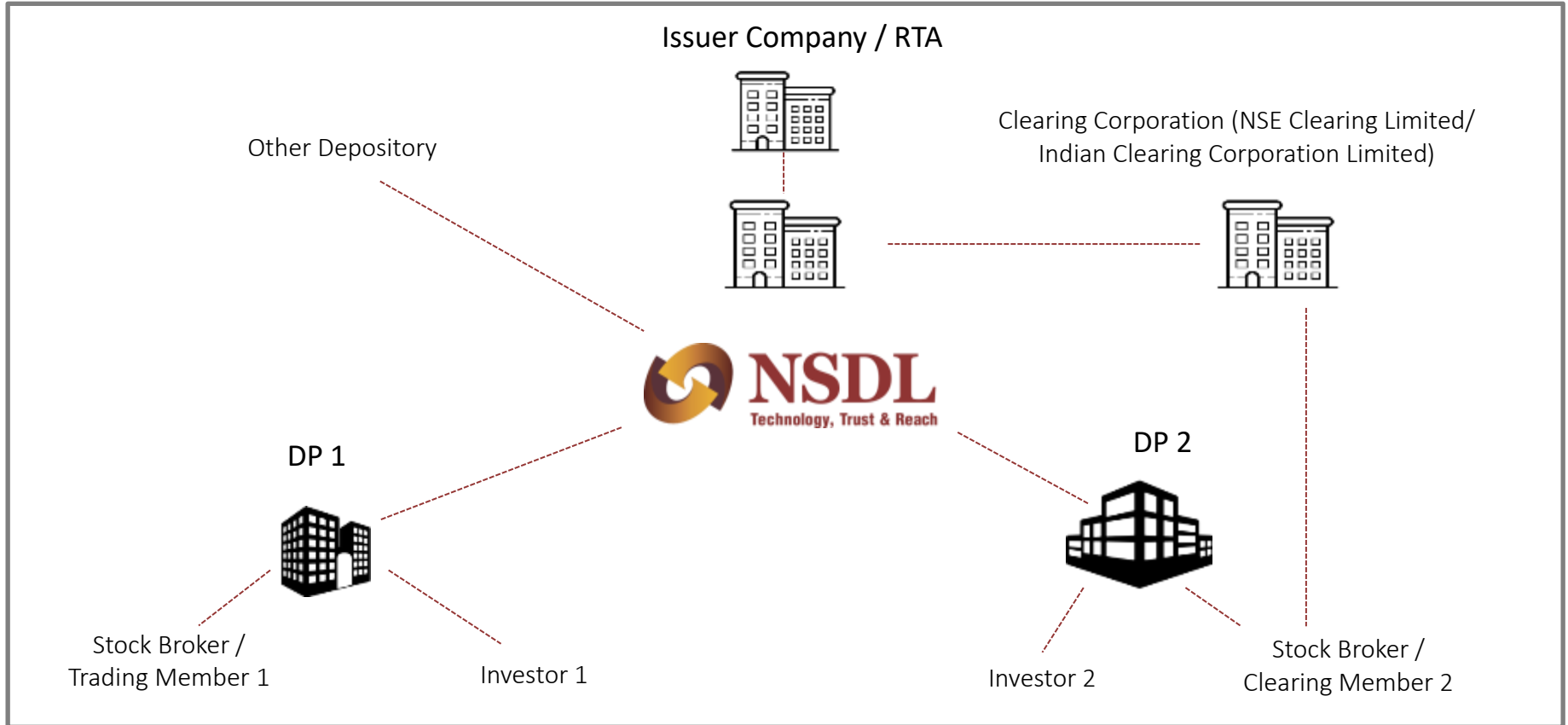
NSDL's Progress



NSDL's Progress



Indian Securities Market - Depository System



Services offered by Depository Participant



*Even unlisted shares can be dematerialized. **Transfer of securities held in physical form not allowed w. e. f. April 1, 2019. Re-lodgement of transfer deeds which were submitted prior to this, but were rejected or returned, was allowed till March 31, 2021. Shares pending for transfer with listed company / its RTA shall be issued only in demat.

