Life
A Promise

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Vol. IX

For Private Circulation Only
ISSUE - II (July' 2026)

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# *LIC: The Banyan Tree That Stood Through Every Storm*

As the Life Insurance Corporation of India marches towards its Platinum Jubilee, it is an opportune moment not merely to celebrate an institution, but to reflect upon a remarkable national journey.

Seventy years is a long time in the life of an organisation. Governments have changed. Economic policies have changed. Markets have changed. Technologies have changed. Consumer expectations have changed. Yet one institution has remained a constant companion in the lives of millions of Indians—LIC of India.

When LIC was born in 1956 through the nationalisation of 245 insurers, India itself was a young nation struggling to find its economic footing. Resources were scarce, infrastructure was limited, and financial awareness was minimal. In such an environment, LIC was entrusted with a mission far greater than selling insurance policies.

It was entrusted with building confidence. It was entrusted with protecting families. It was entrusted with mobilising the nation's savings for nation-building.

Over the decades, LIC became much more than an insurance company. It became a silent partner in India's development story. Roads, bridges, power projects, housing schemes, educational institutions, public enterprises and countless developmental initiatives have benefitted from the long-term savings mobilised by LIC.

At the same time, in every town, village and city, LIC agents carried another mission—the mission of financial protection. They entered homes not merely to sell policies but to deliver peace of mind.

The true strength of LIC has never been measured by its assets, market share or balance sheet. Its true strength lies in trust. Trust earned one family at a time. Trust earned one claim at a time. Trust earned one promise at a time.

Naturally, an institution of such magnitude has faced criticism. Through different periods, various commentators, analysts and media organisations have questioned LIC's decisions, strategies and investments.

Criticism is neither unusual nor undesirable in a democracy. However, what distinguishes great institutions is not the absence of criticism but the manner in which they respond to it. LIC chose not to engage in noise. LIC chose not to engage in controversy. LIC responded through performance.

While opinions changed with every news cycle, LIC continued to settle claims. While predictions came and went, LIC continued to honour promises. While doubts were raised, LIC continued to protect families.

This quiet commitment has enabled LIC to survive economic recessions, market volatility, regulatory changes, liberalisation of the insurance industry, global financial crises and even the unprecedented challenges of the COVID-19 pandemic. Few institutions anywhere in the world can claim such a legacy.

In many ways, LIC resembles the great Banyan Tree of Indian tradition. Its roots run deep. Its branches spread wide. Generations find shelter beneath it. Storms may shake its leaves, but they cannot uproot it.

The philosophy that has guided LIC since its inception finds a profound reflection in the immortal words of the Bhagavad Gita:

**“योगक्षेमं वहाम्यहम्”**

“Yoga-Kṣemaṣ Vahāmyaham”

“I preserve what they possess and provide what they need.”

Could there be a more fitting description of the noble purpose of life insurance? Every policy issued by LIC is, in essence, a promise to preserve a family's dignity when adversity strikes.

Every claim paid is an affirmation that this promise matters. Every pension disbursed is a reminder that financial security is not merely a number—it is peace of mind.

As we look towards the future, artificial intelligence, digital transformation and changing customer expectations will undoubtedly reshape the insurance landscape.

Yet the fundamental human need for security, certainty and protection will remain unchanged.

The tools may evolve. The mission will not. And that mission can be summarised in the timeless words that have become synonymous with LIC:

"Wiping Tears and Bringing Smiles."- Sir R. Gopinath

For nearly seven decades, LIC has done exactly that.

May it continue to do so for generations to come.

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# What is Thumb Rule 72..?

The Rule of 72 is a simple mathematical shortcut to estimate how long it takes for money to double, or how fast expenses grow due to inflation. It is widely used in financial planning, investments, education cost projection, and retirement planning.

**Investment:**

The Thumb Rule 72 tells us in how many years our Investment Doubles.

**Ex:1**

Mr. Syam has invested 5 Lakh rupees in a savings instrument that offers 6% interest. How many years will it take for his money to double..?

So Lets calculate using the Rule of 72 formula.

**Formula:**

$$\boxed{\text{Time to Double (in years)} = \frac{72}{\text{Rate of Return (\% Per Year)}}}$$

$$\text{Time to Double (in years)} = \frac{72}{6} = \textbf{12 Years}$$

It will take 12 years for Syam's money to double from **₹5 Lakhs to ₹10 Lakhs..**

**Ex:2**

If Mr. Syam has invested in a product that gives **9% returns**, in how many years will his money double? Let's calculate using the **Rule of 72**:

Time to Double (in years) = $\frac{72}{9}$ = **8 Years**

It will take 8 years for Syam's money to double from ₹5 **Lakhs to ₹10 Lakhs.**

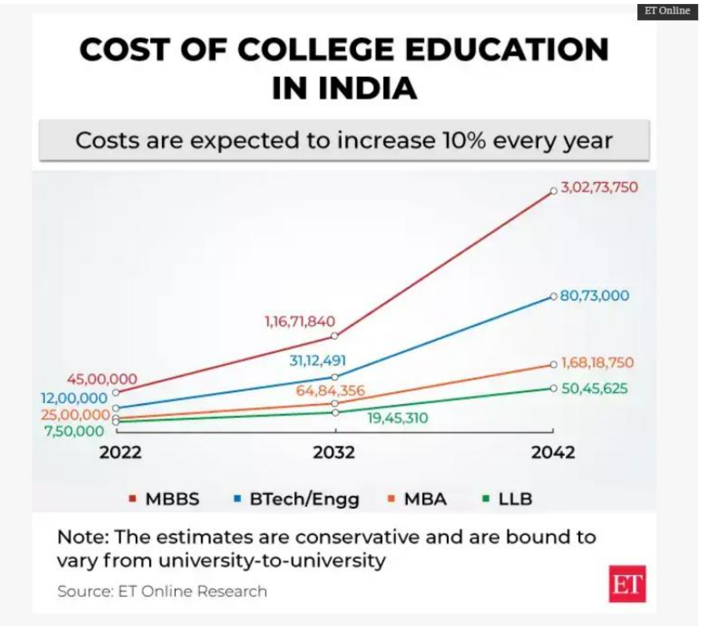
**Education:**

With the help of Thumb rule 72 we can Approximately calculate how soon Cost Doubles

