

**Health insurance: What are wellness benefits that incentivise policyholders to stay in the pink of health?**

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Wellness benefits include increment in the amount of sum insured for policyholders

Insurers tend to offer a slew of wellness benefits such as by rewarding customers for healthy behaviour by making them earn points through wellness activities. There is an age-old adage that says 'Health is Wealth'. And this timeless wisdom continues to hold true in the contemporary times as well. When we are healthy, our chances of growing in wealth increase manifold.

So, it is recommended to maintain a good health not only for intangible benefits, but for monetary gains too. Even health insurance firms have realised this, and therefore offer a range of benefits to their policyholders for staying in the pink of health.

Insurers tend to offer benefits in terms of points that can be used for discounts or lower premiums. The criterion for giving these benefits could be walking a fixed number of steps or enrolling for gym or taking a health assessment regularly.

One could even get his entire insurance premium waived off simply by adhering to a healthy lifestyle e.g., by walking a certain number of steps a day during the policy year. This can be achieved by tracking on a fitness device that can be linked to the policyholder's insurance platform. Insurance plans with a focus on wellness incentivise policyholders to take preventive steps and to lead a healthy life.

## **Incentives of being healthy**

During the policy year, wellness benefits are earned by the policyholders for keeping healthy. It is seen as a good move worth lauding to incentivise policyholders to stay fit and to renew their health insurance policy.

“These discounts can also go as high as 100 per cent of the premium. This implies that you can get the next year's policy for free just by following a healthy lifestyle. This feature is a win-win for both the customers and the insurer - the customer stays fit and has a lower propensity to file a claim,” says Siddharth Singhal, business head, health insurance, Policybazaar.com.

One industry expert argues that insurance plans with a focus on wellness induces policyholders to take preventative measures and also to lead a healthy life. “Our health insurance plans provide wellness benefits in the form of wellness points that can be redeemed as discounts on premium payments or other membership perks at any of our empanelled businesses,” says Bhaskar Nerurkar Head – Health Administration Team, Bajaj Allianz General Insurance.

Bajaj Allianz also introduced wellness options in form of policy riders. “Last year we launched Health Prime Rider that can be purchased with any of our flagship health insurance products offering wellness options. Then there is a Senior Care Rider called ‘Respect’ that offers wellness solution for the policyholders in their golden years,” he added.

## **Are these benefits adequate?**

Despite being offered a slew of benefits — monetary and otherwise — some experts are of the view that they are yet not sufficient. Kapil Mehta, Co-founder of Secure Now Insurance Brokers, says that the specific wellness benefits that are offered by insurance companies are not material enough.

“Typically, the wellness benefits are in the form of points...this is good because wellness is such an important priority. However, the specific wellness benefits that are offered are still not material enough, in my view,” says Mr Mehta Also, some sceptics raise concerns about the possibility of misuse of data when fitness app data is linked to insurance firms.

On this, Mr Mehta says, “It is important for insurers to maintain their data confidentiality better. There are a new set of laws in the making that are likely to emphasise this.”

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