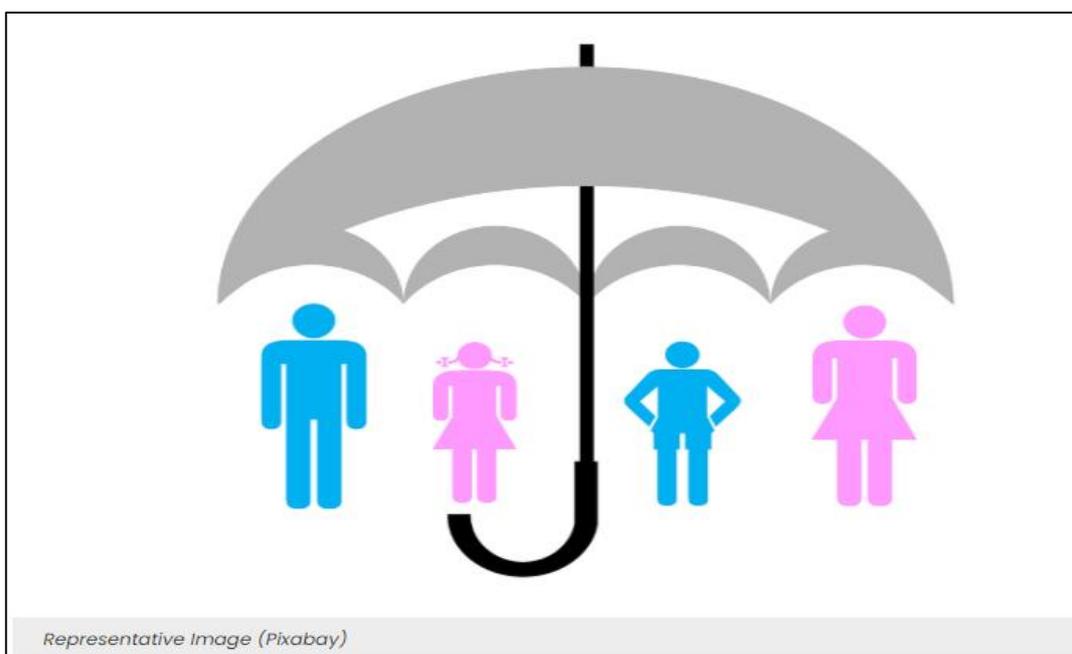


[What happens to a family floater health insurance policy when a member dies?](#)

In an unfortunate event where the primary policyholder expires, then the family members need to inform the insurance company as it may lead to a premium refund

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Health insurance is an annual contract where the policy is renewed at the end of every year. But during these unprecedented times when several people have succumbed to the virus, there may be a need for many to revisit their family floater policies in the middle of the policy year. Experts said timely update could lead to lower premium for families at this time of crisis.

What is a family floater policy?

Family floater policy covers all the members of the family under one health insurance policy instead of each person buying a policy individually. The policy is usually in the name of the oldest member of the family and includes newborns as well. In case of a claim by one member, the sum assured available for the rest of the family members reduces accordingly. The silver lining is family floater policies are easy to manage, as it covers all members under one policy and is much cheaper compared to all members buying individual policies of the same sum insured.

What if a member dies?

In an unfortunate event where the policyholder expires, then the surviving family members need to inform the concerned insurance company as it might lead to a premium refund.

The premium rates for the policy can be adjusted at the earliest possible based on intimation made. However, where a claim has been made or the policy does not allow interim premium

then one might have to wait till the renewal of the policy. “In case of death of any insured member, based on an application from the insured member the Company shall refund the premium for the unexpired policy period as per policy terms and condition, subject to no claim in policy for such deceased member,” said Gurdeep Singh Batra, Head – Retail Underwriting, Bajaj Allianz General Insurance.

Where the primary member is the eldest member then the policy needs to be corrected as it could lead to lower premium at the time of renewal. S K Sethi Director Ria Insurance Brokers P Ltd said, “At the time of renewal name of the deceased will be removed from the list and as per age premium will be reduced. The age of the oldest person is taken for premium calculation of family floater policy therefore if the deceased person was the oldest one then you will find a significantly noticeable reduction,” said

Another important point to note is when the proposer of the policy dies then the other spouse can become the proposer with no medical-check ups since they were already covered. “Let us say husband dies then the spouse will become the proposer. But in case the dependent left behind is a child then there can be an issue as children are insured when the parent/parents are also covered under the same policy,” said Sethi.

Does it impact the sum insured?

As it is a floater policy, in case of the demise of one of the family members then the same sum insured floats over the remaining members covered in the policy. “There is no impact on the sum insured. Under the changed circumstances the family can definitely reduce the sum insured. But in case the deceased had a critical illness then children may like to increase SI. In case such request is given by the family then it will be for the underwriter in the insurance company to decide whether they will increase SI or not,” said Sethi.