

## Customise health cover as per your needs

With high premiums a deterrent, insurers are coming up with competitive plans

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In the fiscal year 2021-22, the number of persons availed under health insurance in the country stood at 22.5 million, said Union Minister of State for Finance Hemant Karkar in the Lok Sabha recently. This shows that a significantly high number of citizens still not covered under any health insurance.

A majority of people are covered under the government-subsidised health insurance scheme, followed by the corporate sector, which largely tends to offer health cover. There are only around four non-individual health insurance policies.

In India, the health insurance segment is currently dominated by five standard health insurers—Sugarmed Care Health Insurance, New Mediclaim Health Insurance, Aditya Birla Health Insurance, Star Health & Allied Insurance and Max Bupa Health Insurance. Besides, there are 25 general insurance companies which offer health insurance products.

Lack of awareness is the primary reason for the low health insurance penetration. "Many people are still unaware of the financial benefits health insurance offers, especially during medical emergencies. The cost of premium could be another factor as to why people don't opt for health coverage," says Shashikumar Nerkar, Head-Health Administration Team, Bajaj Allianz General Insurance.

Experts feel there are millions of people who can afford health insurance but no one enters to them. The low insurance penetration is also attributed to the traditional branch-led distribution system. "In smaller towns, there is hardly any office of an insurance company. The insurance companies have failed to reach people living in tier 2, 3 or 4-tier because there is very less reliance on physical distribution," points out Indrajeet Chatterjee, co-founder, RenewMy.

Besides this, frauds, miselling and lack of awareness about the benefits of health



| Company                    | Plan                      | No claim bonus | Qualifying time for premium discount/bonus | Premium (annually) |
|----------------------------|---------------------------|----------------|--|--------------------|
| Niv Bupa                   | Recover                   | up to 100%     | 3 years                                    | ₹7,355             |
| Royal Sundaram             | Ultimate Supreme          | up to 100%     | 3 years                                    | ₹5,229             |
| Reliance General Insurance | Health Care Plus          | up to 100%     | 3 years                                    | ₹5,025             |
| Futura General             | Health Total Relationship | up to 100%     | 2 years                                    | ₹5,300             |
| Sun Health                 | Young Star Silver         | up to 100%     | 1 year                                     | ₹5,315             |

(All insurance covers are for 15 days for a max up to 28 days having no pre-existing disease)

### Impact of Covid-19

The health insurance industry has undergone a sea-change especially post-Covid-19. People have become more concerned about addressing their health issues and health insurance has started gaining prominence.

"Covid has given a big push to the industry by making people aware of the importance in case of emergency. In many cases, hospitalisation expenses were skyrocketing and people found it safer to get a health insurance," says Chatterjee.

In the past two-three years, there has been growing awareness about customised health insurance in tier-1 cities,

metros and also from people who don't have deep pockets, including millennials, in tier-2 and 3 cities.

### What is customisation?

Most insurance products offer protection for hospitalisation and post-hospitalisation. Let's say, Person A (in his 40s), living in a small city and with limited income, suffers from an illness which does not require hospitalisation, but needs regular OPD consultation and medication. In such a case, regular doctor visits, laboratory tests and medicine will eat heavily impact one's savings. Person A can customise his policy as per his requirement offered by a particular company.

Through customisation of health insur-

ance has been an option for the past couple of years. It has gained traction post-Covid. Considering the high premiums, insurers have introduced customised policies which provide those insured the flexibility to choose the plan as per their needs.

"People have diverse healthcare needs and hence tailored products are being introduced. A significant step has been taken to fulfil the increasing need for the customisation of policies by making them more flexible and modular. This also makes the policy financially viable," says Neeraj.

Bajaj Allianz has launched a 'My Health Care' plan that offers the flexibility to choose the cover as per the customer's needs. Similarly, SureshMy has launched a 'Health Welfare' plan that offers pre-hospitalisation and OPD treatment. It is 30 per cent cheaper and offers unlimited doctor-on-phone consultation and free lab tests, to mention a few benefits.

### How it will help

According to a NITI Aayog report, the existing health insurance schemes can potentially cover 70 per cent of the population, but these uninsured face challenges in getting need-based health insurance plans. This segment needs insurance that is simple, easy and cost-effective as compared to general health insurance policies.

The need for customisation is fundamental in these times of high inflation. Customers will have the flexibility to choose the coverage, the sum insured, the deductible, co-payment, sub-limits, benefits, room type, waiting periods and opt for various optional covers.

The 'Use and Fix' policy of the Insurance Regulatory and Development Authority of India (IRDAI) has helped insurers introduce new products without seeking prior approval from the regulator. With regards to customisation, the initiative by IRDAI will empower customers to customise their coverage as per their need and encourage insurers to address those requirements.

### BENEFITS OF CUSTOMISATION

- A customised plan allows individuals to design their policy as per requirement. Besides this, in the account, a customer can choose the range of benefits for his insurance to be provided, city where he or she wants to be treated, number of critical illnesses covered, higher medical bonus (NGB), benefits such as daily hospital allowance and maternity cover.
- It also enables individuals to make effective and efficient healthcare decisions as per their priorities.
- Features such as maternity cover, critical illness benefit, air ambulance service and accidental death cover can also be availed.



### KEEP IN MIND

- Buy health insurance when you are young the earlier the better
- Understand your need and requirements
- Consider family history of illness, income
- Do research and choose the right plan
- Make honest declaration of health status
- Know what is covered and what's not

### WHY TO BUY HEALTH INSURANCE

#### FINANCIAL SUPPORT:

It acts as a strong financial support during emergency.

#### COSTLY TREATMENT:

As the cost of medical treatment is rising day by day, the health insurance plan covers a wide range of expenses without hitting your pocket.

#### TAX EXEMPTION:

Rs 40,000 under Section 80D of the Income Tax Act, 1961 on premium paid.