Key points on Anti-Money Laundering

Legislative and Regulatory References

- Prevention of Money Laundering Act, 2002
- Prevention of Money Laundering (Rules), 2005
- SEBI Master Circular – October 15, 2019

What is Money Laundering (ML)?

- Money Laundering is “the process in which the proceeds of crime are converted and disguised as legitimate assets”

What is Anti-Money Laundering (AML)?

- Anti-Money Laundering is “the initiative to effectively prevent, detect, control and report ML activities to the authorities”

What are Suspicious Transactions?

Transactions (including attempted transactions), that may involve proceeds from a predicate offence, do not have any economic rationale, made in circumstances of unusual or unjustified complexity or gives rise to a reasonable ground of suspicion that it may involve financing of activities relating to terrorism

Key Authorities – Financial Intelligence Unit (FIU-IND), Ministry of Home Affairs and the Enforcement Directorate

Key points for all Investors

Individuals:

- Provide officially valid documents for proof of identity and address
- Furnish correct information on income, occupation, business, marital status, etc.
- Provide accurate financial information – salary or business income as applicable
- Inform about any changes to the above information
- Invest only using own sources of funds, not third party funds
- Do not fall prey to any gimmicks or schemes from anyone

Non – Individuals:

- Provide officially valid documents for proof of identity and address
- Furnish information about Beneficial Owner(s), where applicable
- Furnish all other related documents (AoA, MoA, Partnership deed, ASL, etc.)
- Provide correct information about nature and type of business
- Changes to the above information may be duly informed to DPs

Cooperate with DPs who may seek any additional information for due diligence

Be diligent and aware about various money laundering schemes

Contact your DP or broker in case of any doubts

Be a Prudent Investor



Keep record of documents signed, account statements, contract notes received and payments made. Save important emails and take periodic back up of data.

Change password of your online accounts frequently.
Never share your passwords, OTP, CVV and PIN with any one.
Never click on suspicious links received via SMS, email or social media platforms.

Read SMS, emails, letters, statements, bills sent by your broker, bank, DP and NSDL. These are sent to you to keep you updated.

Accept the DIS only if serial number is pre printed and Client ID is pre stamped or pre printed. Keep DIS in safe custody. Do not to leave the DIS “blank or signed” with the Depository Participants (DPs) or any other person/entity when not in use.

Be a Prudent Investor




Inform your DP about any change in your Personal Information such as address, bank account immediately.

Always mention your Mobile Number and email ID in account opening form and keep them updated.

NSDL publications and presentations are available in Hindi, English and other languages at www.nsdل.co.in → Education

Schedule of Awareness Programs, Registration, Feedback and Webinar Recordings are available at www.nsdل.co.in → Education

Be a Prudent Investor – Don'ts



Never deal with any unregistered or unauthorised market intermediary. Check on the SEBI's website that your stock broker / authorised person, mutual fund distributor, investment advisor are registered with SEBI.

Never invest with borrowed money. Avoid unnecessary loans and credits.

Be a Prudent Investor

**Nominate Karo - Surakshit, Samajhdaar,
aur Atmanirbhar Niveshak Bano !**



Hurry!! Last date is

June 30, 2024

NOMINATE YOUR LOVED ONES TODAY!!

Opting-in/Opting-out of nomination is mandatory in your Demat Account to avoid your account becoming inactive



SCAN TO
KNOW
MORE



SCAN TO
NOMINATE
ONLINE*

*Applicable to single demat account holder (Resident Individual) who have not opted-in/opted-out for Nomination in their demat account.

Be a Prudent Investor

Do Not Fall Prey To Stock Tips, Hot Picks etc. Circulated on Twitter, Instagram, WhatsApp, Telegram, Unsolicited SMS, YouTube Channels etc.



Be a Prudent Investor – Consult a SEBI Registered Investment Advisor and Do Your Own Homework Before Investing

Be a Prudent Investor

Do Not Invest In Any Ponzi Scheme, Unregistered Collective Investment Scheme or Any Other Schemes Promising Unrealistic Returns



Be a Prudent Investor – Consult a SEBI Registered Investment Advisor and Do Your Own Homework Before Investing

NSDL Newsletter for Investors

The Financial Kaleidoscope – Free monthly newsletter

**Invest in Women,
Accelerate progress**



www.nsdl.co.in



Education



Newsletter – The
Financial Kaleidoscope

SEBI Investor Website



<https://investor.sebi.gov.in>



Dive into Money Matters to grasp Personal Finance concepts.