**Example:**

Reyaansh is 4 years old and his father Ram is 34 years old.

| Reyaansh | Age | Period Left in yrs | Current Cost | Future Cost |
|---|---|---|---|---|
| Graduation | 18 | 14 | 20,00,000 | ? |
| P.G | 22 | 18 | 15,00,000 | ? |




The cost of college education in India is forecast to grow at 10%

*Source: ET Online*

Considering **Education Inflation = 10%**

Let's Calculate Education Inflation Using thumbrule 72.

Time for Education Cost to Double (in years) = $\frac{72}{\text{Inflation (\% Per Year)}}$

= $\frac{72}{10}$ = **7.2 Years**

College fee Doubles every **7.2 Years**

**Reyaansh's Future Education Cost**

Reyaansh will go for his **Undergraduate (U.G.) education** after **14 years**. Considering **education inflation at 10%**:

- In **2025**, the average **college fee in India is ₹5 Lakhs per year.**
- For a **4-year course**, the total cost today (2025) is about **₹20 Lakhs.**
- But when Reyaansh goes to college in **2039 (after 14 years)**, the cost will **quadruple** due to inflation. So he will require **80 Lakhs** to complete Graduation.

| **Reyaansh (Age – 4 yrs)** | **2025** | **2032** | **2039** |
|---|---|---|---|
| U.G – 18 years | 20 Lakh | 40 Lakh | **80 Lakh** |

*Note: This is Approximate Calculation*

| **Reyaansh (Age – 4 yrs)** | **2025** | **2032** | **2039** | **2043** |
|---|---|---|---|---|
| P.G – 22 Years | 15 Lakhs | 30 Lakhs | **60 Lakhs** | **1 Cr** |

*Note: This is Approximate Calculation*

Reyaansh will go for his **Postgraduation (P.G.) education** after **18 years**. Considering **education inflation at 10%**:

- In **2025**, the average **college fee in India is ₹7.5 Lakhs per year**.
- For a **2-year course**, the total cost today (2025) is about **₹15 Lakhs.**
- But when Reyaansh goes to college in **2043 (after 18 years)**, the cost will **be Approx 1 Crore**.

| Reyaansh | Age | Period Left in yrs | Current Cost | **Future Cost** |
|---|---|---|---|---|
| Graduation | 18 | 14 | 20,00,000 | **80 Lakhs** |
| P.G | 22 | 18 | 15,00,000 | **1 Crore** |

**Retirement:**

Just like we use the **Rule of 72** to calculate how fast money doubles or costs increase due to inflation, we can also use it to estimate the **Retirement corpus required**.

**Example:**

Mr.Rajesh is 35 years old and his monthly expenses cost **is 30,000 per month** for self and spouse in 2025. He will be retiring at the age of 60. Assuming inflation is 6% How much Money is required for Mr.Rajesh monthly expenses after retirement..?

| Rajesh | Present Age | Retirement Age | Period Left | Current Mly Exp (Self+Spouse) | Future Mly Exp After Retirement (Self+Spouse) |
|---|---|---|---|---|---|
| | 35 | 60 | 25 | 30,000 | ? |

Time to Double (in years) = $\frac{72}{\text{Inflation (\% Per Year)}}$

= $\frac{72}{6}$ = **12 Years**

| Rajesh | 2025 | 2037 | 2049 | 2050 (Retirement) |
|---|---|---|---|---|
| Mly Expenses | **30,000** | **60,000** | **1,20,000** | **1,40,000** |

*Note: This is Approximate Calculation*

| Rajesh | Present Age | Retirement Age | Period Left | Current Mly Exp (Self+Spouse) | Future Mly Exp After Retirement (Self+Spouse) |
|---|---|---|---|---|---|
| | 35 | 60 | 25 | 30,000 | **1,40,000** |

Monthly Expenses of Mr. Rajesh for Self & Spouse is 1,40,000 After 25 Years

**Yearly** is 1,40,000*12 = **16,80,000/-**

Expecting Mr. Rajesh Lifespan is 85 How much corpus is Required for his Retirement..?

**Retirement Corpus Required:**

**Retirement Corpus= Future Annual Expenses × Years in Retirement**

Retirement Corpus = 16,80,000 × 25

= **4,20,00,000/- Cr**

**Mr. Rajesh** will need approximately **₹4.20 Crores** to maintain same lifestyle after retirement

**Conclusion:**

The Thumb Rule 72 may not give exact values, but it provides a quick and reliable estimate to plan your financial goals effectively.

*Source: Shri. Gopinath Sir's Teachings*

# Family is a mutual enterprise

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Family is a mutual enterprise. Mutual Love, Mutual Respect, Mutual Resources and Interdependence are at the core of this Mutual Enterprise. The financial resource is normally provided by one or two members and is shared by the rest of the members in this Mutual Enterprise. They in turn provide from their side happiness, belongingness, service and other essentials. This is why life insurance is a very special asset amongst all the other assets owned by the family.

Continuing our discussion so far the special treatment to life insurance policies as an asset in the eyes of law; One of the very special provisions made in law, relating to the succession planning is Married Women Property Act 1874 (MWP Act). Let me quote the Sec 6 of MWP act hereunder for proper understanding of the provisions made therein.

