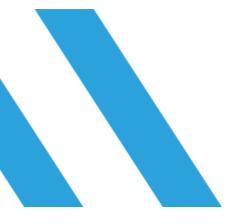


GUIDE TO BUY A SAVINGS PLAN



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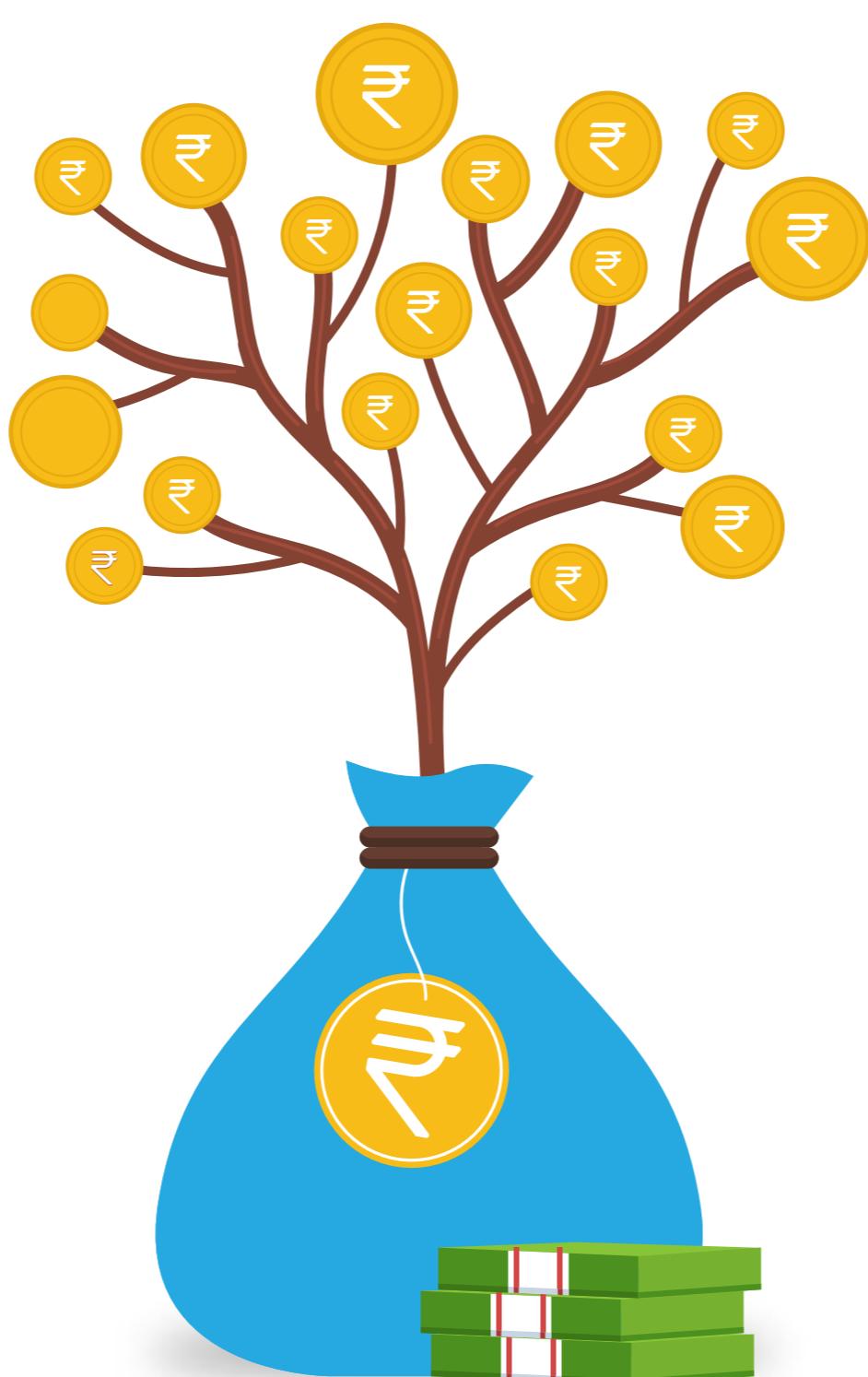
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Guaranteed Income4Life Plan

Savings is an essential part of our lives. During good times it propels your progress and during emergencies ensures your survival. Savings provide you with a cushion to fall back on when the times are tough financially. It also brings a sense of security to our lives. These plans help you channelize your savings into investments to fulfill your goals and build wealth.