Abundant Educational Resources, related to investments, including securities market



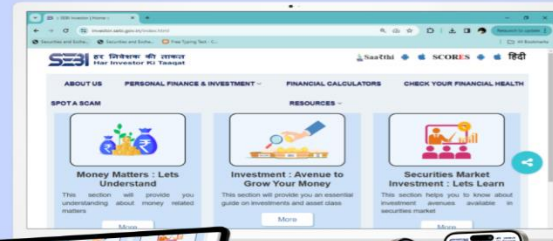
Access a range of Financial Tools and Calculators.



Evaluate your Financial Health with the easy check.

Join on a journey of informed decision-making and confident participation in the securities market.

UNLOCK THE **WEALTH OF KNOWLEDGE**
AT THE SEBI INVESTOR WEBSITE
Empower yourself in the world of investing



TO VISIT THE SEBI INVESTOR WEBSITE, SCAN THE QR CODE



Learn to Manage Your Money for Financial well-being. For more information, please visit SEBI's Investor website <https://investor.sebi.gov.in>

SEBI's Mobile App for Investor Education



SAARTHI

SEBI SCORES Education

E Everyone

 Add to wishlist



If You are holding Securities in Paper form

1. Provide PAN, KYC information and Nomination to RTA / Company for all joint holders.
2. Get PAN and Aadhaar linked for all joint holders.
3. Folio may be frozen if not complied.
4. Electronic interface provided by company / RTA for various service requests like issuance of duplicate shares, transmission, change in name etc.
5. SEBI has prescribed 'Simplified and Standard Norms' for processing of various service requests [Form ISR – 1 and other forms available on website of listed company / RTA].

Grievances Redressal

1. Read Investor Charter at www.nsdl.co.in → Education
2. Lodge your complaint with SEBI at <https://scores.sebi.gov.in/> or SEBI Mobile App – SCORES.
3. For filing dispute for resolution by conciliation and arbitration, visit SEBI's Securities Market Approach for Resolution Through ODR (SMART ODR) Portal <https://smartodr.in/login>
4. SEBI Toll free helpline - 18002667575 / 1800227575
5. NSDL helpline - 022-48867000
6. Online submission of Grievances at www.nsdl.co.in → Query related to Demat
7. NSDL email for grievance - relations@nsdl.com
8. NSDL email for other information - info@nsdl.com





Be alert.

Never click on unknown links... you may risk exposing your bank account to frauds.

Money Kumar

Beware of unknown links:

- Delete SMS/emails with unknown links immediately
- Verify details of website if it requests financial details
- Do not share personal or bank information on social media



For more details, visit <https://rbikehtahai.rbi.org.in/dp>



Issued in public interest by भारतीय रिज़र्व बैंक RESERVE BANK OF INDIA www.rbi.org.in

DigiSaathi, 24/7 helpline for automated responses on information related to digital payment options
Toll-Free Number: 1800-891-3333; A Short Code: 14431; Website: www.digisaathi.info



Be cautious while scanning QR codes to make payments. Be alert of online loan apps and quick-win lottery schemes

Beware of links offering:

- Unauthorised Digital Lending Apps
- Fake Lottery Schemes



- While making payments using QR code confirm the name on the screen
- Never download Lending Apps from unknown sources
- Do not share personal or bank information with unknown entities



For more details, visit <https://rbikehtahai.rbi.org.in/dp>



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Be smart. Verify the credentials of unknown callers, investment portal sites and requests for urgent help for money through social media.

Prasidh Krishna
Indian Cricketer, RBI Employee



Beware of fraudsters:

- Do not answer calls/emails from unknown persons demanding money
- Check details of websites/Apps offering high returns
- Verify requests for urgent help for money



For more details, visit <https://rbikehtahai.rbi.org.in/dp>



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DigiSaathi, 24/7 helpline for automated responses on information related to digital payment options
Toll-Free Number: 1800-891-3333; A Short Code: 14431; Website: www.digisaathi.info

Basics of Insurance

What is Insurance?

