

“Tax saving is coincidental to health insurance.”

Sound health coverage and increase in life expectancy are clearly correlated, says **Tapan Singhel**



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■ **Is it wise to buy health insurance merely to maximise tax benefits?**

It is wise to buy health insurance because it enhances your life expectancy. There is a clear correlation of a good health cover and increase in expectancy of life. If you don't have a good health cover, there will either be delay in treatment or the quality of treatment will be compromised. Tax saving is coincidental to health insurance and if you maximise it with a good health cover, it is good for the individual.

■ **What factors should be borne in mind while identifying an ideal cover?**

Adequate health insurance has two major components to it. One, we should always remember that there's a year-on-year medical inflation of 15 per cent. If you are not increasing your sum insured according

to the rising inflation, after some years you could be inadequately insured, even if you are adequately insured today. Second factor is that a person should have a holistic health cover with a base cover, super-top up plan, critical illness cover and also a cover which offers daily reimbursement.

■ **What are the pitfalls policyholders should steer clear of?**

People often opt for the cheapest cover ignoring the coverage restrictions such products pose. This could lead to a situation where the cover is not sufficient to pay hospital bills or the treatment or the disease is not covered under the policy. Also, the salaried class relies heavily on company-provided group medical covers, which may not be adequate and do not guarantee a life-time continuity of coverage. ■