***"A policy of insurance effected by any married man on his own life, and expressed on the face of it to be for the benefit of his wife, or of his wife and children, or any of them, shall enure and be deemed to be a trust for the benefit of his wife, or of his wife and children, or any of them, according to the interest so expressed, and shall not , so long as any object of the trust remains, be subject to the control of the husband, or to his creditors, or form part of his estate."***

**A policy of insurance:** Meaning that no other type of asset is covered under this provision.

**Married man on his own life:** The policy of insurance should be availed by a married man, and the risk cover should be on his own life. Meaning that policies effected on the life of children or others can not be covered under this provision.

**Expressed on the face of it:** It refers to the policy document. The policy document should carry the endorsement to this effect. Agreements made by other arrangements are not covered under this provision.

**Beneficiaries can be his wife, wife and children or any of them:** Meaning that he can wish to pass the benefit to specific people in this class. For example the beneficiary can be defined as wife and the first daughter or wife and second daughter.

This provision is made to ensure that the policy serves only to those beneficiaries and he has the right to exclude, if he so wants to, any person amongst his children from the benefiting from this policy.

**Deemed to be trust:** This means that all the protections normally available for a trust and the funds held by a trust will be available for policies effected under the act, but the formalities which have to be observed in case of trust, like registration of the trust, audit of the accounts of the trust, etc., need not be observed here. A simple person without any legal qualifications, can also ensure the benefits are secured easily.

**According to the interest expressed:** This means that he can even prescribe ratios for sharing or even effect contingent conditions by which the benefits will flow to the beneficiaries.

**Not be subject to the control of the husband or to his creditors or form a part of his estate:** This is the very essence of this act. This helps husband to provide adequately for his family. Businessmen who avail loans and facilities from banks and other institutions is undertaking a risk expecting growth in business. While doing so he pledges his assets to the bank to avail that facility. While he can certainly repay the loan in time and safeguard his assets, the issue becomes critical if he happens to die before the obligation is cleared. The bank after auctioning the pledged assets, can seek to attach his personal assets to recover the loan and the interests thereof. Whereas this policy effected under MWP act can NOT be so attached. This policy monies will not form a part of his estate.

This is not just for businessmen, but for anyone who want to protect their family and ensure that monies do not get into wrong hands even within the relatives, who may scheme against, which we have seen happening in many instances. Since the policy benefits is not subject to control of the husband also, any pressure brought onto him, or even by coercion these monies can not be taken away by wrong people.

The very purpose of a availing a life insurance policy under MWP act is to ensure that the rights of the wife and the children be protected and the variations in the business performance of the husband need not affect the family adversely.

1) When a person avails loan to expand his business, or to make good a shortfall in capital, he is taking a business risk. He is confident of making enough profits in a period of time and repay the loans with interests due from out of those profits. He is certainly capable of fulfilling this commitment, even against the odds of the business, due to his business acumen. His death before fulfilling this commitment will bring down the value of the assets held in the business and also put his personal properties and assets under stake. The people who have lent the money will pursue all options to recover their dues. However a policy effected under MWP act will be beyond their reach even and protect the rights of the wife and the children.
2) Even under pressure from his peers or investors in his business or from his other relatives, he will not be able to dilute the rights of his wife and children under this policy.
3) After the death of the life assured, even other legal heirs can not stake any claim on these policy monies, not just as a share for being his heirs, but not even to setoff against any common losses incurred by them jointly.
4) It is not just that businessmen need to avail this provision, the difficulties mentioned above can be met by other professionals and salaried personnels also. For example indemnifications or damages due to acts of omission, or negligence or acts of accident by a professional or employee can initiate recovery from his wealth to coverup. Even in such circumstances, the policy effected under MWP act can protect the rights of the wife and children.
5) People who stand as sureties, guarantors or people who operate under power of attorney can also protect their families using this MWP act.

People sometimes feel that the act is very rigid and does not provide for changes in future once the policy is effected under the MWP act. This opinion is not correct. While MWP act does provide for rigidity to ensure its effectiveness in protecting the rights of the beneficiaries, in the overall does provide scope for some changes that are reasonable within the overall purview.

The role of the trustee under this policy is to receive the policy monies and pass it on to the beneficiaries. The man who availed this policy can not act as trustee, because the policy is not subject to control of the husband as stated in sec 6 of MWP act. So the question arises who can act as a trustee?

Any person who the life assured feels confident about in playing this role and the one who is legally fit to become the trustee can be appointed while availing this policy.

Points to note while appointing the trustee:

If the proposer wishes then he can:

1) Reserve the right to appoint a new trustee under certain defined circumstances. If this right is exercised at the beginning itself then during such occasion he can simply appoint a new trustee, removing the previous one, without having to execute the deed of pol which otherwise is mandatory. A professional agent at the time of availing the policy will educate the proposer about this aspect and according to his desire will make provisions for this.
2) There are provisions to appoint alternate trustees or contingent trustees right at the beginning itself. So that if the trustee dies or becomes ineligible to function as trustee due to misconduct, then the alternate trustee takes over the position automatically. A professional agent at the time of availing the policy will educate the proposer about this aspect and according to his desire will make provisions for this.
3) Once all the beneficiaries have become major, then through mutual consent, the trust under the MWP act can be revoked and the policy restored to the life assured. Otherwise a court intervention is required to revoke a trust formed under MWP act. A professional agent at the time of availing the policy will educate the proposer about this aspect and according to the situation and the desire of the life assured get this executed at the right time, avoiding unnecessary legal procedures and delays in restoring the same.

