



A Promise

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It is possible to make a world of difference if we make a little effort. Those of us who are in the insurance sector have the ultimate goal of achieving MDRT membership. In this issue, I would like to give a small introduction about MDRT and how its members work towards bringing about change in the world.

“To receive, individuals must give.” This statement might seem contradictory at first but if we examine the thought behind these words, we will realise that real individual growth cannot take place in isolation. Growth is a result of exchanging ideas and this is the philosophy that led to the emergence of MDRT - an international, independent association that represents the world's best financial services.

The Million Dollar Round Table (MDRT) formed in 1927 is a global independent trade association of the world's leading life insurance and financial service professionals from more than 500 companies in 70 Nations and territories.

The name comes from a group of 32 successful Life Insurance agents who met at the Peabody Hotel in Memphis, Tennessee. Each agent could demonstrate they had sold more than 1,00,000 dollar of life insurance that year. Their meeting focused on improving technical knowledge and enhancing their sales abilities as well as maintaining ethical standards in the industry. The 1927 meeting evolved into the formation of the organization that exists today.

Life Insurance Corporation of India agents who qualify for MDRT membership not only ensure their own financial growth, but they also become agents of change. The vision of MDRT is to empower its members to make a difference in their communities around the world. The MDRT Foundation is the charitable arm of the MDRT which reflects the caring spirit of the global organisation. The MDRT Foundation made a large impact on improving the lives of children and families in need.

A Worldwide Grant was awarded to support Fabretto's Rural Secondary Education Programme: Increasing Economic and Educational Opportunities for Rural Nicaraguan Youth the project will provide an alternative secondary education to 230 youths in rural Nicaragua who would not otherwise have access to a quality education. The Majority of youth come from impoverished or financially insecure families.

In the last 15 years, the To Write Love on Her Arms (TWLOHA) a team of MDRT Foundation is relentlessly working to help mentally retarded people and providing resources for treatment and recovery. This organization at present is extending support to mentally challenged people belonging to 100 countries.

MDRT Foundation in partnership with Clean the World Foundation (CTWF) has distributed more than 50 million bars of soap, hygiene kits and other supplies, reducing death due to poor hygiene by an astonishing 60%.

MDRT Foundation donates 25,000 dollar to Equal Justice Initiative with communities that have been marginalised by poverty and discouraged by unequal treatment.

These are only a few glimpses of this mighty organization. MDRT Foundation's Mission is to increase members and industry participation and to give funds to worthwhile charitable organisations throughout the world.

This is indeed a great gesture and a blessing to be able to give back to the society so that the world becomes a better place. This service to humanity will surely not go unrewarded.

“Those who serve others serve the Lord in the true sense” - Swami Vivekananda



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Forecasting - The Truths and the Myths

There has always been a desire to know about our future. From age old days this nature has been there in humans. They use various methods like planetary positions, Birth days, moles on the body, Horoscopes, Palm reading, and many many other ways.

We keep listening to weather forecasting. We use various media to know about the weather. Internet, Radio, TV, Social media, Apps etc. These weather forecasts are made for various time frames. For the day, week, month, for the season, for the year and sometimes for longer periods.

We can expect a good monsoon this year.

This month the temperatures is expected in the range of,

Snow fall is expected to be at a level of..

A cyclonic storm is expected to cross the coast at

Atlantic ice melting rate to come down

The spring this year could be longer

We can expect early rains

and so on

Why should we know in advance about the forthcoming weather conditions? We can anyway not change them. If it has to happen it will happen, then why know about it?

Can bad weather be stopped? No it can not be stopped. Then why know about it in advance?

Can Good weather be advanced? No it can not be advanced or lengthened. Then why know about it in advance?

Knowing about an impending bad weather is very important. Even though we can not avoid or stop a bad weather, if we are well prepared for it then the bad effects of the bad weather can be minimised or even nullified.

Same way knowing about a forthcoming good weather is very important. Even though we can not advance a good weather or lengthen it, if we are well prepared for it then the good effects of the good weather can be multiplied.

