

Article Date	Headline / Summary	Publication	Edition	Page No.
1 Mar 2024	Study abroad? Why it helps buying insurance from India	Mint	All Editions	11

Study abroad? Why it helps buying insurance from India

The health policies offered by Indian insurers are cheaper and also offer extensive coverage

Arushi Sharma
arushi.sharma@mint.com

N when former CEO had no inkling of the emergency that awaited him in the US. Barely a week after he arrived there in July 2022 to do a Master of Science (MS) course in business analytics from the University of Texas, he suffered a heart attack and collapsed. He was rushed to a hospital and had an emergency open-heart surgery. The hospitalisation costs were huge but he had a health insurance plan, albeit one that was provided by his university and covered all his bills. "The insurance premium was part of the course fee that I had paid. After my recovery, I decided to discontinue the course and move back to India. The university returned the tuition fee, excluding the insurance premium," Korian says.

That episode involving Korian emphasises the importance of health insurance plans for those going abroad to study. Some universities, particularly in the US, make it mandatory for students to buy the health plans that they offer as part of the course fee, while others allow private or third-party insurance. In the UK, international students pay NHS (National Health Service) immigration health surcharge, that gives them access to National Health Service (NHS), a publicly-funded healthcare system. They can purchase a private plan if they so wish.

To be sure, the university-backed insurance plans in the US are quite expensive. Anubhav Goyal (28), who is doing MS in supply chain analytics from a university in New Jersey, says he paid \$1,400-1,500 insurance premium for one semester of six months. The plan also had a fixed deductible of \$100 and co-payment on various expenses. "One of my friends who had this policy was hospitalised recently and had to pay \$350 from his pocket for a total bill of \$10,000," says Goyal. However, a private plan bought alongside the university plan would help in such cases.

Student travel insurance
Not many students or their parents and guardians are aware that Indian insurers offer travel and health insurance plans. These so-called student travel insurance policies cover hospitalisation costs and also offer additional benefits in terms of coverage for loss of baggage and delay in flights, among others, during their visit abroad.

Data released by Policy Ensure, an insurance broker, shows that student travel plans offered by Indian insurers come with a premium of ₹25,000-30,000 for two years and provides coverage of \$100,000 in the US. Despite this, the plans are not very popular. "Lack of awareness and convenience are reasons why parents tend to go with a university-backed plan. In my case, when my son went to the US last year, due to lack of time, I went with the insurance that the university provided for the first semester but I will buy a student international travel plan before the next semester starts," says Priya Deshmukh, head of health products, operations & services at ICICI Lombard.

Interestingly, some US universities also allow you to have a non-campus plan. However, such private plans, it is necessary to have unlimited sum insured. Indian insurance companies do not offer such unlimited coverage, but that is something they have taken note of. "Many insurers are coming up with unlimited coverage plans that will

Insurance from India when studying abroad

Universities provide on-campus insurance but additional benefits available in student travel plans by Indian insurance are useful.

	University health insurance*	Student travel insurance*
US	~\$2 lakh per year	₹25,000-30,000
Canada	~\$70,000 per year	₹25,000-30,000
UK	Mandatory £81,000 enrolment under National Health Scheme	₹12,000-15,000
Australia	~\$20,000 for three years	₹12,000-15,000

*Annual premiums for ₹250,000 coverage for a 21-year-old
#Data from University Living

University/locally bought health insurance plans

Covers health-related benefits such as:

- IN-PATIENT** treatment like hospitalization, accommodation, physician, medical fees
- OUT-PATIENT** treatment such as visit to general practitioner, medical fees, medication, examinations
- DENTAL** services (very few insurances)
- EVACUATION** and repatriation of mortal remains
- COVERAGE** for maternity, child birth or any mental health disorder

Student travel insurance

Apart from medical cover, following are the non-medical benefits:

- TRIP** and baggage related coverages: Flight delay, missed connections, baggage loss, passport loss etc.
- STUDENT** specific benefits such as study interruption, sponsor protection, lost bond, tuition fees, loss of laptop/mobile phone/personal belongings etc.
- DENTAL** treatment and eye care
- COVERS** nearby regions apart from university campus

meet the university requirements and we would be seeing a flurry of products during the June-July admission season," says Amit Chhabra, health business head, Policybazaar.com.

