

Common myths about life insurance

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THE decision to buy life insurance is often accompanied with confusion, hesitation or even denial, as it entails accepting one's mortality.

However, it is important to know facts before purchasing life insurance to protecting one's loved ones from harm. So let's see some common misconceptions regarding life insurance which I hope will help you to take a decision.

It is difficult to get the claims

If you buy a life insurance from a good company, there is no reason to reject a legitimate claim. Every life insurance contract has several exclusions which describe situations that the policy does not cover. Except the scenarios under those exclusions, insurance company has no right to reject your claim.

As a customer, you should also understand the included and excluded events before purchasing the policy to avoid any unpleasant experience during claims. If a legitimate claim is denied by your insurance company, you may also seek insurance regulator's (IDRA) support to resolve the issue.

I should think about savings only

It is important to focus on savings, but a life insurance policy can give you the protection which is sensible as far as foolproof financial planning is concern. For instance, a term life insurance is fairly inexpensive which can cater the protection element. So even if you have sufficient savings, the need for life insurance does not disappear.

Life insurance policy is expensive

One of the biggest myths about life insurance is that it is not affordable with a decent level of income. However, life insurance can be affordable depending on the coverage you are looking for.

You can start with a policy that remains within your budget. With the increase of your income level, you may be able to purchase additional coverage later on. Insurance company can also recommend appropriate premium for you through financial underwriting.

I am single/young, so I don't need life insurance

Even if you fall under this group, life insurance is worth to purchase as it costs the least when you are young and healthy. The longer you wait the more likely you are to develop a medical condition that makes it more expensive. Besides, planning early not only helps protect your loved ones, but also gets you started on a financial plan for the future.

I have life insurance through my employer which is enough

Usually, life insurance policy offered by the employer follows a standard cover and you cannot customise it based on

your needs. Also such policy is not transferable i.e. if you leave your job then you are likely to leave the life insurance protection behind and your new employer may not have sufficient insurance plan for you.

Finally, you will not get any tax benefit from this policy as employer will pay the premium. However, when you buy separate life insurance policy, you can personalise the coverage and other benefits according to your needs.

I have health issues, so I can't get life insurance

Unless you have severe health conditions, you generally can buy life insurance. Conditions such as diabetes and high cholesterol would increase the premium, but insurance could still be within reach. You can easily find some companies that cover a range of health conditions.

Life insurance is not available for older people

In our country, a person can usually buy a life insurance up to age of 55 years unless the person has severe illness. The cost of coverage, of course, is much higher for older people as the mortality risk is higher than younger people.

The awareness of life insurance is very low in our country and hence there exist so many misunderstandings about life insurance.

Finally I would say, whatever decision you make when it comes to life insurance, just be sure it's an informed decision.

The writer is a certified actuary from the Society of Actuaries, USA. The views expressed here are personal.



Jet Airways chairman Goyal steps down, banks take control

REUTERS, New Delhi

Jet Airways Chairman Naresh Goyal will step down from the board and reduce his stake in the cash-strapped Indian carrier, the company said on Monday as it closes in on a rescue deal led by state-run banks.

The banks, led by State Bank of India (SBI), will convert their debt into equity and take a controlling stake in the airline for a token sum of 1 rupee (\$0.0145), Jet said in a statement to the stock exchanges after its board met earlier on Monday.

The banks will also give the airline a fresh loan of 15 billion rupees (\$217.71 million) to meet payments and restore normal operations and the lenders will form an interim management committee to manage the airline, Jet said.

Saddled with debt of more than \$1 billion, Jet owes money to banks, suppliers, pilots and lessors - several of whom have started terminating leases with the carrier.

The government has asked state-run banks, led by SBI, to rescue Jet without pushing it into bankruptcy, two people within the Indian government have told Reuters, adding that Prime Minister Narendra Modi is seeking to avert thousands of job losses weeks before a general election.

In its statement, Jet said the banks will initiate a bidding process to sell their stake in the airline to a new investor and that the process is expected to be complete by end-June. Reports of Goyal's departure led to a rally in Jet's shares, which ended the day 12.4 percent higher.



REUTERS/FILE

Naresh Goyal, chairman of Jet Airways, speaks during a news conference in Mumbai.

