

YOUR MONEY

SWEETIE SALVE

Eight guiding principles when buying a health plan

IT IS RIGHTLY said that, 'Let our advance worrying become advance thinking and planning'. With healthcare costs hitting double digit inflation year on year, planning for your healthcare needs is essential. It is about bringing the future into the present and taking actions now. Health insurance plays a critical role in having a healthy lifestyle with access to good quality treatment in case of a medical exigency. Below are a few things which are important to consider while you decide on your health insurance cover.

Needs: It is extremely important to make sure that you select the best health plan as per your needs. One must not end up with a wrong choice as it may not be of much help at the time of requirement.

Age: Age plays a vital role in deciding your health insurance cover. Although it's never too late to buy insurance, it is advisable to buy health insurance at a younger age as it will come at a lower premium rate since you're less prone to health risks.

Waiting period: Every policy adheres to a fixed time period called as the waiting period pertaining to coverage of certain illnesses. It is only after the completion of that period that the policy gets fully active.



ILLUSTRATION: SHYAM KUMAR PRASAD

The insured can then avail the healthcare facilities as per the policy terms and conditions. Hence, it's better to be go through the policy literature carefully to understand the coverage.

Premium: While keeping an eye on the premium, one must also read through the features of bonus and discount along with the deductibles and co-payments under the policy. It is important to keep all these points in mind to ensure the right selection of plan and wise use of funds.

Family history: If you have a family history of lifestyle diseases, the probability of it being passed on to the next generation is higher. Any individual who is in a genetically high-risk category should buy wider health insurance coverage when s/he is young and healthy.

Place you live in: Hospital tariffs would be different for metro and non-metro cities. A tertiary care hospital in a Tier I city will cost more for the same treatment as compared to a secondary care hospital in a Tier II or Tier III city. This may have an impact on the premium of your health insurance policy.

Understand the coverage: Understanding your health coverage, getting familiar with the services covered and how much you will have to pay in case of an unfortunate eventuality is important. If you opt for a health insurance cover that is not adequate or is restrictive, you may have to shell money from your pocket.

Ability to pay: I feel that one must invest at least 2% of their yearly income to buy a health insurance policy that provides them with adequate coverage. For instance, if a person earns ₹6 lakh a year, he might be able to pay an amount that is up to 2% of that the yearly income which comes down to ₹12,000.

Do your homework on the kind of products available and do it right before you buy your health insurance plan. Check if the coverage is enough for you and matches your requirement. After all, you are responsible for your and your family's well-being. An appropriate health insurance cover will help you stay worry-free in terms of managing medical expenses in case of any exigency.

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