

[What is restoration benefit in health insurance?](#)

Restoration benefit is an add-on facility to the existing plan and can be utilised in case of a second hospitalisation within one year

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We buy a health insurance policy to take care of all the financial needs during a health emergency. But have you ever considered a scenario when there are multiple health emergencies at hand and you've overused the sum assured? Even during the ongoing pandemic, there were cases when the entire family was diagnosed with an infection in a gap of few weeks. The disease could manifest in different ways for each family member depending on their age, immunity, etc. Some caught the infection twice and needed to be hospitalised again.

What is restoration benefit?

So, how can you add more coverage to the existing plan after you've utilised the claim amount for the year? Instead of looking to tap your savings or buying a new cover all together, one can simply opt for restoration benefits. A comprehensive health insurance plan for individuals as well as family floater schemes provides the option of restoration benefit. It's an add-on facility to the existing plan and can be utilised in case of a second hospitalisation within one year. Once the sum assured gets exhausted, this benefit will help restore it afresh.

There are two types of restoration benefit plans depending on the level of exhaustion of sum assured. These included benefits against complete exhaustion (when the assured sum is completely utilised) and partial exhaustion (when the assured sum is partially utilised).

Why should you opt for restoration benefit?

Restoration benefit is a good choice for family floater plans as it alternates between the various members of your family covered under the plan you opted for. Meanwhile, having a restoration benefit for higher coverage would let you cover an existing illness and/or accident in the case of individual plans.

“At Bajaj Allianz General Insurance, we have Sum Insured Reinstatement Benefit and Recharge Benefit. In the case of Sum Insured Reinstatement benefit, 100% of the base sum insured is reinstated after the sum insured and the cumulative bonus is exhausted due to the claim paid under the policy. Such reinstated sum insured is applicable for claims during the balance policy period, but cannot be carried forward,” said Gurdeep Singh Batra, head – retail underwriting at Bajaj Allianz General Insurance.

“This benefit will be applicable each year for long-term policies. In case of Recharge Benefit, if the claim amount exceeds the limit of indemnity, Sum Insured would be increased by 20% of base policy SI with a maximum of up to Rs 5 lakh and can be utilised for the same claim where SI is exhausted. There is no additional premium charged for both these covers and are inclusive in the Health Guard Platinum plan,” he added.

Things to keep in mind

Policyholders must keep in mind the restored sum won't be carry-forwarded to the next policy year. This will remain the case even if you're unable to consume it in the same policy year of restoration. It's also important to note that sometimes sum assured is restored only when you exhaust it in a single claim within the policy term. Also, only one person at a time can avail of the benefits of restoration.

Moreover, restoration benefit is available only for different illnesses and not for the same illness or injury in a policy term. Restoration benefits exist only for future claims and are never applicable on the first claim made in a policy year.

Therefore, given the restrictions, you can weigh the option of buying a policy with the higher sum assured as it will offer you wider coverage.