Savings in Indian context conventionally was thought to be anything extra money that was left after meeting all the expenses. Most of us remember savings as how our grandparents used to keep extra money in piggy banks & kitchen boxes or at best in savings bank accounts.

But just storing extra money is cannot be called savings anymore. With inflation, storing money means losing its value every passing day. Hence, it is critical to evaluate what all options do exist today that can serve best for our hard earned money. These options are nothing but [Saving Plans](#). Saving Plans ensure that we get a return for what we decide to save. However, there are many financial & non-financial saving options available today and hence, it is critical to look at factors before we should start evaluating these:-



Short-Term vs Long-term

When do we want the returns on savings.



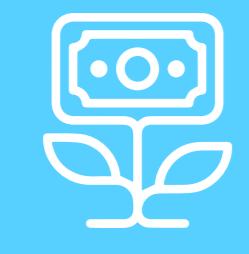
Need-Based Savings

Are we saving just because we have extra money or is there any purpose to it (eg: higher education, marriage expenses etc).



Tax Friendliness

Savings is made from taxable income and hence, it is critical to ensure that the returns from savings are tax-friendly.



Flexibility in Timing & Continuity of Savings

What is the time commitment involved in making regular savings.



Guaranteed vs Non-Guaranteed Returns

Do you want 100% guarantee or are ready to trade off guarantee with higher returns over a longer period.

What are Saving Plans?

Simply put, saving plans are financial instruments that provide returns on the money invested in it. While buying a property or commodity like gold etc, also provide returns, but we are restricting the evaluation to comparable [financial plans](#). Savings plans are a type of plan that helps you save in a disciplined manner. A savings plan helps you build a corpus that you can use to achieve both long-term and short-term needs.

Savings is very important part of your financial life. Savings is best done, when it is done as a habit rather than for a reason. Here are a few good reasons to save money:

01 Helps you Deal with Unexpected Expenses

Even if you are the wisest man on the earth, you will have a hard time predicting what will happen in the future. If you can't predict the future, the next best option will be to prepare for it. With savings, you can create yourself a fund for emergencies. These will come to your help if something unexpected such as sudden illness, or loss of your job, house repairs come up.

02 Assists in Managing Short-term and Long-term Needs

Savings can not only help you deal with emergencies only; they can help you achieve the things you aspire for as well. You can save for a big upcoming purchase, or to visit a place that you always wanted to see. If you have saved then this will reduce the burden on your income and it will not deter your finances after you achieve these goals too.

In your life, you will have some long-term goals that you may want to achieve. Savings plays a good role in the following:

- a) [Retirement planning](#)
- b) Child's higher education
- c) Buying a new home

All these goals generally require a lot of money. So, starting savings early will provide you with a good boost to your corpus.

03 Offers Financial Security

When you have saved a certain amount saved, then it gives you a sense of financial security as you have something to fall back on if something bad happens. This helps lead your life with a sense of peace and calm. Also, if you have saved some amount, then it will enable you to invest in higher-risk investments that have the potential to give huge returns.

Who should Consider Buying a Savings Plan?

Anyone who is conscious of his planned and unplanned financial needs in short and long term future should look at Saving Plans. Hence, simply these plans are for everyone to consider - be it a salaried, self employed, professional, a house wife or even a student etc.

Any individual can buy a savings plan, if they meet the eligibility criteria. But if you fall in the following categories, you should surely consider buying a savings plan:



Individuals Looking to Achieve Long-term Goals

If you are the only earner of the family, then you need to take care of the financial goals of the ones dependent on you. Along the way, with growing life stages, you may need to take care of your long-term goals. Saving Plans will assist you in reaching the set milestones.



Individuals who are Salaried

If you earn a regular salary and want to set aside some portion of your salary for emergencies or to achieve specific goals, you can buy a savings plan. You may think that you have enough time later to invest. But the [earlier you start investing, the more it will benefit you later](#).



