

Does it matter where you invest your money? Absolutely, it matters a lot because firstly the future is uncertain and secondly most of us work hard to earn money. Unless you make safe reliable investment that is guaranteed you risk your future by making risky investments that might not work out. Therefore investing in life insurance is the ideal choice, since you can get reasonable return and ensure that you and your family's life is covered.

Because money matters you might ask how much insurance should I buy? Very simple, you can calculate how much you earn monthly and multiply

by 12 and then multiply it again by the numbers of years you think you want to secure flow of money for you or your dependents, and of course if you think your earnings will increase you can calculate that as well; and that amount should ideally be how much you should insure.

What are the rules regarding death and maturity proceeds? The insurance policy purchased will cover death that occurs anywhere in the world.

In India, benefits from a life insurance policy, including bonuses, whether on death or maturity are treated as tax-free subject to certain rules and

conditions. However, since an NRI will have to pay tax on his global income in his country of residence and the taxability of this global income would be on the basis of the tax laws prevailing in the country of his residence, he must look closely at tax provisions in his country of residence.

Therefore investing in life insurance is a smart choice, it gives you freedom from financial worries of uncertain future. It gives you confidence and satisfaction that you care for your family and you have taken action to provide for that case.



Wishing all Indians a Happy Republic Day from



The Institute of
Chartered Accountants of India

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