Apple invites Hollywood to Silicon Valley in TV push

REUTERS, San Francisco/Los Angeles

APPL Inc is expected to finally lift the curtain on Monday on a secretive, years-long effort to build a television and movie offering designed to compete with big media companies and boost digital services revenue as iPhone sales taper.

"It's show time" is how the iPhone maker billed the affair slated for the Steve Jobs Theater at its Cupertino, California, headquarters. Analysts believe it will be the technology company's first splashy launch event that will not feature new gadgets or hardware.

Hollywood celebrities are likely to trek to Apple's Cupertino home to greet the

Apple is expected to rely on selling subscriptions and services like video, music and hardware insurance.

Revenue from its "services" segment - which includes the App Store, iCloud and content businesses such as Apple Music - grew 24 percent to \$37.1 billion in fiscal 2018. The services segment accounted for only about 14 percent of Apple's overall \$265.6 billion in revenue, but investors have pinned their hopes for growth on the segment.

Apple's TV push has been cloaked in mystery. Even producers of Apple's shows are unsure about many of the details about when and how audiences will be able to see their work.

On Monday, Apple also is expected to unveil an Apple News subscription option



REUTERS/FILE

Customers walk past an Apple logo inside of an Apple store at Grand Central Station in New York.

debut of a revamped Apple TV digital storefront. Apple has commissioned programming from A-list names such as Jennifer Aniston, Reese Witherspoon, Oprah Winfrey and Steven Spielberg.

The Apple original shows are expected to be offered alongside the option to subscribe to content from Viacom Inc and Lions Gate Entertainment Corp's Starz, among others, sources have told Reuters.

Apple will join a crowded field where rivals such as Amazon.com's Prime Video and Netflix Inc have spent heavily to capture viewer attention and dollars with award-winning series and films.

The big tech war for viewers ignited a consolidation wave among traditional media companies preparing to join the fray. Walt Disney Co, which bought 21st Century Fox, and AT&T Inc, which purchased Time Warner Inc, plan to launch or test new streaming video services this year.

Apple's jump into original entertainment signals a fundamental shift in its business. Sales of hardware money-makers the iPhone, iPad and Mac were either stagnant or flat in its most recent fiscal year. Without another category-defining new gadget announced to the public,

featuring content from major publishers and a new credit card with Goldman Sachs to bolster Apple Pay.

While Apple plans to spend \$2 billion on original shows this year and has hired Hollywood veterans to oversee them, it is unlikely to take on Netflix or Amazon directly by including libraries of older shows. Instead, its model is expected to more closely resemble the App Store, offering paid subscriptions to other media companies' programming and keeping a cut of sales.

Ahead of the launch, Apple negotiated deals that would let Apple bundle and sell networks at a discount, replicating a business model from the cable TV industry, one source familiar with the matter said.

Apple's goal, other sources have told Reuters, is to bring together television shows in one place to make it easier to find, buy and watch them. Apple has worked to make it easier to watch the shows on traditional television from manufacturers such as Sony Corp, VIZIO Inc, LG Electronics Inc and Samsung Electronics Co Ltd.

Apple's pitch to Hollywood is that it has the potential to reach hundreds of millions of viewers.

China tech firms, seeking passion and energy, promote younger staff

REUTERS, Hong Kong/Beijing

CHINESE tech giants are in the hunt for young, energetic staff to take the place, in some cases, of veteran managers.

The companies deny that the moves, which are worrying some older employees, reflect any discrimination based on age. Explicit age discrimination is illegal in many countries, though not in China.

Chinese tech companies are known to prefer young workers, in part because of demands such as the so-called "996" schedule that asks employees to work 9 a.m. to 9 p.m., six days a week. On Thursday, Tencent Holdings confirmed plans to reshuffle 10 percent of its managers.

"Let some older members of management retire from their positions," Tencent Holdings President Martin Lau said. "Their jobs will be taken up by younger people, new colleagues who may be more passionate."

Asked to elaborate on the reshuffle, Tencent cited its annual report as stating its employment practice complies with laws and regulations and "does not discriminate on the grounds of gender, ethnicity, race, disability, age, religious belief, sexual orientation or family status".

