

Personal accident cover, your safety net



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With fifty-five road accidents every hour, India leads in the number of deaths due to accident. As per the report by Ministry of Road Transport & Highways, India witnessed around 5 lakh accidents in 2016. With an increase in the number of accidents, it has become crucial now, more than ever to have an insurance cover that takes care of you and your dependants against fatalities due to accident. Having seen and heard of innumerable mishaps on the road has made me realize the worth and advantage of having a standalone personal accident cover, over and above other insurances like life and health.

A life insurance policy ensures your family's financial goals are met with in your absence and health insurance takes care of healthcare requirements of you and your family. A personal accident cover acts as a safety net for you in case of an unfortunate accident that may lead to loss of income which is not covered in either of the two. It compensates for death due to accident or arising out of injury from accident within 365 days of the incident, permanent partial disability like loss of limb, arm or any of the body part, permanent total disability where the insured is unable to carry out his/her livelihood earning or is in a vegetative state or paralyzed are covered. This policy also provides benefits like allowance towards the cost of children's education and additional allowance towards a maximum of 30 days of hospitalization.

For instance, Vijay an IT Professional the only earning member of the family met with an unfortunate accident. As a result, he lost an arm and had to undergo a surgery. His disability was partial but permanent in nature and it took months for him to recover from it. He lost his income during this distressful period and was unable to provide for his family.

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Vijay had a life and health insurance policy to cover him for unforeseen situation. As a software professional, he was unable to operate with one arm, a personal accident policy would have taken care of lifestyle modifications Vijay would have had to make, thanks to benefit payable under permanent total disability cover under most personal accident policies.

Vijay's health insurance policy took care of hospitalisation bills for the injury, but there was no compensation for loss of income during the months he was under recovery. His life insurance policy didn't trigger as it comes to effect in case of total permanent disability or death.

A personal accident (PA) cover is one of the most affordable forms of insurance that one can have. For instance, the premium for a personal accident policy of a sum insured of Rs 10 lakh would be less than Rs 5 a day. Looking at the bigger picture, this would be the best Rs 5 anyone could possibly spend on a daily basis. The government realizing the importance of this cover has included personal accident cover in Pradhan Mantri Suraksha Bima Yojana (PMSBY) to reach out to

masses. By paying a premium of Rs 12 per annum, the government provides Rs 2 lakh for accidental death cover and Rs 1 lakh for total disability cover under this scheme.

While a traditional PA policy provides cover against death, permanent total disability, permanent partial disability, temporary disabilities; with new age risks surfacing this financial instrument has evolved today to cover such risks arising due to the changing lifestyle choices of Indian consumers. Earlier, adventure sports or related activities were excluded from the purview of PA cover. Today, a cover is available against risks a person is exposed to while participating in adventure sports.

Apart from that, it also offers services like air and road ambulance, EMI or loan payments as well as fracture care. The policy can cover entire family under a single contract with multiple cover options for each member. With the rise in adventure tourism, the tourism department of India also emphasizes on a personal accident cover while opting for adventure sports activities. Their guidelines state that, a person should ideally opt for basic

adventure policy which comprises of accidental protection or coverage for death and disabilities, accidental hospitalization and basic medical evacuation, be it in the air, on land, in water, on ice or in the mountains.

Insurance companies are now moving out of the 'one size fits all' approach and are offering tailor-made products to address the evolving needs of the customers. One can design their policy by choosing the covers. All covers under such policy have a separate sum insured, giving the freedom to the insured to design a package by picking the right coverage at the right time, even midway during the policy period if the need arises.

Accidents can wipe out your savings towards future goals and set you back by many years leaving you in monetary disarray. Moreover, you are unable to live your life to your fullest by fearing the financial consequences that may arise due to such accidents. Hence, it is a necessity to have a personal accident cover that helps you pursue your passions without any fear and be secure.

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