

Date: 24.08.2023

Publication: Outlook

Headline: - 5 Factors That An Insurance Company Might Assess Prior To Underwriting Your Health Insurance Plan

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Insurance companies assess health insurance applicants based on medical history, age, lifestyle habits, current health, medication, and other factors

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UPDATED: 24 AUG 2023 8:24 AM

With rising medical costs, having a health insurance policy is very important. A health insurance policy will cover lakhs of rupees in hospital bills if you pay a certain premium yearly. However, when you apply for a health insurance policy, the insurance company will assess different factors to decide whether you are eligible for the policy and the premium.

Here are five things the insurance company will look at.

Age: The risk profiles of younger people are typically lower than those of older people, who may be at increased risk owing to age-related health problems. "Insurance firms often consider a policyholder's age when determining premiums," says Bhaskar Nerukar, head of the health administration team of Bajaj Allianz General Insurance.

As individuals age, the likelihood of requiring medical services increases, consequently influencing insurance premiums. "Generally, younger individuals enjoy more affordable premiums, whereas older individuals may incur higher costs due to the elevated health-related risks," says Girish Nayak, Chief of Technology and Health UW & claims at ICICI Lombard. "Some insurers offer age-specific policies, attuned to the distinct healthcare needs of different age groups," he adds. Hence, a Rs 20 lakh policy for a 30-year-old will be much less expensive than the same policy for a 60-year-old.

Medical History: "Medical history is a cornerstone in the underwriting process. Insurance companies meticulously review past medical conditions, surgeries, hospitalizations, and prescriptions," says Nayak. This comprehensive assessment enables insurers to gauge the risks associated with coverage.

Family History: Diseases like heart disease and type 2 diabetes could be hereditary and run in families. "Some insurers may inquire about your family's medical history, particularly for hereditary conditions. A strong family history of certain diseases could influence your premiums or eligibility for certain policies," says Nayak.

Lifestyle factors: Specific lifestyle elements, such as smoking, alcohol usage, and participation in hazardous activities, can influence an individual's well-being and raise the chances of insurance claims being filed. For example, it is well known that smoking increases the risk of respiratory issues and lung cancer. "Insurance companies may evaluate such factors to determine the premium rates or coverage options," says Nerukar.

Occupation: "Some jobs have higher risk factors and potential health hazards," says Nerukar. For example, individuals in physically demanding occupations or those exposed to hazardous environments may face higher health insurance premiums due to the increased likelihood of injuries or illnesses.