

How useful are value-added benefits of health insurance?

Health insurance companies offer various benefits to enhance your coverage, but all of them may not be useful.

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Health insurance companies offer a range of value-added benefits to enhance your base coverage. Here's a look at some of the most common offerings, how they work, and whether they are useful.

Wellness programmes

A wellness programme is a system of reward points awarded to you by your insurer for staying fit and healthy. The main motive behind companies offering these programmes is to lower their own costs in the long run, since you are likely to make fewer claims if you stay healthy. "Not only would these wellness programmes inculcate a healthy lifestyle among customers, but they will also reduce the incoming claims," admits Sasi Kumar Adidamu, Chief Technical Officer-Non-Motor, Bajaj Allianz General Insurance. While policyholders can benefit too, it doesn't come easy. For instance, ICICI Lombard offers you maximum 100 points for quitting smoking based on self-declaration. Likewise, there are maximum 5,000 reward points per insured for other fitness activities such as gym, yoga, running marathons, etc. Each reward point is equivalent to only 25 paise. This means, even if you manage to gain all 5,000 points in a year, you will get a benefit of ₹1,250. This can be used for reimbursing expenses that are usually not covered under your basic policy such as consultation, dental expenses, medicines, etc. The programmes and benefits vary from one insurer to another.

AYUSH benefit

AYUSH stands for Ayurveda, Yoga & Naturopathy, Unani, Siddha, and Homeopathy. The AYUSH benefit is available as an inbuilt feature under some health insurance policies. "In India, a lot of people believe in the Ayurvedic and Homeopathic systems of medicine, especially for chronic care. This benefit is useful in case of such treatments which would be non-payable under the basic policy," says Puneet Sahni, Head - Product Development, SBI General Insurance. Adidamu concurs: "AYUSH may be particularly beneficial for

those suffering from chronic and lifestyle related diseases and those allergic to allopathic drugs."

However, the benefit comes with its own terms and conditions. The coverage is usually subject to a sub-limit which is either specified as a percentage of the sum insured or the maximum amount that you can avail of. Further, the AYUSH benefit is rarely available on an outpatient basis. One has to stay for minimum 24 hours in the hospital offering AYUSH treatment. The treatment also has to be provided by a recognised government hospital accredited by Quality Council of India or National Accreditation Board on Health. "While plans with AYUSH benefit have lower premiums, plans without the benefit are generally more comprehensive and offer wider coverage," says Harjot Narula, CEO, ComparePolicy.

Second opinion

As the name suggests, this benefit covers getting a second opinion from a different doctor. This can help make the final decision on further course management of an ailment, especially critical illnesses. "Revalidating the diagnosis always has a positive outcome for the patient," says Sahni. Anand Roy, Executive Director and Chief Marketing Officer, Star Health and Allied Insurance concurs: "This is particularly helpful in the case of a planned surgery or treatment." Most companies offer it as an embedded benefit at no extra cost. It can also be useful for someone with a hereditary history of or predisposition to certain illnesses.

Medical repatriation/evacuation

This benefit comes in handy for managing medical emergencies faced overseas, which can be very expensive. Further, the or the necessary facilities for treatment may not be available. But like most other value-added benefits, this too comes with strings attached. For instance, Max Bupa offers emergency medical evacuation benefit under its Heartbeat Family First-Platinum Plan. The cover is available worldwide, up to the sum insured, but it excludes USA and Canada. "Keep in mind that such evacuation expenses are payable only when the main claim for hospitalisation is payable," says Roy.



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AYUSH vs. Non-AYUSH Plans

While the premium for AYUSH plans is lower than that of non-AYUSH plans, the latter is more comprehensive.

Insurer	Plan with AYUSH benefit	Premium in ₹ (inclusive of GST)	Plan without AYUSH benefit	Premium in ₹ (inclusive of GST)
Apollo Munich	Easy Health	7,218	Optima Restore Individual	8,431
Star Health	Medi-Classic Insurance	6,432	Star Comprehensive Insurance Policy	10,832
Universal Sampo	Complete Health Insurance	6,523	Individual Health Insurance	5,331

Premiums are for a 30-year old male non-smoker, for a cover of ₹5 lakh and policy term of 1 year. Source: ComparePolicy

Sum insured restoration

This benefit restores the base sum insured to the original amount if it's exhausted. However, industry numbers show that health claims are hardly ever fully exhausted. You would be better off purchasing a super-top up plan to enhance your cover. Though it may come at a comparatively higher cost, it provides better coverage. Not only does it make the sum insured available beyond the threshold of the deductible amount, it also does not restrict the use of the cover for the illness for which the sum insured was exhausted, unlike restoration.

Cumulative bonus

Cumulative bonus is a reward given to the policyholder in the form of increased sum insured in specified percentage for every claim-free year. For instance, Bajaj Allianz's Health Guard Individual Plan offers a cumulative bonus of 10% of

Top-ups work better than restoration

A combination of a basic plan and a Super top-up provides wider coverage than sum insured restoration, at a slightly higher cost.

Plan Type	Plan Name	Premium in ₹ (inclusive of GST)
Sum Insured Restoration	Apollo Munich Optima Restore Individual	8,431
Basic Health Plan (A)	Apollo Munich Easy Health Individual - Standard	7,218
Super Top up Plan (B)	Apollo Munich Optima Super	2,425
A+B	Basic Plan + Super Top up	9,643

Premiums are for a 30-year old male non-smoker, for a cover of ₹5 lakh and deductible of ₹2 lakh, for policy term of 1 year. Source: ComparePolicy

the base sum insured per annum, up to 100% for 10 years. However, if a claim is made during this period, the cumulative bonus is reduced," says Adidamu.

While cumulative bonus can be useful, experts say it should not be

seen as a cost-saving tool. "It should be treated as additional coverage instead" concludes Roy.



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