

Every woman must have whole-life cover

A long-term insurance plan is an essential investment for women; so is a health cover, says Vishaka RM

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Almost a third of Vishaka RM's portfolio is in insurance and is a mix of whole-life, term insurance, and unit-linked investment policies. The Director of Sales and Marketing at Canara HSBC OBC Insurance, she has had many long stints with various insurance companies. She stresses that investments need to be made in accordance with goals.

Which was the point in your career that was the most challenging?

Every person faces career challenges. The unique challenge women face is managing the emotional conflict of leaving the children at home when they come to work.

I received emotional support from my mother and my husband, who constantly reiterated that there are positives and negatives in every decision and I should focus on the former.

I made sure that I contributed significantly at the workplace to make me feel justified about leaving behind the children. I believe that being a career woman gave me the exposure and confidence that brings with it overall benefit for the family. I can deal with my children with openness and a non-judgmental attitude.

My kids tell me, "It's ok if you are not around to feed my

stomach, you feed my mind."

How much of your portfolio is in insurance products?

Barring real estate, if I evaluate my other investments, it would be 60 per cent in fixed deposits and PPF; 10 per cent in stocks and mutual funds and 30 per cent in life insurance. In insurance, barring the one pure-term cover and one whole-life policy, the others are Unit-Linked Plans.

With ULIPs, I am sure that the equity exposure and power of compounding will build enough money for my retirement. In the term policy, I have a cover till the age of 60. I specifically wanted coverage only till 60 because I don't think I will be earning beyond that age. Term covers are basically to help in the future when you don't contribute economically to your dependants.

How did you plan your investments?

My first investment was very late, a year-and-a-half after I started working. Getting some surplus cash in hand was tough those days as there were no credit cards. At that time,

(someone) from the salary department told me that I had to invest to save on tax and I invested blindly.

Though I was a qualified CA even then, I didn't give much thought to the product I chose. It was a money-back plan. But now, if you ask me, I will tell you that one has to plan investments by keeping in mind the goals. My first investment was bad, but later I could do better with some proper planning. I had two goals; one, my retirement and, two, my children's education.

Both these goals gave me enough time to accumulate money. I started out by making SIPs in mutual funds and invested in some long-term investment policies too.

For liquidity, I put some cash in FDs — this was the money I thought I would require in one-two years.

Is there one financial decision you wish you could go back on and change?

Yes. I had discontinued SIPs to redeem the investment for purchase of a house. When I was over the financial crunch, I did not go back and start the SIP for almost six years!

Do women-specific health plans

make sense given their high premiums?

One would need to evaluate the benefits of the coverage and decide, depending on the age and the specific covers being provided. It might make more sense during the child-bearing age to have a woman-specific plan.

What are the two insurance policies a woman should compulsorily have?

Work Profile

Vishaka began her career at New India Assurance in the mid-1990s as a direct recruit officer. Moved to a private insurer when the insurance sector was liberalised in 2000. Joined Canara HSBC OBC Insurance in 2012.

Every woman should have a long-term plan — maybe a whole life or up-to-age-80 plan where the premium can be paid during her working years and subsequent systematic withdrawals can be made to provide for financial independence during her retirement. A woman should also ensure that she has a health policy to provide for medical exigencies, if any.



The equity exposure in my ULIPs, with the compounding effect, will build enough money for my retirement.

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