Individuals who Want to Preserve Wealth

If your income is dependent on some high-risk source or asset or you have access to a sudden income and want to preserve it, a savings plan is the key. The wealth that is accumulated in a savings plan is not affected by the market and hence it is safe. Your principal is safe in a savings plan and it does not deplete.

Comparison of Saving Plans

Identify the goal which you want to achieve through your savings plan. It could be your retirement, your children's education, etc. Choose a savings plan as per your life goals.

Saving Plan Considerations		Bank FDs	PPF	EPF	Life Insurance (Saving Plans)	Mutual Funds
Period of Investment	Short-Term	✓			✓	✓
	Long-Term	✓	✓	✓	✓	✓
Guarantees	Non-Guaranteed Returns				✓	✓
	Guaranteed (fixed) Returns	✓	✓	✓	✓	
Need Considerations	General Savings	✓	✓	✓	✓	✓
	Need Based Savings				✓	
Tax Benefit on Savings Done	Deduction under 80C	✓ (only for tax saving FDs)	✓	✓	✓	✓ (only for ELSS schemes)
	No Deduction under 80C					
Maturity>Returns	Tax Free		✓	✓	✓	
	Not Tax free	✓				✓
Coverage for Death	Available				✓	
	Not Available	✓	✓	✓		✓
Frequency of Savings	One-Time	✓	✓		✓	✓
	Disciplined/Regular		✓	✓	✓	✓

A careful evaluation of the above comparison shows that among the most common saving plans, life insurance savings plans tick all the right boxes. Only life insurance saving plans are the ones that provide –

1. Option of **guaranteed returns** as well non-guaranteed higher returns over a longer period
2. Tax rebate for the premiums paid
3. Tax free benefit upon maturity
4. Flexibility in premium payment
5. Coverage in case of death during the policy term
6. Need based and general savings plans

What are the Different Types of Life Insurance cum Saving Plans?

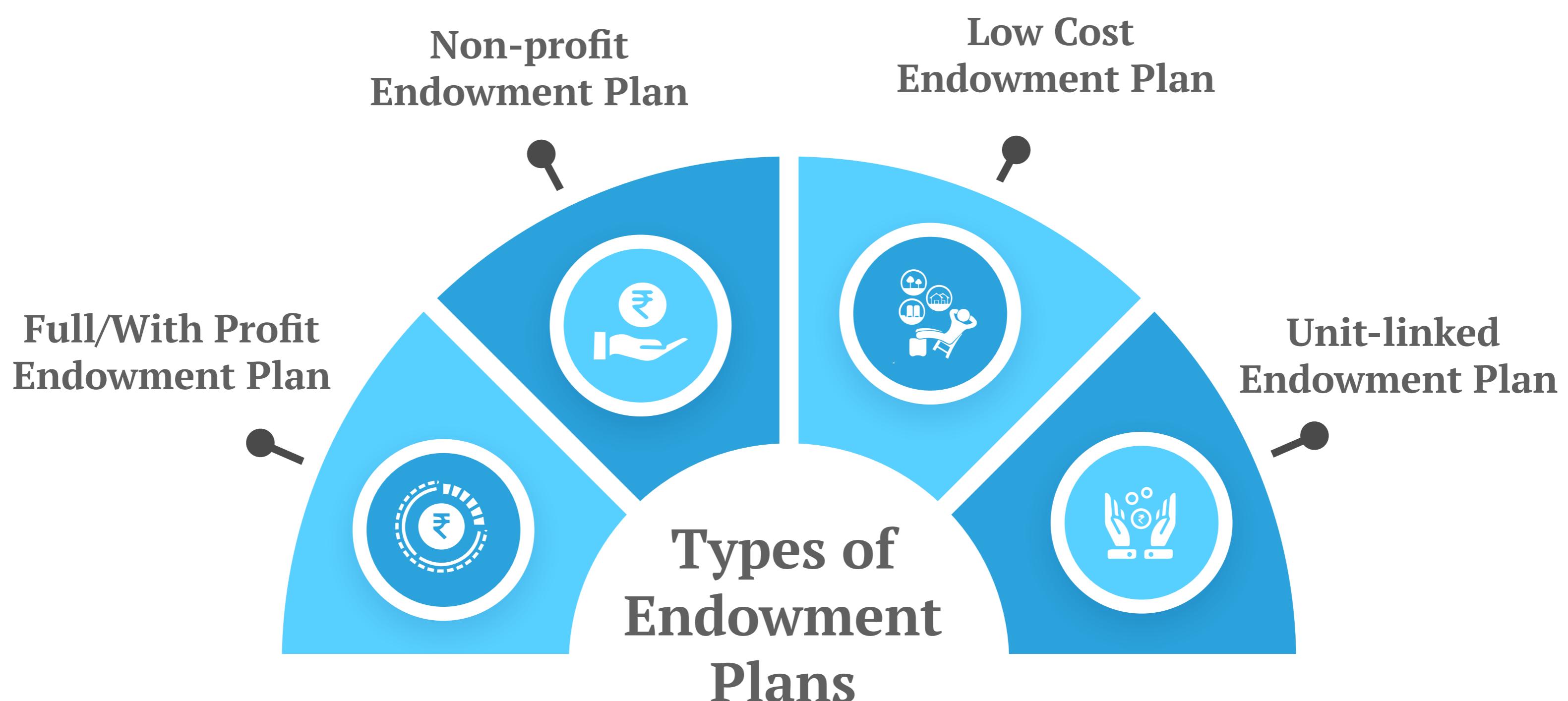
Since life insurance cum saving plans are the only ones that offer guaranteed and non-guaranteed plans and serve multiple needs at different life stages, let's look at the types of plans under life insurance -