1. Insurance is a financial product that reduces or eliminates the cost of probable loss of life or some asset.
2. Insurance is a risk transfer tool. By taking an insurance policy, you transfer risk to insurance company.
3. Insurance company assumes risk against premium paid by many persons.
4. Insurance company pays to those who actually suffer the loss and claim.



Why Insurance?

Insurance does not reduce the probability of occurrence of adverse events



Certain insurance are mandatory, e.g. motor insurance



It just helps you to manage the financial impact or amount of loss if the adverse event actually take place

Buying certain type of insurance helps in saving income tax also, e.g. life insurance and health insurance

Remember



Insurance should not be taken just for saving tax

Insurance should not be taken as investment primarily

Popular Types of Insurance

Life Insurance

1. Term insurance
2. Whole life
3. Endowment
4. Unit Linked Insurance Plan or ULIP
5. Money back
6. Retirement plan
7. Child Insurance
8. Annuity or Pension plan

Non Life or General Insurance

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

Insurance Sector in India

- Insurance Regulatory and Development Authority of India (IRDAI) is the regulator.
- There are many players offering numerous products to suit various needs.

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Life Insurers



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General Insurers

Do You need Insurance?

You need insurance if you feel that the financial impact or amount of loss on account of occurrence of the adverse event will be difficult to manage.

Examples

1. You need to buy life insurance policy if you are the one of the earning member of your family. You do not buy Life Insurance because you are going to die. You buy life insurance because someone else is going to live after you and they will need money.
2. You need to buy health insurance if you or your family member may fall sick and the expected cost of treatment will be difficult for you to be bear.

How to Choose Life Insurance Policy?

Important parameters which one should consider before selecting a life insurance policy -

1. Your current income and expenses
2. How much money your family may need when you are not there?
3. How much premium you can afford?
4. Insurer's claim settlement record
5. Policy exclusions



What should be the Life Insurance Sum Assured?

1. It is important to buy an insurance policy. Equally important is to ensure that insurance amount or coverage is adequate.
2. Sum Assured Amount should be sufficient to ensure that your family members (dependents) are able to maintain same life style in your absence.
3. As a general rule, coverage should be 10 to 25 times of your gross annual income, depending your age.
4. Add the amount of liabilities (home loan or other loans) to above amount to arrive at minimum coverage amount.

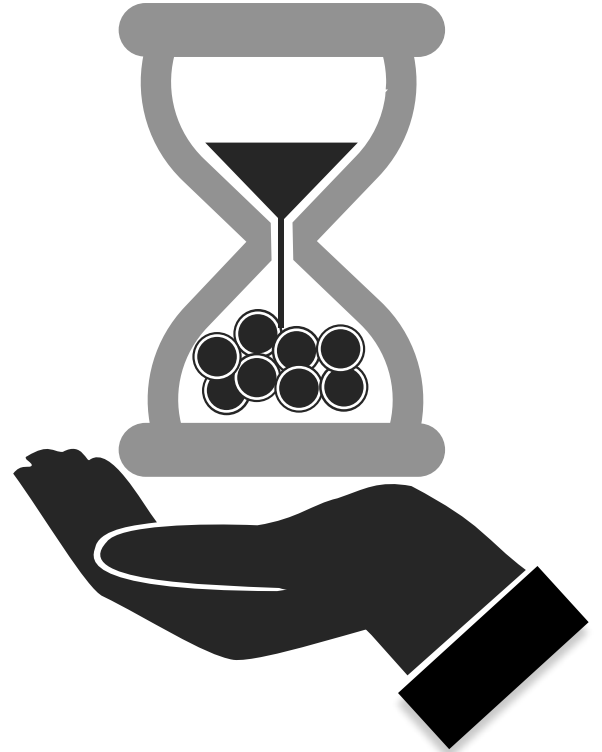
What is Free Look Period?

