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Featured Articles



Our precious one
need more than
your love...

Key to Total Insurance Coverage for kids...

- MediShield Plan
- Parents' Life Insurance Plans
- Education Policy
- Child's Life Policy

Insurance Policies for Kids: what, why and when?

Flooded with information from insurance agencies and even banks on insurance policies, saving plans... for your child and can't decide on which works best for you? Read on...

Shield Plan

The first and foremost important coverage for a new young member in the family is a shield plan. The purpose of such shield plan is to ensure that the family finance is not wiped out in case something unfortunate happens to the child. The Shield plan normally covers a child's hospitalization fees, pre-hospitalization and post-hospitalization consultation and medication fees. The

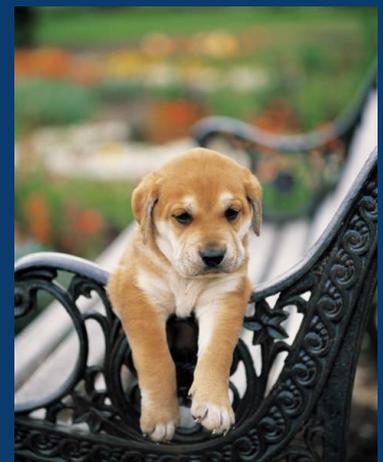
basic Shield plan offered by CPF covers till age 85 and subject to deductible and co-insurance, meaning you have had to pay some of the charges. Most shield plan offered by insurance agencies covers for the entire life and optional low-cost rider to cover the deductible and co-insurance. Shield plan should be bought as soon as the child is born.

Parents' Life Policy

Parents' life policy means your own life insurance coverage. What has parents' life policy has to do with the child? You may ask. The answer is straight forward. The parents need to ensure that they are covered adequately so that the family will not be thrown in financial difficulty/turmoil in case something unfortunate happen to the parents. I am sure you do not want your family members' life and your children's future

being affected due to loss of income and lack of insurance payout when such unfortunate event happens. Insurance payout should be sufficient to tide your family over for sometime before your family members seek and plan for alternative permanent solution. If you are not sure whether your family has had enough coverage for yourself, talk to your insurance advisor; ask them to do a financial analysis for you.

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Or they may be left alone like a stray dog in the park when we couldn't be there to take care of them.



Education protects the child's future.

Education Policy

Education policy is a better alternative to regular saving. Instead of just putting a regular amount to the savings account that earns you 0.5% interest per annum, you should buy an education policy instead. The most important benefit of buying education policy over regular saving is that once the policy is bought, the monthly premium (or savings) is guaranteed to be paid to the policy till maturity. That is, the policy premium will be waived if the payer (parent) suffers critical illness, total permanent disability or death. Regular savings in bank requires your active and consistent savings regardless of your financial and health status. Most education policy yields better returns when you buy earlier for your child. So, switch from regular saving to education policy early especially for your girl who is likely to enter tertiary education at 19 years old.



Child's Life Policy

The main advantage in buying life policy early is that there is unlikely to have any exclusion of pre-existing illness from the policy, especially chronic diseases like heart problem, diabetes and even asthma. But does it mean that you have to pay the premium for your child for the whole life? No, not necessary. Some insurance companies offered the so called Limited Premium Life Policy for your children. Such policy only requires you to pay premium up to 20 years (or more depending on how you want to stretch the payment) but provide the insurance coverage for the child for the entire lifetime. The monthly premium may appear higher than the usual life policies for children but the total premium paid from age 1 to age 20 can work out to be much less than the total premium paid if the child will to buy it himself say from age 25 to age 85.

Conclusion

Make sure you, the parents, have had enough insurance coverage and get the Shield Plan once the child is born. Save your money for child's education with Education Policy instead of putting them in the piggy bank. If you have extra cash to spare, get a limited premium life policy for your child than to pay for the installment of a new car.



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