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Liberalization led to the arrival of private insurance players in India in the last 15 years. Their arrival turned the way business was done with insurance companies upside down. The new entrants relied on technology to steal a march over their well-entrenched PSU competitors.

One of the first things that the insurance companies did was to tie up with banks and offer their customers the service of paying their premiums online. This later grew into a service where they began letting their customers buy policies online.

Idea of being able to buy insurance online grew out the fact that people had traditionally depended on their friendly neighborhood insurance agent for all their insurance needs. People were solely dependent on the neighborhood agent for all their insurance needs and with there being no competition, LIC ruled the roost. Now there more than 20 insurance companies that offer a mind boggling variety of products have entered the market.

Buying Insurance online

As with internet banking, convenience is the biggest factor in this area showing rapid growth. A study has shown that 80 % of term plans sold online in India were to people in the 25-35 age group. Every insurer has a website that lets you pick out the kind of policy you need. Most of them have special calculators that help you calculate the amount of cover you should seek. They calculator help you calibrate the amount of premium you want to pay and seek some basic information from you. Most sites will even mail you or instantly generate a premium quote based on the information you key into the calculator.

For ULIP and other such market linked plans, the calculators will also show you the anticipated returns based on you allocation of funds. All insurers make a copy of the scheme's prospectus available on their website. One advantage of this is that a person can their own time to read the fine print and then decide if they want to buy a scheme or not.

Buying insurance is a hassle free and fast experience and this is backed by the rise in the number of policies sold online. While most companies only sell their simpler products online, newer Companies like IndiaFirst and ICCI Lombard have placed a large selection of their products online. While the IRDA has banned the comparison of insurance policies on the internet, the insurance company's portals show a comparison between the various types of products that the offer with a full list of pros and cons of each type of policy.

On an average policies bought online are a lot cheaper than those bought offline. The insurance companies save a lot of money on overheads when people purchase policies online and they transfer this benefit to their customers.

While term insurance dominates the online space in terms of sales, motor insurance and health insurance are also seeing an increase in their online plans. Among the products that are sold online are travel insurance, student medical insurance and home insurance. In fact most insurance companies have tied up with travel websites and offer you travel insurance when you book tickets online.

Article Source:

<http://www.articleside.com/insurance-articles/buying-insurance-online-the-smart-thing-to-do.htm> -
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[Chris Luke](#) - About Author:

Chris has great experience in finance and investment sector in India. His articles related to insurance schemes in are very popular. He believes that with the rising inflation and recession, things are only getting difficult for everyone. And thus, selecting a proper investment plan is important to take care of all your requirements under any situation. He recommends to a [buy insurance online](#), to avail more options to compare the insurance plans and buy one easily.

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