There are such discretionary powers vested with the proposer in terms of the appointment of the beneficiaries too:

1) Reserve the right to appoint an alternate beneficiary upon death of one of the beneficiaries. If not done so, then the benefits will flow to the legal heirs of the deceased beneficiary. A professional agent at the time of availing the policy will caution the proposer about this aspect and according to his desire will make provisions for this.
2) Make a condition that upon the life assured surviving the term till maturity then the policy reverts back to him through automatic cancellation of the trust. The trust is effective to secure the monies to the beneficiaries in case of the death of the life assured during the term of the policy. A professional agent at the time of availing the policy will educate the proposer about this aspect and according to his desire will make provisions for this.
3) The beneficiaries can be appointed as "Joint Tenancy" or as "Tenancy in common". If it is "Joint tenancy" then upon death of one or more of the beneficiaries, the surviving beneficiaries become the beneficiaries automatically. If it is "Tenancy in common" then then upon death of one of the beneficiaries the legal heirs of the beneficiaries become eligible to that share of the benefits. A professional agent at the time of availing the policy will educate the proposer about this aspect and according to his desire will make provisions for this.

All these discretionary elements involve in selecting the appropriate forms and filling them correctly so that the desire of the proposer is translated into legal provisions in the correct manner. A proposer who is not aware of these provisions or the one who does not specify these things correctly may not be able to correct the same later on.

I have seen cases wherein the proposer was so impressed with the expertise of the agent, that he had appointed the agent himself as the trustee to this policy. A professional agent advises the policy holder appropriately after understanding his needs and desires, he also gives shape to his desire by documenting them using valid formats and correct wordings, ticking the correct options. He also makes six monthly review on the choices exercised, and jointly with the customer provides for any changes that might have now become a necessity.

# Life Insurance – How much Sum Assured should one have?

***Vineet Sharma***
***Insurance Advisor***

Life Insurance by definition is a legal contract between a Company and an individual, wherein the individual pays a regular fee known as premium, in lieu of providing financial protection to the individuals designated nominee (family member) in case of unfortunate death of the life assured. Primary concern of the life assured is to secure the financial future of their family upon their passing away.

Whether one lives or not, the amount that they contribute to their families on a monthly basis has to continue. The cash flow cannot stop; to ensure that the insured's family continues to live their life happily with dignity and maintains their current lifestyle and is in a position to meet all future goals. This is often referred to as Income Replacement.

Almost everyone understands the importance of having a life Insurance. Mere understanding though, does not translate into buying proper and adequate life insurance, as many still believe that it is a cost that can be avoided for a few more days. Procrastination and marking other things to be done or achieved before one secures adequate life insurance policy for self, has often dealt a very heavy blow to the family that they leave behind.

Individuals are often content by buying a small life insurance policy without calculating the financial implications and cost of their absence, especially when they are the sole bread earners of their family. Proper advice from a life Insurance agent can help determine the cost of your absence. If the departed had adequate life insurance, a lot of misery left behind as a burdened legacy could have been avoided. The cost of not having prepared is often far more than what they would have had to pay in terms of premiums. There are no free lunches in this world. Everything has a price to be paid for. Problem is not all prices are visible and by the time the cost of delay is visible, it's too late. The clients focus is almost always on the cost and not the benefits. In many cases people have a lot of responsibilities and their life revolves around the myopic vision of completing all responsibilities, to the best of their ability. Any additional cost is not acceptable, as it wasn't within the purview of their established roles and responsibilities. They must be made to understand, that Life Insurance will take care of their financial responsibilities, in their absence. The emotional void can never be replaced but atleast the family will be provided with financial security, if they have adequate life insurance. Means to generate regular uninterrupted cash flow have to be thought of, for the family's well being, in our absence.

Lot of our clients avoid buying life and health insurance as it is a delayed gratification. Cost of not having them was felt only when it was too late and when they were uninsurable. "Time" is also of essence here. An average person's mind in not trained to prepare for the worst. They are more than willing to accept that nothing wrong can and will happen to them.

We have seen many people being affected with critical illness and other life threatening diseases. Even though they had provisioned for it through a health insurance, the sum insured wasn't enough. Medical cost have sky rocketed and some bills run into crores. Human nature is such that we won't give up on any member of our family because of financial reasons, no matter what the cost. We tend to sell even the last asset and take loans to save someone's life, even if there is a glimmer of hope of him/her surviving. The medical fraternity has become target oriented and shameless at times. They never say that this is it, as long as they feel that the family can somehow manage to continue to foot the bill. In this hope, the ones that are left behind have little or no wealth to sustain their day to day affairs. It is very important that one's family is able to live a life of dignity, if a bread earner departs.

Moot question is "Do I need life and health Insurance?".

Relevant Question is "How much sum assured (life and health insurance) is adequate and how much is desirable?".

How do we arrive at a consensus that "x" amount of life insurance is enough?. What are the factors affecting this decision?. Can provisioning for lifestyle management without considering inflation be enough?. Has the future goals of my loved ones been taken into account and already managed, or do we need to add that to our existing life cover?.

Many people had insurance policies that did not even cover six months expense of their families, after they departed. It is not that they couldn't have bought more insurance cover. It's just that they never felt the "NEED" to calculate how much life insurance was enough.

Human Life Value or HLV calculation helps us determine the ideal amount of life Insurance Coverage an individual needs. It helps in assessing accurately as to how much insurance is required, to provide adequate financial support to the family to maintain their current lifestyle.