On-campus insurance versus student travel insurance

When a university itself is offering a health insurance plan, it is obvious that parents will choose the on-campus plan instead of exploring other options, say some insurance experts. So, how does that affect student travel plans offered by Indian insurers?

Deshmukh says that at least 20% of all travel insurance policies sold at ICICI Lombard are student travel plans. Canada, US and Malta (Europe) account for the top three countries for which such plans are sold. Data from University Living, an evaluation consultant, shows a year-on-year jump of 74% in US-related student travel plans and 81% in Canada in 2023. The growth in student insurance plans was much higher in Europe and UK (particularly in India) at 36% and 23%, respectively.

"We have observed that university insurance is mandatory for undergraduate and MS courses, but private plans are allowed for MBA and postgraduate courses. The US sends list among countries for which students buy our health plans," says Anshul Sethi, head-health SBU and travel at Bajaj Allianz General Insurance.

Even in countries where government-backed insurance plans are available, such as NHS in the UK, education counsellors will still advise you to buy a private plan. "We highlight the importance of taking insurance from our own country in our pre-departure sessions with students. One, there is price arbitrage. Second, there are non-medical

benefits. Even in case of countries where the health insurance premium cost is included in the visa itself, it is better to take a private plan because the government-backed health plans are not extensive. Consultations with doctors, or purchases such as dental or eye care are not covered in such plans. If one does not want a private coverage for the entire duration, we suggest they take it for at least a month while they settle down," says Mayank Maheshwari, co-founder & COO, University Living.

Sethi of Bajaj Allianz says the long waiting period for treatment within the government-funded healthcare system such as the NHS in the UK is a major concern. "A private plan allows you to get quick treatment."

Moreover, on-campus insurance will not give you wider coverage. For instance, it will not offer coverage for events that happen outside the campus. "Student travel insurance extends coverage beyond the university campus, providing protection in unknown environments. If a student plans a trip to a nearby country such as Mexico or Cuba, having a student travel insurance ensures coverage for such excursions, enhancing their overall safety net," says Chhabra.

Non-medical benefits
Apart from medical cover, a comprehensive student travel plan also offers trip-related coverage common carrier delay, trip cancellation, trip postponement, loss of baggage, and also loss of personal belongings. "These covers are equally important for students since most of them usually travel back home during vacation and might face some issues due to trip-related risks. They can also get a coverage for loss of personal belongings like laptop and

mobile phone," says Virek Chaturvedi, CEO and head of direct sales, Digit General Insurance.

Financial agencies are also covered in such plans. For example, in case your studies are interrupted due to a medical reason or an emergency at home, a study interruption cover will take care of the financial losses. A sponsor cover ensures that the insurer will pay the fees if something untoward happens to your sponsor. Compassionate visitor is another important non-medical benefit that covers the travel and accommodation expenses of one immediate family member during medical emergencies.

Making a claim

Indian insurers usually have a tie-up with a global insurance company or a third-party administrator (TPA) having a global network of hospitals. "To make a claim, students can call the 24/7 helpline number for claims or mail the insurer for assistance. Digit has a dedicated 24/7 missed call facility for students. This enables them to seek quick assistance," says Chaturvedi.

Typically, global partners or TPAs request non-network hospitals to accept cashless hospitalization but it is at the discretion of the hospitals whether to accept it or not. "To ensure seamless healthcare access abroad, we have partnered with Allianz Partners, our assistance partner overseas. They facilitate payments to hospitals, both in-network and out-of-network, where we provide a guarantee of payment (GoP)," says Sethi.

If you are looking to buy a plan from an Indian insurer, check if pre-existing diseases (PEDs) are covered from day one. Also check for deductible or co-pay. "Choose a plan without PED waiting period, co-pay and deductible. Go with an Indian provider having a joint network with a global firm for the hospital network coverage is better," says Rajat M. Mishra, director and co-founder Policy Ensure.