01 Endowment Plan

An [endowment plan](#) provides you with a safe investment option along with a life cover as well. These are considered the safest plan to invest as these payout fixed amounts on death or at the time of maturity.

The returns of the endowment plan are mostly risk-free as these are not affected by the market positions. That is, they are not linked with the market.

Thus, if you are looking for a plan that possesses low-risk as well as twin benefits, and you want a fixed return, then this will be a good option.



02 Money Back Plan

In a [money-back plan](#), the maturity benefits are not received in lump-sum. Instead, you are paid the sum assured in installments as per the period chosen by you. Thus, this policy gives you regular pay-outs. The terms of this policy range from 10-30 years. Also, a life cover is also provided along with these regular pay-outs.

For example, if you have taken a policy for 25 years. Your installment period is 5 years. Then after every 5th year, you will receive a survival benefit that is at the 5th, 10th, 15th, and 20th year. The remaining amount will be given after the policy is matured.



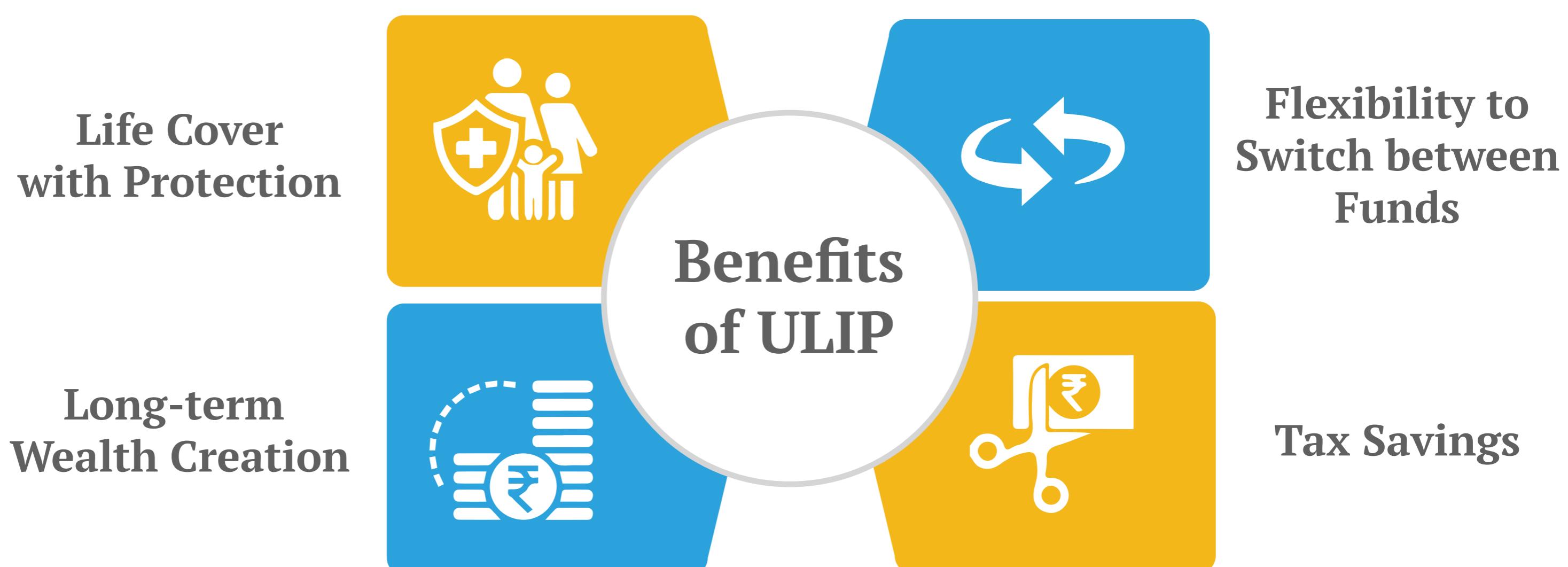
03 Unit Linked Investment Plan (ULIPs)