1. It is period during which a policy holder can review the policy terms and if not satisfied, may return the policy with any penalty or charge.
2. Certain expenses like medical check-up expenses incurred, stamp duty paid etc. can be recovered by insurance company.
3. 15 days Free Look Period is available for all Life Insurance policies after date of issuance of policy.
4. It is available for health insurance policies which a term of at least three years.
5. If any claim is made before the end of the Free Look period, then policy can not be returned.



What is the Grace Period?

1. Grace period is additional time the insurance provider gives after the premium due date to pay your premium.
2. The grace period is 30 days if premium is paid annually. For other premium frequencies, its 15 days.
3. Life cover continues during the grace period.
4. Health insurance cover is not available during the grace period.



Lapse Of Policies - Revival

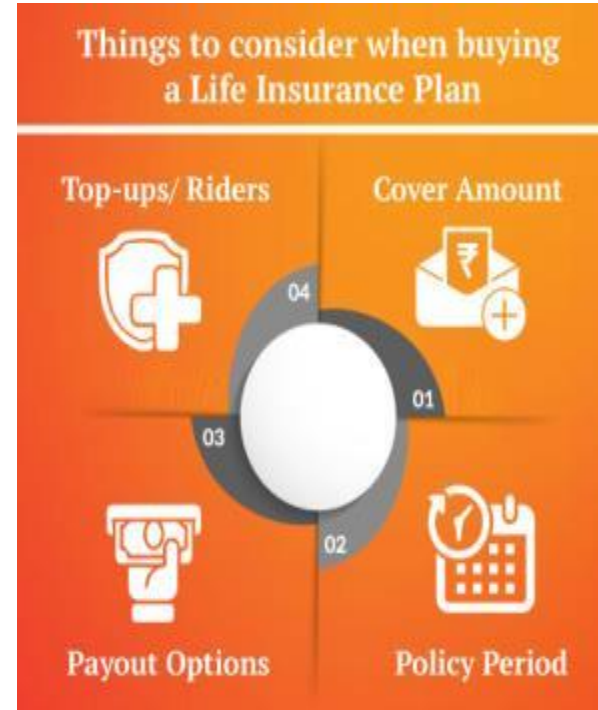
1. Insurance policy lapses when the insured defaults on the payments of renewal premium beyond grace period.
2. When the policy lapses, its benefits also lapse.
3. Insurance companies generally provide an option to reactivate the lapsed policy.
4. This option is generally available for a limited time – revival period, after the grace period.
5. During the revival period, the policy can be reinstated or revived subject to certain conditions such as payment of due premium with interest, proof of good health.
6. It's a good feature using which policyholders can continue to enjoy policy benefits even when they might have missed the premium payment.
7. Revival of lapsed policy may be a cheaper option than buying a new cover.



Health Insurance: How To Buy Insurance?

Important parameters which one should consider before selecting a health insurance policy -

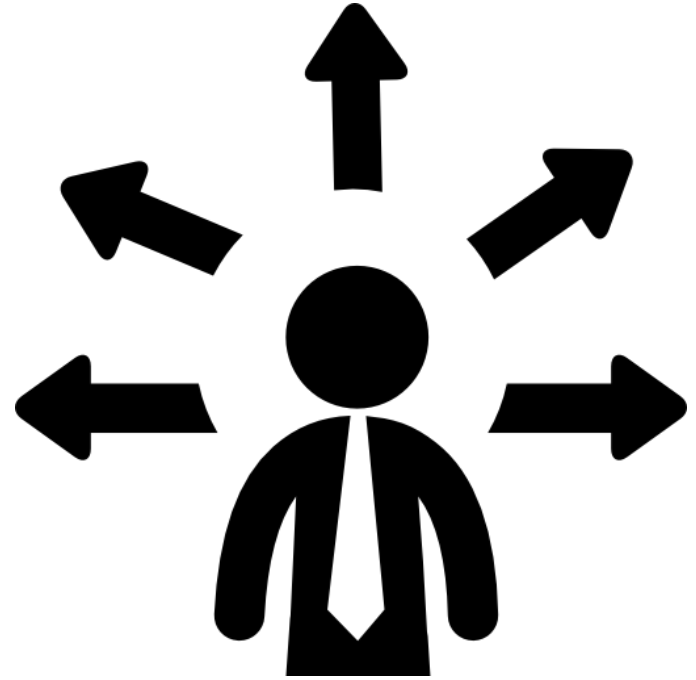
1. Coverage of various diseases including pre-existing diseases
2. Minimum period of hospitalization required
3. Pre and post hospitalization expenses
4. Various limits and sub limits
5. Coverage of OPD expenses
6. Critical illness coverage
7. Exclusions
8. Cashless facility
9. Acceptability and network of empanelled hospitals
10. Cost of health check-up