If a news reader reads out a forecast of a very bad weather, we do not call him an inauspicious person. We don't title him as a negative thinker. We don't tell him "Be optimistic man".

But many times we say this to a financial planner, Insurance advisor, financial analysts..

If weather forecast is required for all, then financial forecasting is also required for all.

Corporate bodies with more than 1000Cr wealth (10B) also do financial forecasting, so much so that they have different periods forecasts like 5 year rolling plan, 3 year, This year forecast, monthly and even fortnight plans. All these plans incorporate in them the likely risks in that period.



Even start-ups need such forecasting and professionally managed start-ups do it scientifically and systematically.

Even companies which are undergoing crises currently also get financial forecasting done with the help of professionals.

If corporate bodies wherein hundreds of workers contribute to its economics need financial forecasting, wherein the absence of one or two of them may not significantly affect the economics of the company, how important it is to do a financial forecasting for families wherein only one person (in many cases) or two persons contribute to the economics of this family?

For any type of forecast, whether it is a weather forecasting or financial forecasting these 4 elements are necessary:

- 1) A Professional
- 2) Appropriate Tools
- 3) Historical Data
- 4) Defined objectives for the forecasting

1) A professional can give a scientific estimate, others can only do a guess work. If somebody asks me about how the weather is likely to be in China, at the most I can make a guess. But a professional meteorologist can provide scientific estimates. Some part of any science is a matter of common sense. But a major portion of that is in the purview of experts. How to define professionals then? 1) They are qualified for that profession. Meaning that they carry some sort of accreditation from a professional body. and 2) They are authorised to practise that profession, meaning they carry a licence or an appointment order from the competent authority. Then how correct it is to take advice from our friends and relatives on matters related to finance. How wrong it is to follow the suggestions or recommendations of our friends or relatives in making investment decisions? Their intentions might be good in making those recommendations. But it is only a guess work that they are attempting.

- 2) Without tools how can anybody make scientific estimates? When we go to a doctor he asks us to get some tests at a diagnostic centre. Because he does not have the tools to get that tests done. When it comes to Financial forecasting there are quite a number of tools that are required to make correct estimates. There are so many tools to arrive at these tools that it might take a normal person a study of 3 to 4 years to learn how to use those tools.
- 3) Suppose we request a meteorologist from Europe to forecast about the behaviour of the Indian ocean, its currents and shifts, he will say that he has to study the past 10 years data, before he can venture into forecasting. But when it comes to financial forecasting if we are unwilling to share our data with the advisor then how at all can he make a reasonably correct forecast?
- 4) All forecasting are based on the objectives defined. According to the set objectives the tools and the metrics will be selected. For example in a weather forecasting if the objective is to advise fishermen about fishing the tools and the metrics will be a particular set, but it were to be for a farmer to decide on crops then the tools and the metrics could be different. Same way for financial forecasting also.

In the next issue of inscriptions let me explain the 4 most important objectives of financial forecasting for families and also explain some basic tools that professionals use to estimate the needs of the future.

In summation let me tell this:

Some part of any science is a matter of common sense. But a major portion of that is in the purview of experts.

If we are fully prepared then the bad effects of the bad weather can be minimised or even nullified and if we are fully prepared then the good effects of the good weather can be multiplied.



Beyond the Syllabus

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The past two years have changed the way we communicate, work, teach and learn. Some of these changes are permanent; they have been incorporated into our lives as we are now in that phase known as "the new normal".

The change is nowhere so marked as in the field of education. Children all over the world have been out of school for almost two years and the learning gaps will be difficult to fill if adults do not look beyond the syllabus and the prescribed texts. The reason is that most schools across the Indian sub- continent are following a "no detention" policy and students are being promoted to the next class irrespective of whether they have learnt anything or not. The purpose of this article is not to critique the policy, but to examine whether anything can be done to overcome the learning gaps so that students are better prepared to face the new class.

