

Young space

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Child protection space is an insurance concept that is all about securing a bright future for the child. This policy ensures that the future financial needs of a child remain undisturbed even if an unfortunate event takes place. It ensures protection through comprehensive coverage (not only for death but for total and permanent disability as well). In case of death or any other form of disability that is insured, the company funds future premiums and the fund value (investment component) is paid to the beneficiary at the end of the policy term.

Child plans have always been big contributors to industry top lines contributing between 15% and 20% of a life insurer's Annual Premium Equivalent (APE). After the revised United Linked Insurance Plans (ULIPs) guidelines were issued by the Insurance Regulatory and Development Authority (IRDA), which became effective on September 1, 2010, five life insurers including Canara, HSBC, Oriental bank of Commerce and Life Insurance Company Limited have already started offering a child plan. We believe other insurers are also working on similar plans.

GROWTH AREAS

Besides protection, child plans can also be used by parents to meet intermittent needs of a child. Some of the emerging growth areas within the ambit of child protection space are milestone withdrawals that involves funding the child's regular expense

requirements for higher education, safety switch option which helps secure the gains earned over a period of time by systematically transferring the funds to relatively low risk assets, auto funds rebalancing — a mechanism that helps to keep the desired fund composition by rebalancing the fund

value at quarterly intervals as per the chosen allocation and finally an option that allows flexibility to modify the coverage amount with the change in lifestyle. The growth for protection of a child's dreams lies in systematic savings over a period of time so that parents do not have to look for options to fund them in the future.

MARKET MANTRA

SKILL-SETS REQUIRED

Freshers should possess analytical skills, be articulate and have good written communication skills. They would be required to collate information and present the same. This is the age of technology and computer skills are a necessity. Knowledge of Excel and Powerpoint, among other applications are imperative. Having a basic understanding of the industry and products is preferred. Freshers should be resourceful as well as confident.

REMUNERATION

Freshers can get anywhere between three and five lakh per-annum along with performance incentive/bonus. Growth is dependent on the continuity of good performance and demonstration of potential. Freshers can aspire to progress to positions such as head of products that will fetch them more competitive salary packages.

— As told to Aaditi Isaac