Whom To Buy Insurance From?

Some of the common channels to buy insurance are:

1. Directly from the insurance company
2. Individual Agents
3. Corporate Agents (e.g. Banks)
4. Insurance Brokers
5. Web Aggregators



Difference Between an Agent and Broker

An insurance broker represents you as the client whereas an Insurance Agent represents the company they are engaged by.

An Insurance Broker is interested in selling, buying or negotiating various financial products best suited to their individual client's needs for compensation



An Insurance Agent sells, negotiates, or promotes financial products on behalf of his / her organization.



Whom To Buy Insurance From - Online Or Offline?

Why Online?

1. Lot product information is available in a user friendly format.
2. Wide comparison features available – across products and companies.
3. Generally online premium is lower as insures saves on agent commission.
4. Convenient to buy. Available anywhere, anytime.

Hybrid or combination of online and offline models are also available now.

Why Offline?

1. Insurance products are complicated and sometimes difficult to understand on your own.
2. Premium negotiation is possible.
3. Suitable for those who are not tech savvy.
4. Beneficiary or nominee should be comfortable with online processes to submit claim.
5. Difficulties in reaching remote call centre for claim or enquiries.
6. Agent are generally easily approachable and offer personalised services.

Some Important Insurance Schemes

Saral Jeevan Bima

1. It's a standardised Term Life Insurance Policy and offered mandatorily by all life insurance companies.
2. Terms and Conditions of the policy are same across all insurance companies.
3. Sum insured – Minimum - ₹5 Lakh, Maximum - ₹25 Lakh in the multiple of ₹50,000.
4. Insurance company can offer sum insured more than ₹25 Lakh also.
5. Accident Benefit rider and Permanent Disability Benefit rider can be added.



Some Important Insurance Schemes

Saral Jeevan Bima

6. Each company can decide the premium independently.
7. Policy can be purchased by anyone between 18 – 65 years of age.
8. Policy term may be between 5 – 40 years. Maturity age is 70 years.
9. Compulsory waiting period of 45 days after date of commencement of risk.



Some Important Insurance Schemes

Arogya Sanjeevani Policy

1. It's a standardised Health Insurance Policy and offered mandatorily by all insurance companies offering health insurance.
2. Terms and Conditions of the policy are same across all insurance companies.
3. Sum insured can be decided by each company independently in the multiple of ₹50,000.
4. Each company can decide the premium independently.



Some Important Insurance Schemes

Arogya Sanjeevani Policy

5. This Policy mandatorily covers most common diseases including COVID – 19 and treatments including Ayush treatment.
6. Policy can be purchased by anyone between 18 – 65 years of age.
7. Policy term is one year but can be renewed every year till required.
8. Policy can cover spouse, parents, parents in laws and dependent children.



Some Important Insurance Schemes

Pradhan Mantri Jeevan Jyoti Bima Yojana

1. It is a one-year term life insurance scheme.
2. Can be renewed each year, till 55 years age.
3. Eligibility – Any individual who is 18 to 50 years having a bank account.
4. This is Aadhaar linked policy, so can be purchased through anyone bank account only.
5. Fixed premium - ₹330 per year. It is auto-debited from bank account.
6. Premium payment period – May 25 – May 31, every year
7. Policy Period – June 1 to May 31, every year.
8. Sum assured - ₹2 Lakh
9. Contact your bank if you want to buy this insurance policy.