Parents have been complaining of the fact that hardly any learning has taken place in the online mode. Given the digital divide, the network issues and the inaccessibility to interact physically with teachers, this concern is partly genuine. But here comes the role of parents and the need to change the mindset when it comes to education. Learning cannot, and should not be limited to textbooks prescribed by the schools. What parents need to understand is that as long as the child is learning, the marks or grades do not really matter, especially at the primary and the secondary level. Lockdowns need not necessarily mean lockdown of the mind.

So how do we ensure that a child keeps learning? First of all, parents have to understand that children too have been the victims of the pandemic induced lockdowns. They are suffering- being away from their peers and missing out on normal plays and pranks which are all very important for their proper physical and mental growth. If this understanding exists, then the parents should take the next step- that of hand- holding the children and encouraging them to learn things that might not seem result- oriented at first, but will definitely help them in their later life and might even become life- saving. As teachers we talk of building the twenty

first century skills in the children- **the three C's of collaboration, creativity and critical thinking**. These skills are best learnt in real life situations and are, what we need in order to succeed in a world whose perception of success itself has changed.

So how do children learn the skill of collaboration? As parents, it should be our duty to show them that collaboration and co- operation are the key to saving the world. Let's take the examples of the COVID-19 vaccines. The scientists of the world scrambled to develop a vaccine and the collaboration between nations is ensuring that vaccines reach even those countries that do not have the expertise or the infrastructure to manufacture their own. This single example can teach them that conflict is bad and collaboration and co- operation is what is needed to make the world a better place. Secondly, creative thinking needs to be encouraged among children. Let them suggest solutions for problems that we encounter in everyday life. Small domestic problems can be posed to them so that they can come up with unique solutions. This is a skill that can be developed so that children learn to develop independent solutions to problems.

Critical thinking is the ability to observe, analyze, infer, communicate and solve problems in an objective manner. In order to develop this skill, children need to be encouraged to ask questions, to be open- minded, to work in groups, so that they are able to make informed decisions at home, at school, during their online practices, and later at the workplace and life.

Are learning these skills not more important than scoring full marks in exams? The pandemic has forced us to review our priorities .Health- physical as well as mental, are the most important concerns today. Should we not also change our concept of education to go beyond the syllabus so that our children are better prepared to face any eventuality in the future? Should not the future generation be taught that life skills are necessary to be able to negotiate through a world that is already on the brink given all the concerns of climate change, pandemics, natural disasters and the like? Time to ponder.





Retirement Needs



Nayan Bhowmick

“When I want to understand what is happening today, I try to decide what will happen tomorrow; look back; a page of history is worth a volume of logic.” – Oliver Wendell Holmes.

A self sufficient economy does not trade with other countries because it can produce its goods and services using its natural resources, sustainable agriculture, and reasonable energy.

Financial independence can be defined as reaching a place where we are able to afford our day-to-day essentials without outside support from friends and family.

After my many years of studies on ‘retirement needs’, I always advocate that an individual must enjoy financial independence during the phase between retirement and death. This is because it is

in this phase that an individual needs sufficient care financially and emotionally in order to live a purposeful life.

Why is this financial independence is so relevant?

Retirement, as we understand it today, did not exist in the pre-industrial era. In those days, older members of society were not relegated to the sidelines. They actually held a prominent position in their families and their society and were respected for their insight, knowledge of skills and crafts and lesson gained from experience. It is the industrial age that ushered in a profound redefinition of work and gave us the now popular notion of retirement. Mass production became the common mode of work and workers began to be viewed as parts in the system, subject to wear and easily replacable.

In his book *The Sociology of Retirement*, Robert C. Atchley made an insightful comparison between a craftsman and a worker. Atchley also noted that the words “job” and “occupation” soon began to replace the term craft and vocation. New workers became accustomed to punching the time clock and crossing days off the calendar in anticipation of the day they could retire. Financial independence plays a vital role at this juncture to make our retirement phase purposeful.

What is retirement?

- 1) For some it is a movement from pressure cooker to easy-chair.
- 2) For some it a movement from pressure cooker to pleasure cooker.
- 3) For many it is a movement from pressure cooker to frying pan.
- 4) For many it is a movement to somewhere unknown.
- 5) For a few from passion to passion.
- 6) For a few it is a chair on wings

Many of us are so occupied with getting out of a career trap that we seem to care little about what happens after we leave our jobs. Despite the fact we have planned other aspects of our lives, we seem to feel retirement will take care of itself.

