

Importance of 'restoration benefit' in health insurance policies

The importance of having comprehensive health insurance has been long established; today we all know how crucial it is to have wide health insurance coverage to ensure that we are duly protected during the time of need. Health insurance has various features which can help bolster your protection by many folds; today we will discuss one such important feature, the restoration benefit.

As the name suggests, restoration benefit restores or replenishes your sum insured to the original amount in case it gets exhausted; it is also known as 're-fill benefit'. Therefore, even if you exhaust your entire sum insured, you need not worry about the expenses as this benefit will automatically re-fill your sum insured.

Let us understand how this works with the help of an example. Suppose a customer's sum insured is Rs 5,00,000 and the customer is diagnosed with ailment A in the third month of the policy and the customer utilises the entire sum insured for the treatment, however, the customer now has another 9 months before the renewal is due. Now, unfortunately, a few months later the customer is diagnosed with ailment B, and the customer requires another Rs 2,00,000 for the treatment. If the customer's health insurance policy didn't have a restoration benefit then the customer would have to bear the entire Rs 2,00,000 towards the treatment of the second ailment from their own pocket. However, if the policy had the restoration benefit then the customer's sum insured would be re-

instated to Rs 5,00,000, as soon as it got exhausted.

The number of restorations allowed in a policy year, varies from product to product and insurer to insurer. You are advised to go

through the terms and conditions of the policy thoroughly to understand how your restoration benefit will operate.

Now that we know how the restoration benefit might help you in your time of need, let us understand more about this feature. Predominately, there

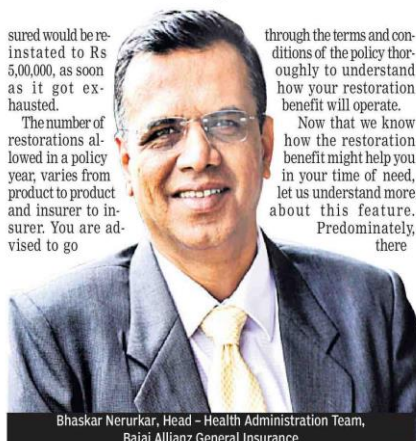
are two types of restoration benefits, Complete Exhaustion, and Partial Exhaustion.

Complete Exhaustion: This restoration benefit will be triggered only after the customer's sum insured is completely exhausted. So, suppose the customer's sum insured is Rs 5,00,000 the benefit won't trigger until the entire Rs 5,00,000 is exhausted.

Partial Exhaustion: This benefit will be triggered even after partial exhaustion of the customer's sum insured. So, suppose customer sum insured is Rs 5,00,000 and the customer has exhausted Rs 4,00,000 which means the customer is only left with Rs 1,00,000; however, the customer's sum insured will be reinstated to the original amount even before you exhaust the entire limit.

Who should avail this benefit?

The benefit is available for an individual as well as for family floater policies, and it is advisable to have a restoration benefit in your policy since it helps bring down your out-of-pocket expenses significantly. However, it is highly recommended to look for a policy, which also has a restoration benefit while buying a family floater policy. Since in the family floater policy, the sum insured floats between the family members and in case one member exhausts the entire sum insured, you will still have coverage for the other members of the family. In the case of the family floater policy, reinstatement of the sum insured will be available for all the insured persons in the policy. In simple words, this benefit adds another safety layer to your family floater policy.



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