Some Important Insurance Schemes

Pradhan Mantri Suraksha Bima Yojna

1. It is a one-year Accidental Death and Disability Insurance cover.
2. It can be renewed yearly.
3. All individual bank account holders (single or joint both) in the age group 18-70 years are eligible.
4. Fixed premium amount - ₹12 per annum per member.
5. Premium amount is auto-debited from the bank account of the holder.
6. Premium payment period – before May 31, every year.
7. Policy Period – June 1 to May 31, every year.
8. Sum Assured - ₹2 Lakh for accidental death and permanent disability and ₹1 Lakh for permanent partial disability.
9. Contact your bank if you want to buy this insurance policy.

What Is An Insurance Repository?

1. Insurance Repository is an entity licensed by IRDAI which enables holding of insurance policies in an electronic form.
2. It maintains policy data on behalf of insurance companies.
3. It also act as a single point of service for all e-policies held by a policyholder.
4. It facilitates conversion of the existing paper policies into electronic policies.
5. NDML, a 100% subsidiary company of NSDL is one Insurance Repository.
6. You can view details of your insurance policies kept in e-Insurance account opened with NDML in your Consolidated Account Statement.
7. e-Insurance account can be opened online, any time.



What You Must Do Before Buying An Insurance?

1. Insurance is a subject matter of solicitation. Technically, it means insurance is purchased, not sold. So its your responsibility to understand the product before you price for it.
2. Satisfy yourself that agent you are dealing with is licensed by the insurance company.
3. Make payment to insurance company only, not to its employee or agent.
4. Ask for and understand Product Suitability Matrix and Benefit Illustration Document before you decide you buy any insurance product.
5. Insurance is a long term contract based on good faith. Fill-up the proposal form correctly.
6. Disclose existing diseases and existing policies, if any truthfully. In case of any misstatement, claim can be rejected.

Remember

1. Insurance is not same as investment. It should not be purchased only for tax benefit.
2. If used as investment tool, it may prove costly in comparison to stand alone investment options.
3. Understand the claim process before you buy any policy. Remember your beneficiary should also be comfortable with claim process.
4. Understand the complaint process before you buy any policy.
5. Remember to update Beneficiary or Nominee in your insurance policy, if need arises.

Remember

6. Keep the beneficiary or your family members informed about your insurance policy.
7. Always add the nominee for the policy. Review periodically whether you want to change nominee for your policy.
8. Remember to pay premium on time. Sending Premium Due notice or Renewal Notice is not a statutory responsibility of the Insurance Company.

What To Do In Case of A Problem or Complaint?

1. Every Insurance company is required to provide contact information for any query or problem or complaint.
2. These details can be found in the policy documents and on the website of the company.
3. Information about escalation matrix and nodal officer for complaints is also provided.
4. If your complaint is not redressed to your satisfaction, you may approach Insurance Ombudsman.
5. Complaints can be lodged in Integrated Grievance Management System available at <https://www.policyholder.gov.in/> portal of IRDAI also.



References

1. <https://www.policyholder.gov.in/>
2. <https://www.irdai.gov.in/>
3. IRDAI Toll Free Number for complaints - **155255 (or) 1800 4254 732**
4. email - complaints@irdai.gov.in

Insurance Ombudsman

1. This is available to all individual policyholders.
2. You can approach Ombudsman only if you had approached your insurance company earlier with the complaint and it was rejected or not resolved within 30 days or not resolved up to your satisfaction.
3. The value of the claim including expenses should not be above ₹30 Lakh.
4. Complaint should be made to Ombudsman office having jurisdiction over your area.
5. More information available at <https://www.policyholder.gov.in/>.



Be a Prudent Investor



Happy Investing

Demat Ki Paathshala - An initiative by NSDL for Investor Education

Follow us on



The background of the slide is a light blue and white grid with various data visualization elements. On the left, there's a bar chart with values 25, 46, 81, 32. In the center, there are several floating numbers: 0.332548, 0.3548621, and 0.89521453. On the right, there's a line graph with a blue arrow pointing up. The bottom right features a bar chart with vertical bars of varying heights. Binary code (0s and 1s) is scattered throughout the background.

THANK YOU

We welcome your feedback and suggestions about this program at www.nsdل.com.in /
info@nsdل.com