During my seminars on “retirement needs” with different audiences, I always start by asking the question, “When I say ‘retirement planning’ what is the first thing that comes to mind?” The answer, across audiences is always “Money.”

I always believe that the quality of our lives cannot be guaranteed in a number. We need to focus on a number of important questions, viz.

1. How will I spend the (24X7) 168 hours that make up each week?
2. How will I invest myself, including my knowledge, wisdom and experience?
3. How will I invest my new found freedom?

It is wrong to think that money is the only investment that matters in retirement. In order to lead a meaningful retired life, we should understand that we can invest our:-



- {i} Time and freedom to do what makes us happy.
- {ii} Talents and insights to serve the society.
- {iii} Money and resources to maintain good health and pursue our plans like travelling.

Therefore, the key to a happy retirement is not just having money. One needs to plan for retirement right from the first day of the job. This means fulfilling the financial obligations of the family so that when we retire, the only big responsibility we have, is towards ourselves-to live a healthy, respectful life in a dignified manner and fulfil whatever dreams we might have so that our mental happiness is ensured.



C. V. Raman



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The Great Indian physicist Chandrasekhar Venkata Raman, popularly known as C.V Raman, was born on 7th November, 1888 at Trichirapalli in Tamil Nadu. His father was a physics teacher and so it was natural that Raman developed love for this subject. He was a brilliant student from the very beginning. As a brilliant and promising lad, he passed his matriculation examination at the young age of 12 from Madras University.

His parents wanted to send him to England for higher studies but his poor health did not allow it. He studied at Hindu College, Visakhapatnam and Presidency College, Madras. He obtained his post-graduation degree in physics in 1907 with the top position. During his student period he conducted many researches and published his papers in many reputed magazines.

In the same year, that is, 1907, Raman got the first position in the Financial Service Examination and was appointed as the Assistant Accountant General in Calcutta. There he came in contact with an eminent scientist named Dr. Amritlal Sarkar who was Secretary of the Indian Association for the Cultivation of Science. This contact with Dr. Sarkar proved a turning point in the life of this young scientist.

His interest in physics was deep and lasting and so he continued his research work in his spare time in the laboratory of the Association. He published his research results in the leading journals of Calcutta, now Kolkata which were in regard to the subject of propagation of light. These original research papers were of great scientific significance.

When these came to the notice of the then Vice-Chancellor of Calcutta University, Sir Ashutosh Mukharjee, he appointed him Professor of physics in the University. During his stay at the University he continued his research with much more devotion and won immense honour and recognition as a physicist.

He was elected the Fellow of the Royal Society of London in 1924. He discovered the "Raman Effect" in 1928. For it he was awarded the Nobel Prize for Physics in 1930. He became the first Indian to win this prestigious honour. With this award, his reputation increased by leaps and bounds and many Universities and institutions of repute honoured him with Ph D and D.Sc. degrees.

In December, 1927 he was busy in laboratory when the news came

that the well-known physicist A.M. Compton was awarded the Nobel Prize for demonstrating that the nature of X-rays undergoes a change when passed through a matter.

This effect came to be known as the "Compton Effect." Encouraged by this discovery, Raman continued his experiments and ultimately proved that light rays can also be scattered. His discovery enabled for the first time, the mapping of possible levels of energy gains of molecules and atoms of a substance and thus discovered their molecules and atomic structure. This discovery of the scattering of light led to the development of a simple alternative to infra-red spectroscopy, namely, Raman Spectroscopy.

Raman Effect happens when molecules of a medium scatter light energy particles known as photons. The spectrum varies with the nature of the transparent medium used to scatter the light. Raman Effect has proved to be of great scientific value and with its help the structure of more than 200 compounds has been known. He also gave us the scientific explanation for the blue colour of the sky and the ocean.

