



# **Canara HSBC Life Insurance**

## **Media Coverage Report**

**“How has life insurance transformed into a vital component of wealth management?”**

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## **How has life insurance transformed into a vital component of wealth management?**

*Wealth management aims to efficiently manage and grow individuals' wealth, and life insurance plays a versatile role in this strategy. It addresses concerns related to taxes, estate planning, retirement income, healthcare costs, and emergency funds.*



Wealth management is a cornerstone of comprehensive financial planning, providing a holistic perspective on individuals' financial landscape. Tailored for mid-to-high-net-worth individuals, its primary objective is to foster the growth and efficient management of their wealth. As we navigate the complexities of financial planning, the presence of inherent risks and challenges, particularly in terms of tax savings, often obstruct the strategic preservation of wealth.

Beyond its conventional role of providing financial security for loved ones, life insurance has evolved into a dynamic tool integral to wealth management.

### **A powerful tool for building & preserving wealth**

Life insurance transforms into a potent instrument for wealth creation and preservation. Certain policies feature a cash value component, such as Whole Life Insurance, acting as a unique avenue for accumulating wealth over time. This aspect provides policyholders with both the protection they seek and a flexible, growth-oriented savings vehicle.

The marriage of protection and wealth accumulation makes life insurance a compelling addition to any wealth management portfolio.

### **Insurance beyond wealth protection**

Far beyond its conventional role of safeguarding loved ones, life insurance has evolved into a dynamic tool that plays a pivotal role in wealth management, offering both accessibility and efficiency in the preservation of wealth. It plays a crucial role in estate planning by providing a tax-efficient way to transfer wealth to beneficiaries. It can also serve as a reliable source of retirement income, providing a supplementary stream of funds during retirement.

As healthcare costs continue to rise, life insurance can serve as a dedicated fund for unforeseen medical needs, ensuring financial well-being without jeopardising other aspects of one's financial well-being. Additionally, life insurance can serve as an emergency fund, offering a financial buffer during unexpected circumstances, and ensuring individuals and families can navigate challenging times without compromising their long-term financial goals.

In situations where immediate cash is crucial, such as settling outstanding debts or addressing emergency expenses, the death benefit from a life insurance policy offers a readily available source of funds. This liquidity feature enhances financial flexibility and allows beneficiaries to navigate unforeseen circumstances without the financial strain of selling assets.

### **Tax-efficient wealth accumulation**

One of the often-overlooked advantages of integrating life insurance into a wealth management strategy is its tax efficiency. Certain life insurance products provide a tax-advantaged environment for wealth accumulation. The growth of cash value within these policies is shielded from immediate taxation, offering a powerful incentive for individuals seeking to build wealth while minimising their tax liabilities. This tax-efficient characteristic makes life insurance an attractive option for those who wish to optimise their financial plans.

In conclusion, life insurance is not merely a financial safety net but a multifaceted tool that can unlock new avenues for managing wealth. By recognizing its role, individuals can strategically leverage life insurance to build, preserve, and grow their wealth.

From its fundamental importance in goal setting to its dynamic ability to adapt to changing circumstances, life insurance stands as a pillar of financial success. As you embark on your journey towards financial prosperity, consider the untapped potential of life insurance—a key that unlocks the doors to a more secure and prosperous future.

*Akshay Dhand, Appointed Actuary, Canara HSBC Life Insurance*

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