There are many methods to calculate the Human Life Value; some very simple, while others are very detailed and more accurate. We need to first asses total amount required to run the family in a month. All essential and non essential expenses need to be taken into account. Day to day expenses may include ration, educational cost, staff salary like helpers and driver, Cable, OTT, WIFI, Electricity, Mobile bills, taxes, entertainment, dining and takeaways, travelling, vacations etc etc. Once the bread earner departs, the family may cut down on non essential expenses and adjust to lower cash flows. It is upto the Insured person to decide whether after his passing away he would like that his family maintains their current lifestyle, or perhaps adjust to whatever is available or actually start living a better life. All these levels must be adjusted as per expected inflation; else slipping from a better life to an adjusted one will be inevitable. Wishing for a better life for our family even after we depart is the obvious choice. We must therefore take the maximum life cover available to us. The earlier we buy Life Insurance the more protection we can ensure for our family. Human Life Value is mostly calculated on that part of the income that is dedicated for the family. There is no bar though on calculating HLV on one's total income. The more insurance one leaves behind, the better for the family. However, one must ensure that his family members are aware of all his insurance policies and investments. They should also be guided as to how money received upon their death, should be managed or further invested in the future.

Let us assume that the family will invests the amount received through insurance claim in a savings instrument like fixed deposit or an annuity/pension plan to generate regular cash flow.

On a safer and conservative side, let's assume rate of interest currently available on such instruments is 5%. One simple method to calculate our HLV is to multiply one's annual amount spent on family into 20 times. Let us take an example of a person contributing ₹6 lakhs per annum for the welfare of his/her family. By this calculation, the person would require an insurance cover of ₹6,00,000 * 20 = ₹1,20,00,000/-.

5% of 1.2 crores when calculated gives us a safe return of 6 lakhs, which was the incumbents annual expense/contribution to start with.

In case, rate of return is assumed to be different and not 5%, then the following formula may be used to calculate the Human Life Value:

$$X = Y/Z\% \text{ or } X = (Y*100)/Z$$

Where the variable "X" represents the Human Life Value, "Y" is the yearly income or financial contribution towards their family and "Z%" is the expected rate of return.

To get a more accurate Human Life Value, we must consider factors like outstanding loans, liabilities and taxes, expected inflation and associated calculations thereof, goals that have not been achieved or perhaps partially achieved and add it as a further requirement on top of the Human Life Value result derived from the above mentioned simple HLV calculation. Say the HLV of a person is 1.2 crores but he has loan liability of 1 crore, then he or she must have an insurance cover of 2.2 crores.

A person may not be able to buy insurance equal to Human Life Value because of some reason. In such cases the minimum level at which the family can sustain themselves should be arrived at and an equivalent sum assured should be purchased.

All departures don't have a happy ending but by buying adequate life insurance we can ensure that the ones we leave behind are taken care of financially, and have a basic platform from where they can restart their lives according to their choices.

# FOCUS ON RETIREMENT HAPPINESS TO MAKE THE ANNUITY CASE

***Tom Hegna***
***Economist, Author and Retirement Expert***

I think everyone dreams of a retirement where they can live a long and happy life. This has been researched by PhDs around the world, and the answers may surprise you. Research shows that people with a guaranteed lifetime income source tend to be happier and live longer. I still remember The Wall Street Journal headline that read, "The Secret to a Happier Retirement is Friends, Neighbors and a Fixed Annuity". The article went on to say that the happiest people in retirement were those who were surrounded by friends and had sources of guaranteed lifetime income. Let me ask you a question: Who are the happiest people you know in retirement? I'll bet it's those who are retired from the military, the government, teachers, and firefighters. It's people with pensions! Happiness in retirement is based almost 100% on guaranteed lifetime income, not assets.

Now let me ask you: Who are the most miserable people you know? Many of them have plenty of assets, but they are losing money in oil, gas, stocks, and bitcoin.

See, assets tend to make people miserable in retirement. Americans tend to underestimate market risk. The Japanese stock market has been down for over 30 years, and the European stock market has been down for over 20 years. How would your retirement be affected if our markets crashed and stayed down for an extended period of time?

Time Magazine found the same thing in Great Britain. Their headline read, "Lifetime Income Stream Key to Retirement Happiness: A new study in a land of grumps reveals that retirees with a guaranteed lifetime income stream can find true happiness." They went on to say, "Securing at least a base level of lifetime income should be every retiree's priority — at least if they want to live happily ever after."

Towers Watson wrote a whole whitepaper titled "Annuities and Retirement Happiness." They found that ALL retirees were happier if they had a source of guaranteed lifetime income.

The American College recently wrote "How Annuities Can Increase Happiness in Retirement." They found that, "stable income is often the difference between living well and living in a state of perpetual worry. And this truth doesn't change just because someone retires." They also found, "When clients know how much income they will receive every month for life, they know what kind of housing and activities they can afford, allowing them to choose the lifestyle that makes them happiest."

Michael Finke and Wade Pfau are two of the smartest PhDs who have studied retirement. They recently wrote a whitepaper entitled "It's More than Money." They found that happiness is tied directly to confidence, noting that, "certainty provides confidence. This is one of the reasons that retirees who've incorporated income annuities into their retirement planning report higher levels of satisfaction." They went on to say, "Income annuities are less expensive and safer for risk-averse retirees whose primary goal is income security in retirement." As a Baby Boomer myself, this resonates with me. I own 11 annuities. I want to be able to enjoy my retirement regardless of interest rates, market conditions or politics.

As far as living longer, believe it or not, there has been significant research around this as well. I was first alerted to this when I was listening to a Freakonomics podcast titled "How to Live Longer." They referenced a University of Chicago study that found those who purchased a lifetime income annuity tended to live longer. The study noted that their research "shows that people who buy annuities tend to live longer – and not just because they are the kind of people that have the money to buy annuities to start with. It's apparently that little extra incentive of the annuity payout that keeps people going."