Analysts said the move to promote younger managers is driven in part by the rise of a new generation of Chinese internet companies such as Pinduoduo and Bytedance, which are mostly run by entrepreneurs and engineers born in the 1980s or 1990s.

"The environment and external pressures are pushing these companies to reform, if the leadership is too old, it's easy for them to fall behind," said Li Chengdong, a Beijing-based tech analyst who used to work at Tencent and e-commerce giant JD.com Inc.

"In the US and Europe you rarely see companies going through structural reform every other year, but it's quite common in China... core leadership can be replaced within a very short amount of time."

At Baidu, CEO Robin Li said in an internal letter - which the company made public - that

it plans to accelerate efforts to become more youthful this year by promoting more workers born after 1980, and also announced an executive retirement plan.

The first executive to leave under that plan is its president for new business, Zhang Yaqin, who will retire in October, Li said. Local media reported Zhang's age as 53.

"For senior managers which have worked hard for the company and accompanied its growth, if they want to choose a new life because of personal or family reasons, we will take care of them under the executive retirement plan," Li wrote.

A Baidu spokesman said that age is not a factor in whether managers chose to retire or not and that it was up to them if they wanted to join the plan.

Lei Jun, chief of Chinese smartphone maker Xiaomi, said at a news conference on March 20 that the company was appointing new, youn-

ger general department managers as part of an organisational restructuring.

A Xiaomi spokesman said the company was not cutting the senior management team but that it needed to promote "younger talents" to support its rapid expansion.

Chinese tech workers in their 30s and 40s told Reuters they had come to accept the industry's preference for youth but worried that it was becoming more extreme, especially in up-and-coming fields such as artificial intelligence.

"I'm not worrying so much about losing my job, but certainly there is worry that I will not get promoted," said a 38-year-old engineer at JD.com. Like other employees interviewed for this story, he declined to be identified because he is not authorised to speak to the media.

A JD.com spokeswoman said it did not discriminate and that any high-performing employee is eligible for promotion.



REUTERS/FILE

A man walks past a poster showing the QR codes for job-seeking information in China.

Turkey central bank vows to ensure stability after lira slide

AFP, Ankara

TURKEY'S central bank on Monday vowed to use all the tools at its disposal to "maintain price stability" after a slide in the lira last week amid investor concerns over domestic monetary policy.

The lira lost around 5.2 percent in value against the greenback on Friday, its worst day since a currency crisis last year triggered by a US diplomatic spat and sanctions.

The bank said it "will use all monetary policy and liquidity management instruments to maintain price stability and support financial stability, if deemed necessary".

After the bank's statement on Monday, the lira pared back some of its losses. At 1255 GMT, the lira was 5.66 against the dollar, up nearly 1.8 percent on the day.

The bank suspended one-week repo auctions on Friday for an undefined period after

markets reacted to an unexpected drop in the bank's foreign currency reserves.

Analysts described the move as monetary policy "tightening by the back door".

In a bid to ease investor concerns, central bank governor Murat Cetinkaya on Monday said the bank's fundamental policy was to "sustain and strengthen reserves", state news agency Anadolu reported.

Cetinkaya told the agency in an interview that fluctuations in reserves were "not unusual" amid speculation the fall could be a result of the bank propping up the lira.

The Banking Regulation and Supervision Agency (BDDK) and the Capital Markets Board (SPK) on Saturday said they launched probes into JP Morgan over a report by the investment bank's analysts which apparently recommended shorting the lira on Friday.

The BDDK issued two statements on Saturday which said there had been com-

plaints over "misleading and manipulative" guidance from JP Morgan and other unnamed banks.

President Recep Tayyip Erdogan on Sunday said that Turkey would "crack down strongly on the banks who conduct such manipulations" before local elections on March 31.

Representatives of JP Morgan declined to comment.

Cetinkaya also told Anadolu that the bank's monetary policy was shaped by a commitment to bring inflation down to single-digits as soon as possible.

Inflation in February fell below 20 percent to 19.67 percent after hitting a 15-year high of more than 25 percent in October 2018 as the US-Turkey row shook the Turkish currency.

Although the lira has made up much of the losses since August, in recent weeks the currency has been performing badly, remaining well above five against the dollar.