He explained that the blue color of the ocean was as a result of the scattering of sunlight by the molecules of the water. He travelled widely abroad delivering lectures about his discoveries and researches. In 1933 he became the Director of the Indian Institute of Sciences, Bangalore. In 1943 he founded the Raman Research Institute at Bangalore. He was knighted in 1927. He was awarded the Bharat Ratna in 1954 and the International Lenin Prize in 1957.

Raman was a born genius and a self-made man and scientist with deep religious convictions. His interests were wide and deep and so were his contributions to the human knowledge and development. Besides optics, he was deeply interested in acoustics—the science and study of sound.

His contributions to the mechanical theory of bowed, stringed and other musical instruments like violin, sitar, cello, piano, veena, Tanpura and mridangam have been very significant. He explained in detail how these musical instruments produce harmonious tones and notes. He died on November 21, 1970 at the ripe age of 82 at Bangalore and his mortal remains were consigned to flames in the campus of the Raman Research Institute.



Our little effort



Prize giving ceremony of Children's Art Competition





Employer - Employee Scheme

Nayan Bhowmick

An employer cannot sustain high productivity growth without totally involving the individual who is closest to the work and therefore knows it better than those who manage it. A committed employee is more likely to help retain a customer. Physical capital of an employee is needed for an employer. But the concept of protecting the intellectual capital is as important as protecting physical capital.

Why Employer – Employee scheme:-

- 1) **Welfare Measure:** - An illuminated, enlightened and prudent employer may like to make a provision as a welfare measure through life insurance for the dependents of the employee in case of employee's early premature demise and old age provision for employee himself. This may constitute one of the service benefit provided for the employee.
- 2) **Encouragement for employee:** - An employee may hold the life insurance policy as sufficient inducement and encouragement for the employees to continue with him since the employer has to spend considerable amount of money and time to train a new employee. Besides the employer may lose some of his trade secrets as well as skill gathered over years of experience due to exit of such employees.
- 3) **Reward:** - An employer may desire to give certain additional benefits to his select band of employees as a reward for good

service of who could not be otherwise compensated.

- 4) **Security :-** This scheme provides employee with long term and short term security against premature death, illness, accident or disablement without paying for the same.
- 5) Employee needs not to face pain about buying and administering the policy. Under the employer- Employee Insurance scheme, any employer can decide to propose for insurance on the lives of the designated Executives or Employees of his company .Besides the benefits enlisted in term of money, such scheme will generate job-satisfaction for employees' continuity of services with devotion and personal involvement, especially under the present era of professional competitiveness. Providing the protection of insurance of the employee will raise the sense of security in the minds of family members of the employee where the security of ancient joint family is missing.

Long term care insurance is not available in our country. But policies under Employer Employee Insurance Scheme are offered as an incentive for committed employees to purchase long term care insurance to some extent. They provide insurance coverage and allow for protection of family that is not available through other long-term service benefits.

Tax implications

- 1) **The insurance premium paid under Employer – Employee Insurance Scheme on the lives of employees is deductible as 100% business expenditure under section 37 (1) of the income Tax Act, 1961. (Subject to the conditions satisfying this section. Can not be automatic)**
- 2) **The cover arranged for the benefits of the employee covered and the premium paid will attract the provision under section 17(2) (V). The premium paid by the company is treated as perquisite in the hands of the employee.**

- 3) **The premium will be eligible for rebate to the individual employee under section 80C of the income Tax Act.**
- 4) **The maturity or death benefit will be exempt from income tax under section 10(10)(d) of the income Tax Act, 1961 . (Subject to the conditions of how and by whom the premium was remitted and the nature of the plan)**
- 5) **It is essential on the part of employer to commit with their own chartered accountant or Tax advisor**

The various ways to restrict brain drain is more wages, more incentives , more perks ,more facilities and more promotions . Always a very few employees are excellent workers , so company can honour them by giving promotion , but again it is one time affair . The continuous way of honouring to this selective Employee is by

giving them insurances policy as a gift. The benefits to company are tax benefits, employees increasing loyalty, increase in efficiency of employee, retention of good employees and image building in the minds of employees, customers and shareholders