A couple of years ago, there was a great article in the Journal for Financial Service Professionals titled "Annuities and Moral Hazard, Can Longevity Insurance Increase Longevity?" The author, Patrick C. Tricker, JD, MSF, said, "In the United States, a 65-year-old male who purchases a life annuity can expect to live about 20 percent longer than a 65-year-old male who does not."

The rest of the article went on to explain that people who have guaranteed lifetime income tend to have less stress. They also worry less. Market crashes don't upset them. And because they are being paid to live, they tend to live differently. They watch what they eat, they exercise a little more, and they see the doctor when they aren't feeling right. All of these little things tend to cause them to live longer.

But this is nothing new. As many of you know, annuities have been around for thousands of years. The Roman Empire issued "annuas" to ensure people wouldn't run out of money. In high school or college, you may have read the book Sense and Sensibility by Jane Austen. It's considered a classic by many. She wrote that book in 1811, and in Chapter 2, she mentions annuities. Austen wrote, "If you observe, people always live forever when there is an annuity to be paid to them. … The annuity is a very serious business; it comes over and over every year, and there is no getting rid of it."

I don't sell any financial products. My life will not be affected whether people buy annuities or not, but the research is clear – you should. Not only will you be happier and probably live longer, but your portfolio will likely do better as well. See, the way an income annuity functions inside of portfolio is like a AAA-rated bond with a CCC-rated yield with 0 Standard Deviation. If you would simply replace the bonds in your portfolio with a lifetime income annuity, the risk of your portfolio will immediately be reduced and your returns will immediately increase.

It's not an opinion, it's a mathematical, scientific and economic fact. Add all of this up and I hope you can see why I am doing everything I can to help my fellow Baby Boomers retire happy and live a long, successful retirement!

See you on the road,

# FROM PERSONAL ACHIEVEMENT TO PURPOSEFUL SERVICE

**Nayan Bhowmick**
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There are moments in life when we sincerely work hard, remain busy throughout the day, and yet feel that something is missing.

Recently, I found myself in such a situation.

Despite my best efforts, I was not fully satisfied with my productivity, actions, and overall performance. I felt that while I was occupied with many activities, I was not moving forward with the clarity and effectiveness that I desired.

Like many professionals, I began searching for a practical roadmap that could help me become more focused, disciplined, and productive.

It was during this period that I had the privilege of speaking with Mr. Vinay Joshi of Maharashtra, a highly respected and successful LIC Associate. Over the years, he has built an outstanding professional career and inspired countless individuals through his wisdom, discipline, and practical approach towards success.

When I shared my concerns with him, he introduced me to a remarkably simple yet powerful concept which he calls the **1-2-3-4 Success Formula.**

The simplicity of the idea immediately attracted me. The wisdom behind it deeply impressed me. I felt that this message deserved to reach a wider audience, particularly professionals, entrepreneurs, insurance advisors, and anyone aspiring to create a meaningful and successful life.

The Formula :

According to Mr. Joshi, every day should contain four essential investments:

**1 Hour for Physical Excellence**

Our body is our first workplace. Without good health, sustained success becomes difficult. We may possess knowledge, ambition, and opportunities, but without physical vitality, our effectiveness gradually declines. One hour every day should therefore be invested in physical well-being.

**Walking, jogging, yoga, pranayama, stretching exercises, gym workouts, meditation, or any form of physical activity can contribute towards better health.**

Many people postpone taking care of their health while pursuing success. Unfortunately, they later discover that poor health becomes the greatest obstacle to enjoying that success. Health is not an expense. It is an investment that pays dividends every day.

**2 Hours for Intellectual Development**

The world is changing faster than ever before. New technologies emerge. Customer expectations evolve. Markets transform. Products change.

To remain relevant, learning must become a lifelong habit. Mr. Joshi recommends dedicating two hours every day to intellectual growth.

**Reading books, studying professional subjects, improving communication skills, learning financial planning concepts, listening to educational programmes, and understanding human behaviour all contribute to professional excellence.**


Knowledge gradually creates confidence and confidence creates credibility. Credibility creates trust. And trust ultimately creates success.

The day we stop learning is the day we stop growing.

**3 Hours for Relationship and Brand Building**

Success is rarely a solitary achievement. Human relationships remain the foundation of every meaningful accomplishment. In professions such as insurance, financial planning, consulting, teaching, medicine, or entrepreneurship, people buy trust before they buy products.

Mr. Joshi recommends investing three hours daily in nurturing relationships and strengthening one's personal brand.

**This may involve meeting people, making follow-up calls, appreciating others, sending greetings, attending social functions, participating in community activities, or simply remaining connected with those who matter.**

People often forget our words. They seldom forget our sincerity. Strong relationships generate goodwill. Goodwill generates opportunities. Opportunities generate growth.

**4 Hours for Income-Producing Activities**

The fourth component forms the economic engine of success. Many professionals remain busy all day without engaging in activities that actually create results. Income-producing activities are different. They directly contribute to growth and progress.

These include:

1) **Prospecting**

2) **Client meetings**

3) **Fact-finding interviews**
4) **Financial need analysis**
5) **Presentations**
6) **Referrals**
7) **Seminars**
8) **Follow-up activities**
9) **Closing business**

Mr. Joshi summarized this principle beautifully:

**No Prospecting = No Appointments**

**No Appointments = No Presentations**

**No Presentations = No Sales**

**No Sales = No Income**

The chain is simple. Activity creates opportunity. Opportunity creates income. Income creates security and freedom.

The real strength of this formula lies not in understanding it but in practising it consistently.

Following it for one day creates motivation.

Following it for one month creates improvement.

Following it for one year creates transformation.

Success rarely comes from dramatic breakthroughs.