ULIPs can also pose as a good savings plan. These plans offer you life coverage as well as the opportunity to invest in the market. The returns you get with ULIP are linked with the market. This is why it can give you higher returns than any other plan.

If you want more flexibility and high-growth prospects, [ULIP](#) is a great option for you. You are given the freedom to choose the funds in which you want to invest according to your risk capabilities.

Other facilities such as an option to switch, automatic portfolio rebalancing and partial withdrawal, etc are also provided.

ULIP is a long-term saving plan that is a combination of Insurance and Investment.



04 Retirement Saving Plans

In retirement or a pension plan are usually [annuity plans](#). These plans can ensure a reliable long-term income for you and are most useful post retirement. Ideally, the plans would require a large lump-sum investment.

Tips to consider while choosing the best retirement plan:



Needs/ Type of Returns	Guaranteed Returns	Non-Guaranteed (Higher Returns)
General Savings	Income Plan, Endowment Plan	ULIPs
Child Education/ Marriage Expenses	Endowment Plan	ULIPs
Retirement Corpus	Endowment Plan	ULIPs, Pension Deferred Annuity
Retirement Income	Pension Immediate Annuity, Income Plans	Retirement Income

What are the Different Life Insurance cum Saving Plans Offered by Canara HSBC Life Insurance?

Canara HSBC Life Insurance offers you a variety of saving plans that can be bought online or offline. In a savings plan, you accumulate over a period of time to create yourself a corpus that can be used to achieve goals such as your child's education or marriage, buying a home, etc. But what if you die in between the policy. Will your family be able to pay the premiums?

Here are three (3) saving plans from Canara HSBC Life Insurance that are available online:

1. Invest 4G (ULIP)

Invest 4G offers life cover along with an avenue to invest your wealth. It allows investors to switch between funds without any extra cost. You can start investing in ULIPs like Invest 4G with a holding period of 99 years to first build your retirement corpus. At retirement, you can transfer the majority of aggressive investment into a debt or liquid fund.

This debt or liquid fund corpus will be useful in drawing the regular pension using the Systematic Withdrawal option.

[Know more about Invest 4G.](#)

2. Guaranteed Savings Plan

It offers guaranteed benefits along with the flexibility to choose your savings horizon and a life cover. You can customize your savings horizon to your important financial goals. Also, multiple policy term options help you to select the best suited policy term which is closely aligned to your financial goals. You can use this plan to build your retirement corpus or treat this as a fund to create an education fund for your child or to get them married in a way you've always dreamt of.

*Know more about **Guaranteed Savings Plan**.*

3. Guaranteed Income4Life Plan

This is a highly customizable life insurance plan that offers various flexibilities in terms/premium payment options etc. so as to align the plan to an individual's life stages and needs. Whether it is lifelong protection for you and your spouse or fulfilling your child's education needs, preparing you for early retirement or giving you that extra income to make sure every promise is fulfilled.

This plan ensures a second income stream that can take care of your expenses when you retire. You also have the option to get the income till you turn 99 years.

*Know more about **Guaranteed Income4Life Plan**.*



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