

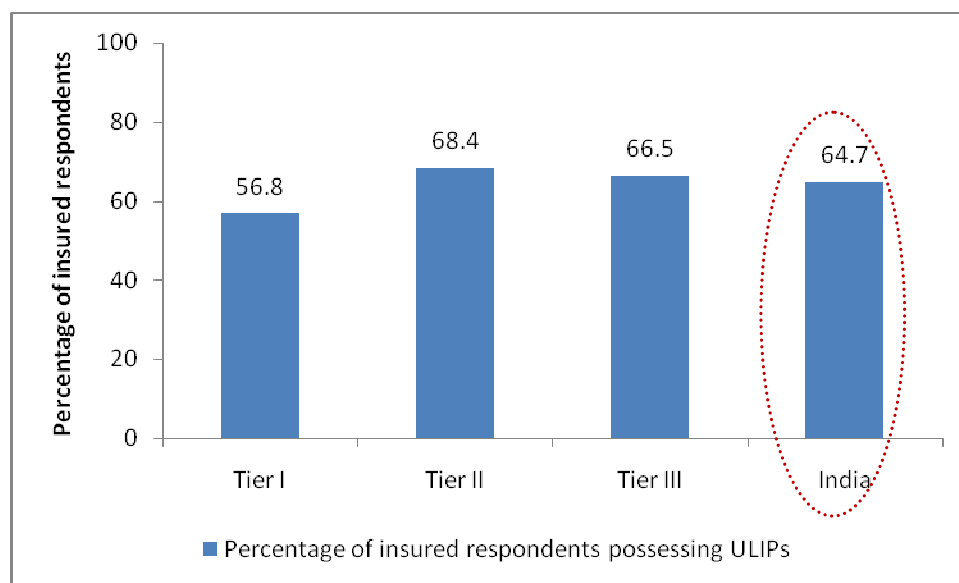
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### **Indian urban consumers prefer unit linked insurance plans with guaranteed returns**

**December 09, 2009:** Insurance and investments no longer need to be mutually exclusive. Irresistible offers from various life insurance companies which promise higher returns on maturity are growing in popularity as Indian urban consumers prefer life insurance instruments which provide an assured sum on or sometimes before maturity (apart from the sum insured payable only in case of death of the policy holder). These instruments, commonly referred to as Unit Linked Insurance Plans (ULIPs) also offer tax deductions under the Income Tax Act and hence any investments in such instruments is tax free up to Rs 1, 00,000. According to the Boston Analytics Indian Consumers' *Savings and Investment Behavior Report* for November 2009, based on a monthly survey of approximately 10,000 respondents in 15 Indian cities and towns, 60% of respondents had at least one life insurance policy and among them, 65% said they had an ULIP as compared to a simple term plan where there are no assured returns and the insured money is only paid in case of death of the policy holder. The report further suggests that preference towards ULIPs is higher among consumers in the Tier II and III cities

#### **Exhibit 1: ULIP Ownership among Insured Respondents by City Tier (November 2009)**



Boston Analytics' *Savings and Investment Behavior Report* further reveals Kolkata and Mumbai have the largest of consumers who had their life insured. 85% respondents in Kolkata and 84% in Mumbai report having purchased life insurance.

Please contact Boston Analytics for a further break down of preference patterns by insurance type and willingness to pay premium data across cities and other demographic classes.

Boston Analytics' *Indian Savings and Investment Behavior Report* contains data and commentary on savings/investment and insurance plans of Indian consumers across 15 Indian cities and 13 different demographic groups across time.

Some of these demographics include:

- Age
- Gender
- Marital status
- Annual household income

Data is analyzed along the above variables in terms of their appetite towards savings/investment and insurance as well as a number of factors that may influence such an appetite during a particular phase of the business cycle such as, perceived inflation, perceived stock market performance, economic conditions, job security, etc.

Customized cuts and analysis of the data are available upon request.

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Boston Analytics provides its corporate, consulting and financial clients the most current, accurate and actionable research and analysis—so they can be the first to uncover and exploit opportunities. The firm's work powers knowledge processes and enables effective decisions at all levels of its clients' businesses. Boston Analytics brings together leading analytical minds worldwide, delivers robust offerings of knowledge services, and works as a genuine partner. Boston Analytics is headquartered in Boston with offices in New York, London, and Mumbai. For more information visit [www.bostonanalytics.com](http://www.bostonanalytics.com) or email at [indiawatch@bostonanalytics.com](mailto:indiawatch@bostonanalytics.com)

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