It is usually the result of small disciplines repeated every day. A few extra pages read daily. A few more people contacted daily. A few more steps walked daily. A few more meaningful conversations held daily.

Over time, these seemingly insignificant actions create extraordinary outcomes.

As our conversation progressed, Mr. Joshi shared a thought that stayed with me long after the discussion ended. Nature itself teaches the law of consistency.

Every morning, the Sun rises without fail. It does not ask whether conditions are favourable. It does not postpone its duty because of criticism, rejection, disappointment, fear, laziness, or mood. It simply rises and shines. Day after day and year after year.

Likewise, the sacred River Ganga flows continuously towards the ocean. Along its journey, it encounters rocks, mountains, obstacles, bends, and resistance. Yet it never stops, it never complains. It simply finds a way forward.

The Banyan Tree teaches the same lesson. From a tiny seed emerges a majestic presence that provides shelter, strength, and inspiration for generations.

Human success follows the same principle. Small actions, repeated consistently, over a long period will create extraordinary results.

As I reflected further on Mr. Joshi's message, a deeper realization emerged.

For our families, each one of us is like the Sun. Just as planets revolve around the Sun and derive light, warmth, energy, and stability from it, our family members often look towards us for guidance, protection, encouragement, and support. Our actions influence the lives of those who depend upon us. When the Sun rises, it does not shine for itself. It shines for everyone. Similarly, our daily efforts are not merely for our own success.

They are for our parents, for our spouses, for our children, for our siblings, for our communities, for all those whose lives are connected with ours.

This thought reminds me of Rabindranath Tagore's immortal words:

*"I slept and dreamt that life was joy.*

*I awoke and saw that life was service.*

*I acted and behold, service was joy."*

Perhaps no statement captures the essence of a meaningful life more beautifully. True happiness is not found merely in achievement. It is found in contribution.

For insurance professionals, this responsibility becomes even more profound. Every customer places trust in us. They rely on us to help secure their dreams, protect their families, preserve their dignity, and prepare for uncertainties.

Every day, somewhere, a child dreams of higher education.

Every day, a parent worries about financial security.

Every day, a family hopes for protection against unforeseen risks.

Every day, a retiree seeks peace of mind.

And every day, they need someone who can guide them wisely.

That someone can be us. The Sun shines without seeking applause. The Ganga flows without seeking recognition. The Banyan Tree grows silently without announcing its greatness.

Likewise, true professionals continue serving with commitment, consistency, and compassion.

Success is not merely about income.

It is about becoming a dependable source of light in the lives of others.

Rabindranath Tagore once wrote:

*"I have spent my days stringing and unstringing my instrument while the song I came to sing remains unsung."*

The message is timeless. Life should not pass in endless preparation. We must use our talents, knowledge, opportunities, and experience in service of others while we still have the chance. And perhaps that is the highest form of success—

To become a Sun that illuminates many lives.

When we continue to shine, our families flourish.

When we continue to serve, our customers prosper.

When we continue to grow, society becomes stronger.

In helping others secure their future, we create meaning in our own lives. Therefore, let us rise every morning like the Sun. Let us move forward like the Ganga. Let us grow steadily like the Banyan Tree. And let us serve with the conviction that true success is measured not by what we accumulate, but by how many lives become brighter because we lived.

And success belongs to those who continue moving forward every day. The future is not created tomorrow. It is created today.

One disciplined day.

One meaningful action.

One life touched at a time. Thank you, Vinay Joshi Sir.

# वक्त

वक्त जो बीत  जाता है
वापस वो आता नही ।
इन्तजार करते हम वक्त का,
वक्त करता हमारा नही।
आज अगर वक्त मेरा  है
तो कल तुम्हारा होगा
अगर ये मेहरबां है तुम पर
तो रोशन तेरा सितारा होगा।
समय को कौन जान पाया है
कौन इसे बाँध पाया है।
इसने कभी राजा को रंक
कभी रंक को राजा बनाया है।
जो करना है आज में  कर लो
कल को किसने जाना है।
समझे हैं जो वक्त  की कीमत
जीवन उसने पहचाना है।
काश! समय के सुहाने पल
फिर से हमें  मिल पाते
जी लेते हसीं लम्हों को फिर से
कभी  हाथ से न जाने पाते ।
पर ये समय है मेरे  ए दोस्त!
गया तो फिर  न आएगा।
कितना  भी हम इसे  पुकारें
सदा न ये सुन पाएगा  ।
वक्त की जो कद्र  करते
सुअवसर  उनके  साथ हैं ।
जो अनदेखी वक्त की  करते
फिर  मलते हाथ हैं।

दया शर्मा (स्वरचित)
शिलांग (मेघालय)

# ज़िन्दगी तेरे कितने रूप

ज़िन्दगी तेरे कितने रूप
कभी छलकती खुशियाँ,
तो कभी उठती दर्द की हूक।
कभी ग़म में भी हँसना सिखाती,
कभी खुशी में आँसू बहाती।
ज़िन्दगी तू नहीं फूलों की सेज
काँटे भी अपने साथ बिछाती ।
कैसा तेरा रूप अनूप,
कभी छलकती खुशियाँ,
तो कभी उठती दर्द की हूक।
ज़िन्दगी ग़र एक ही राह पर चलती,
पल-पल ये ना रंग बदलती ,
सुख दुख को हम जान न पाते,
ए ज़िन्दगी तुझे हम पहचान न पाते।
कितने समेटे अपने स्वरूप ।
कहीं छलकती खुशियाँ तो
कहीं उठती दर्द की हूक।
ज़िंदगी कभी विष भी पिलाती ,
कभी सुधा दे जीना सिखाती,
ज़िंदगी नहीं रुकने का नाम ।
बढ़ते जाना इसकी शान,
तेरा ये है सही वजूद ।
कभी छलकती खुशियाँ
तो कभी उठती दर्द की हूक।।

# INDIA EUROPE TRADE DEAL

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India and the European Union finalized a landmark Free Trade Agreement (FTA) in January 2026, known as the "mother of all deals," after nearly two decades of negotiations. This agreement removes tariffs on most goods traded between them, linking markets with nearly 2 billion consumers and boosting economic ties.

