

# Things millennials should know while buying health insurance

Experts say buyers should consider insurers who maintain more than 95% of their claim settlement ratio

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Generally, many buyers in their 30s or early 40s struggle to arrive at a decision on buying the right health insurance policy. Their problem stems from a range of confusing options on offer: from the sum insured, rider options to even policy pricing. So, if you are one of those millennials looking to buy a health policy, here are some factors to consider.

### Type of policy

The first and foremost thing to decide is whether to enroll in a family floater plan or an individual policy. Buyers with families must decide whether to cover all members under individual health policies or a common family floater plan.

Rakesh Goyal, director, Probus Insurance Broker Pvt. Ltd., says, "While buying health insurance, keep your family members and their ages in mind. Buying a separate policy for the elderly would save on the additional insurance premiums that otherwise would be charged based on their age under the family floater plans. Moreover, having a separate policy for them would help you accumulate 'No Claim Bonus', which wouldn't be the case if they had been under the same plan (as increasing age might lead to more claims)."

"Besides, family floater plans typically come with a waiting period of two to four years for several ailments like diabetes, hypertension, and asthma that are common during old age. The whole purpose of having health insurance becomes pointless when you have to wait to avail yourself coverage for pre-existing ailments," said Amit Chhabra, head of health insurance, Policybazaar.com. Hence, experts



suggest one should ideally opt for a separate health policy.

### Sum insured

Sum insured is the maximum payout that your insurer will cover as per the coverage you have opted for in case of any claim.

Chhabra said, "Generally when you buy a health policy with a lower sum insured, say ₹5 lakh, you get a policy with co-payments and sub-limits. In such a scenario, you should look for a higher sum insured policy which doesn't have sub-limits."

Bhaskar Nerurkar, head of health administration team, Bajaj Allianz

General Insurance, said, "When you buy health insurance, you must consider the treatment you might need in case of any medical contingency. Also,

revise your sum insured every 2-3 years. If not, do this every five years at least so that you can avail the best quality treatment. This will help individuals, especially those who have a problem with their family health history."

### Insurer experience

Many buyers look at price as the primary criteria when choosing a health insurer, or the number of cashless hospital tie-ups that an insurer might have, but very few buy-

ers look at the proven track record of insurers on payment of claims. This is a critical element because one must know that insurance is not consumed when it's bought but consumed when there is a claim.

Always check on the claim settlement experience of insurers by visiting their websites and social media, and also reading customer reviews. You must also speak to other people to understand their claim settlement experience with a particular insurer.

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### Critical illness rider

A comprehensive health policy will typically cover all hospitalization expenses. Still, a critical illness policy

can be taken in addition to your health policy, considering the substantial medical costs incurred by critical illnesses like cancer, heart attack, paralysis, etc.

Experts say, "Insurers sell critical illness riders along with health insurance. However, it becomes important for you to check whether to buy a critical illness rider or not. For instance, if cancer is a genetic problem that runs in your family, you can zero in on a rider for cancer treatment. Else, there is no need for a separate critical illness rider. Also, look for the waiting period. If the period is short, it may not be necessary to buy the rider in your late 20s, but you can buy one when you cross the age of 35."

Besides, Nerurkar said, "One thing to note in critical illness policies is the 'condition of survival' period. In order to get a claim, the insured needs to survive for a specific number of days after being diagnosed with a listed ailment to make a claim. However, this condition varies from insurer to insurer."

### Waiting period

When you buy a new health insurance policy, it is important to know that all ailments are not covered from day one. You need to serve a specified waiting period to get certain coverages. Chhabra said, "There are three types of waiting periods. Policies come with an initial waiting period of 30 days during which only accidental hospitalisation is covered. Also, there is a specific disease waiting period of two years for medical conditions like hernia, piles, cataracts, and even those that need knee replacement surgeries. The third is the waiting period for pre-existing diseases (PEDs). Some of the most common PEDs include hypertension, diabetes, asthma, and CVD (cardiovascular diseases). On all such PEDs, insurers apply a waiting period of up to four years."