

Importance of possessing Critical Illness Insurance Policy

A critical illness insurance policy ensures that one doesn't drain his entire life's savings to cope from a life threatening disease



TA RAMALINGAM

As per the World Cancer Report of 2020 by World Health Organization (WHO), one in 10 Indians will develop cancer during their lifetime. This statistic shows how susceptible we are to critical illnesses like cancer and it makes us think – Are we on the right track in taking care of ourselves and our family members in case of a medical exigency like cancer? I don't mean to scare you with this information, but my purpose is to make you aware that medical exigencies are unpredictable and can change a person's life drastically.

Critical illness like heart attack, cancer, permanent paralysis, etc.

can translate into huge medical costs and may affect your family's financial health too. Hence, I believe that a person should have a critical illness insurance policy in addition to their comprehensive health insurance policy. Some of the key features and benefits pertaining to this policy are:

- Under a critical illness insurance policy, a policyholder is eligible for a claim if s/he is diagnosed with the ailment which is listed as a part of the policy. This list of ailments varies from insurer to insurer.

- While a comprehensive health insurance policy takes care of hospitalisation expenses, a critical illness insurance policy provides you a lump sum amount as per the sum insured, if diagnosed with the illness listed in the policy. Hence, this policy is known as benefit only policy. For instance, a policyholder who has a critical illness policy with a sum insured of ₹10 lakh is

diagnosed with cancer; the hospitalisation expenses come down to ₹5 lakh. The policyholder will be given ₹10 lakh by the insurer irrespective of the hospitalisation costs if cancer is a listed ailment under the policy. In fact, it is not mandatory for the policyholder to be hospitalised to make a claim. It's up to the policyholder to use the amount as per his/her discretion.

- The claim processing for critical illness policy is quite easy. All a policyholder needs to do is produce the diagnosis reports for the listed ailment.

Like any other policy, while buying a critical illness insurance policy, going through its T&C is of utmost importance. Understand the list of ailments that are covered under the policy and whether or not any pre-policy medical examination is required. This policy is available on annual basis and long-term basis, depending on the options available with the respective insurer. Insurers also have a

condition of survival period, wherein the insured needs to survive for specific number of days after being diagnosed with a listed ailment to make a claim; however, this condition varies from insurer to insurer.

The purpose of any insurance policy is to help you live a life of dignity. A critical illness insurance policy helps you stay tension-free and focus on recovery. It ensures that you don't drain your entire life's savings to cope from a life threatening disease. It provides a much-needed financial security when you require funds both for your medical treatment and to support your family during those critical times.

Hence, I believe a critical illness policy is a must have in addition to a comprehensive health insurance policy, to have a balanced coverage.

(The writer is the Chief Technical Officer at Bajaj Allianz General Insurance)