**Background**

Talks began in 2007 but stalled in 2013 over disputes on tariffs for cars, agriculture, and pharmaceuticals. Relaunched in 2022 amid global shifts, the deal was signed at a New Delhi summit on January 27, 2026, with leaders like PM Narendra Modi and EU's Ursula von der Leyen present.

**Reasons for the Deal**

US tariffs under President Trump and efforts to reduce China dependence pushed both sides forward. India sought export growth and investment; the EU aimed for access to India's booming market and supply chain security.

**Benefits to India**

India eliminates tariffs on 96.6% of EU goods value, gaining duty-free access for textiles, pharma, gems, and IT services to EU markets—potentially adding $75 billion in exports yearly. It attracts more EU FDI and eases professional mobility for Indian workers.

**Benefits to Europe**

The EU cuts tariffs on 99% of Indian exports, saving exporters €4 billion annually on cars (from 110% to 10%), machinery, wines, and chemicals entering India. EU firms tap India's fast-growing middle class and 6.8% GDP growth in 2026.

**Top Sectors for India**

- Textiles and Apparel: Full tariff elimination on 100% of lines boosts labor-intensive exports, aiding MSMEs and jobs.
- Leather and Footwear: Immediate duty-free entry enhances competitiveness for these MSME-heavy industries.
- Pharmaceuticals: Easier market access and regulatory alignment for generics and drugs, building on India's strengths.
- Marine Products/Fisheries: Majority duty-free, major lift for shrimp and seafood exports.
- Chemicals and Engineering Goods: Reduced tariffs integrate India into EU supply chains, supporting "Make in India.
- Gems, Jewellery, and Auto Components: Phased cuts favor these export powerhouses.

**Top Sectors for Europe**

- Automotive and Machinery: India's high tariffs drop sharply (e.g., cars from 110% to 10%), saving €4 billion yearly.
- Agri-food, Chemicals, and Pharma: Preferential access to India's market for these key EU exports
- Medical Devices and Avionics: Gains from tariff reductions on industrial products. These sectors could see 10-15% export growth, jobs, and FDI inflows. The India-EU Free Trade Agreement (FTA), signed January 27, 2026, doesn't directly "force" the US to lower tariffs but creates competitive pressure that prompted quick US action.

**Geopolitical Effects**

The FTA counters US protectionism and China risks, strengthening a rules-based trade system. It boosts EU influence in Asia, elevates India's global role, and stabilizes supply chains in a divided world.

India-EU Free Trade Agreement (FTA), signed in January 2026, slashes tariffs on over 90% of goods, delivering major gains to specific sectors through duty-free or reduced access.

**Competitive Threat**

The FTA positions the EU to become India's top trading partner, overtaking the US and China by doubling EU exports to India (e.g., cars, wine) while giving India dutyfree access for textiles and pharma. This threatened US market share amid Trump's 50% tariffs on Indian goods (25% base + 25% penalty for Russian oil buys).

**Domino Effect and US Response**

Experts call it a "domino effect": the EU deal accelerated US-India talks, leading Trump to announce on February 3, 2026, a cut from 25% to 18% on main tariffs plus elimination of the extra 25% penalty. Analysts note the timing—weeks after the EU pact—signals US recalibration to counter EU gains and secure energy exports, tech ties.

**Broader Dynamics**

India diversifies away from US volatility, gaining leverage; the US softens stance to blunt BRICS influence and rival pacts. Result: phased US tariff reductions, new cooperation in energy and manufacturing.

**Impact of India-EU FTA on US trade policy towards India**

The India-EU Free Trade Agreement (FTA), signed in January 2026, significantly influenced US trade policy toward India by creating competitive urgency amid President Trump's tariff hikes.

**Immediate Policy Shift**

The FTA threatened US market share in India—its key strategic partner—by granting the EU preferential access (e.g., car tariffs dropping from 110% to 10%), potentially displacing American exports in autos, machinery, and tech. Just a week later, on February 3, 2026, Trump announced tariff reductions on Indian goods from 50% (25% base + 25% Russia oil penalty) to 18%, plus penalties lifted, to retain leverage.

**Strategic Recalibration**

US policymakers viewed the deal as a "wake-up call," accelerating stalled US-India talks and prioritizing energy, semiconductors, and defense ties over pure protectionism. It diluted Trump's "America First" isolation by highlighting alternatives, leading to phased cuts and new pacts for supply chain resilience.

**Long-term Effects**

India gained bargaining power, forcing US flexibility while balancing ties with both powers; the US now emphasizes "friendshoring" with India to counter China, softening rhetoric on GSP restoration and WTO disputes. Overall, it nudged US policy from confrontation to cooperation.

*SOURCE: Various search engines, websites and AI.*


## Happy National Doctors' Day

On this Doctors' Day, we extend our heartfelt gratitude to all doctors whose knowledge heals, whose compassion comforts, and whose dedication saves lives.

Every patient you heal is a testament to your skill, sacrifice, and humanity.

On 1st July, we proudly remember Dr. Bidhan Chandra Roy, whose life continues to inspire generations of medical professionals.

"A doctor's greatest prescription is hope, and the greatest medicine is compassion."

Wishing all doctors good health, strength, and continued success in their noble mission of serving humanity.

Happy Doctors' Day!