

Date: 1.7.2021

Publication: Money9.com

[Covid-19 second wave: 80% customers ported to higher health insurance cover](#)

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Aprajita Sharma | Updated On - July 1, 2021 / 01:45 PM IST



Insurance portability has become quite simpler and customer-centric.

First time health insurance buyers would often settle for Rs 3-5 lakh coverage. However, Covid-19 has changed the dynamics. People have realised the importance of a higher health cover amid the pandemic and rising medical inflation. Data from Policybazaar.com shows as many as 80 per cent of its customers have ported to a higher health cover between March and May 2021- when the country was battling severe second wave of rising Covid-19 infections. By comparison, only 30 per cent customers did that during the same period in 2020 – the first Covid-19 wave.

Among all the customers porting their policies, 40 per cent of them opted for a cover higher than Rs 25 lakh, while 18 per cent went for Rs 10-25 lakh cover.

Why did customers port? “About 42 per cent of them ported as they felt their sum insured was not enough, while 35 per cent did it due to room-rent capping or co-payment,” said Amit Chhabra, head- Health Insurance, Policybazaar.com.

Out of all the customers porting their policies, 48 per cent were between the age group of 30-45 years, and 25 per cent in the age bracket of 45-60 years.

From Covid-specific to comprehensive

Policybazaar.com further says that about 20 per cent Covid-specific policy buyers bought a comprehensive health policy. Out of all such customers, 43 per cent belonged to the age group of 30-45 years, while 30 per cent were less than 30 years of age.

“The average cover customers are buying this year is around 25 lakh which has almost doubled compared to previous year,” said Chhabra.

Insurance portability has become quite simpler and customer-centric. One can port their existing policy to a favoured health plan without losing continuity benefits such as waiting period of pre-existing diseases (PEDs) and no-claim bonus. However, the portability depends on the new insurer if it accepts your proposal or rejects it.

You should apply for the new policy at least 45 days in advance (but not before 60 days) before the renewal date of the old policy. You may port to a better plan of the same insurer as well. Remember the policy specific features present in the old policy will not be ported. Only continuity benefits get ported to the new policy.

Will you have to pay more for the new policy?

Not necessarily. The premium of the new policy depends on underwriting norms of the new insurer. It could be higher or lower for the same coverage with the new insurer. However, note that there will not be any portability charges. It is free of cost. Porting is as good as buying a new policy except that it comes with continuity benefits.

The customer does not maintain all earlier policy records and hence it becomes difficult to allow continuity for a longer period since the first policy inception in few cases

Why could your proposal be rejected? “Sometimes customers tend to ignore small facts of PED or previous treatment which are material for underwriters of the new insurer. The client should disclose correctly to the best of his ability and support all PED papers like discharge summary if hospitalised or treating papers, prescriptions, etc. Besides, the customer could be unaware that they may have to undergo a pre-policy health check-up as per the underwriting philosophy of an insurer,” said Gurdeep Singh Batra, Head – Retail Underwriting, Bajaj Allianz General Insurance.

“If customers are guided correctly and take the right advice then they shall have a smooth claim experience and avoid knowingly or unknowingly falling prey to a misrepresentation or non-presentation of facts,” he added.