

[Got your first paycheck? Time to get yourself a health insurance policy](#)



A health emergency may be far from your mind when you start your career, but it is best to have an adequate health cover. Likewise, motor and cyber insurance covers, too, deserve a place in your protection portfolio.

Like many financially-savvy youngsters, Prakriti Verma, 23, started investing in mutual funds through the systematic investment plan (SIP) route soon after she landed her first job.

However, the Delhi-based digital marketing professional has not accorded similar importance to health insurance. "I am covered under the group insurance policy provided by my employer, and also in the family floater policy bought by my father," says Verma.

Like Verma, research analyst Ashutosh Bhardwaj, 23, has not purchased a health insurance cover. He is planning to buy one, but isn't sure whether he needs one.

Prakriti%20Verma

"Cyber security is crucial since we have a lot of sensitive information on digital platforms. I might consider buying an insurance cover for the same. Currently, however, I am unaware of its benefits," says Prakriti Verma.

Health insurance is not only for the 'aged' Many individuals in their early 20s feel the same, though the fact is that health emergencies could come knocking on your doors without much warning.

Yet, a very small section of people in India purchase health insurance policies in their early 20s. Most of them realise the importance of health insurance cover in their 30s or 40s, or worse, closer to retirement.

Financial advisors recommend buying a health insurance policy in the early stages of one's career due to a number of reasons. For one, younger individuals are less likely to be suffering from chronic, lifestyle diseases such as diabetes and hypertension.

This is why many health policies do not require younger individuals to go through health check-ups prior to a policy purchase. Naturally, premiums, too, are cheaper for those age brackets.

Moreover, a health insurance policy also covers accidents and several ailments such as infectious diseases and appendicitis that are not linked to age.

“Diseases haven’t really remained age-specific now. And more than that, something like a dengue or typhoid can affect anyone,” says Kapil Mehta, Founder, SecureNow Insurance Broker Ltd.

The outbreak of COVID-19 has made people more aware about the importance of having a health insurance policy in place. To start with, those in their 20s can start with a cover of at least Rs 5 lakh, and review it every five years to account for healthcare inflation.

Motor and cyber covers, too, critical If you own a motor vehicle, a car or a bike, buying a motor insurance automatically becomes a must. While a third-party liability policy is mandated by law, you should also buy 'own damage policies' to protect your vehicle against damage.

Another policy that has become increasingly relevant nowadays is cyber security insurance. With the rise in the digitisation process of most tasks and increasing use of social media, safeguarding yourself against any risks that can threaten your identity has become a must.

“It is particularly important for youngsters and senior citizens to own a cyber insurance policy,” says Mehta. Buying a cyber insurance policy for a sum insured of Rs 25,000 will not cost more than Rs 200-300, he adds.

You need not rush into buying a pure-protection term-life insurance cover if you do not have dependents. Essentially, such pure risk covers are meant to financially secure family members’ future in case of the policyholder’s death. So, if your family is not dependent on your income, the decision can wait.

"I am planning to buy a health insurance as soon as I know the perks of buying it at an early age," says Ashutosh Bhardwaj.

Employers’ group cover not enough Problems such as pollution, and lifestyle issues such as lack of physical activity, long working hours and junk food have increased the chances of contracting lifestyle ailments.

In the wake of rising healthcare costs, the health coverage provided by employers – typically, Rs 3-5 lakh – could fall short in times of need.

More importantly, it will cease to exist once you switch employers. If you were to fall sick or meet with an accident when you are in between jobs, you have to pay for the treatment expenses yourself.

Therefore, it is prudent to buy your own health insurance policy on top of the coverage provided by your employer.

Perks of buying health insurance early Most health insurance plans come with a certain waiting period for pre-existing illnesses. During this period, you cannot make any claims, even in case of a health

emergency. Therefore, buying a policy in your 20s is a wise idea as most illnesses start showing up with older age, by when you would have exhausted your waiting period.

Companies also offer a cumulative bonus of 5-10 percent of the sum insured, when you don't file any health insurance claim in the preceding year. This is more likely to happen in your 20s when you are relatively healthier.

“One should look at buying long-term policies of three years that will help them avail more discounts on premium,” says Gurdeep Singh Batra, National Head, Non Motor Underwriting, Bajaj Allianz General Insurance.

When you opt for a health insurance policy in your 20s, you get more time to pay the premiums, and, hence, the premium rate becomes more affordable. For the same cover, you would pay a significantly higher premium in your 30s and 40s.

It is tough to get a good insurance cover when you already have a medical condition. However, when you buy a health insurance plan in your 20s, any ailment diagnosed after the purchase is automatically included in the policy.

You will also be able to negotiate the best health insurance policy when you are healthier, without facing rejections or pre-conditions from the insurer.

If you opt for a health insurance plan after you turn 45, companies typically ask you to undergo pre-policy health check-ups. If the reports are not encouraging, companies charge a higher premium. However, if you buy a policy at a younger age, you may not even need to undergo any pre-medical check-ups.