



## MONEY TODAY HEALTH COVER

**W**HEN RAM SINGHAL, a 68-year-old retiree, received the renewal letter for his health insurance policy, he didn't think much of it. But on reading it, he found that his premiums had gone up significantly. "My premiums have jumped by 30 per cent. I am exploring options on how to manage them," he says.

Health insurance premiums have risen sharply over the past few years, with the rise in health insurance claims. Per the latest annual report of the Insurance Regulatory and Development Authority of India, there is an increase in insured claims ratio (the proportion of claims paid by health insurers against total premiums received) of health business—from 94 per cent in 2020-21 to 109 per cent in 2021-22.

"Health insurance claims have risen in the past few years. Post Covid-19, we have seen a jump of around 40-50 per cent across age groups. Senior citizens have been the hardest hit as they are already paying high premiums and have no regular income," says Siddharth Singhal, Business Head of Health Insurance at Policybazaar.com. Premiums for senior citizens are

generally higher because a large part of people in this segment typically suffer from some form of pre-existing disease. This is also why some insurers are hesitant to offer seniors health insurance policies.

"The health risk for seniors are typically higher, which means the utilisation of a health plan would typically be more due to any prevailing chronic disease or pre-existing conditions," says Vivek Chaturvedi, Chief Marketing Officer and Head of Direct Sales at Go Digit General Insurance. Insurers typically underwrite this risk by pricing the premium appropriately, with the premiums for someone in his sixties being higher by around 2.5-4 times versus someone in his thirties, depending on the plan and the insurer, he says.

Senior citizens also complain about their policy applications being rejected or delayed. "Health insurance policies for seniors are not generally rejected, but they may be subjected to some pre-policy medical check-ups," says Tapas Singhal, MD & CEO of Bajaj Allianz General Insurance. Following the check-ups, such insurance proposals are accepted as per the standard terms and conditions of the policy.

One can also provide the details of their past medical history, includ-

ing consultation notes, prescriptions and related investigation reports to the insurer to help provide an understanding of their current health status. Further, the evolution of new norms and active use of tech like Tele Medical Evaluation Report or Tele MEB, has made the process more convenient. "Over a period of time, insurers have also relaxed the age norms for making pre-medical tests compulsory," says Singhal.

Prasen Sekhar, MD & CEO of ManipalCigna Health Insurance, says customers can look out for such policies and get themselves insured as "there are also insurers who have increased their risk appetite and expanded the threshold to accept [applications from] senior citizens with medical issues". The regulator has also introduced measures to ensure a hassle-free experience for policyholders. For instance, if any insurer rejects an application, the reason for rejection has to be provided in writing.

Besides these, here are a few effective ways to avoid health cover and reduce premiums:

**Co-payment:** Co-payment policies are those in which a percentage of the cost of healthcare services is borne by the policyholder, while the rest is paid by the insurer in the event of a claim. In such policies, the policyholder's share can range from 10-50 per cent. While this reduces the premium outgo, it may cost you a hefty amount in case of hospitalisation. But if you're thinking of disconting a policy because of high premiums, a better option is co-payment, as it can reduce your premiums by 30-40 per cent, depending on the percentage of the bill you decide to pay from your own pocket. (See table Senior Citizens' Health Plans).

"Since citizens require additional medical care, and hence their hospital stays might be comparatively longer. Hence when opting for a health insurance policy, it is essential to opt for one that provides

→

**HEALTH INSURANCE PREMIUM RATES HAVE INCREASED IN THE RANGE OF 10-30 PER CENT BETWEEN FY22 AND FY23**

## SENIOR CITIZENS' HEALTH PLANS

Health insurance premium rates for a 61-year-old living in New Delhi for a sum insured of ₹10 lakh

Insurer	Plans	Premium (₹/year)	Age limit (years)	Co-pay*	Pre-existing disease (years)†
1 <b>Care Health Insurance</b>	Senior Health Advantage	22,611	60+	50%	2
	Care Supreme	38,784	18-98	-	4
	Care Senior	28,604	18+	20%	4
2 <b>Star Insurance</b>	Senior Citizen Red Carpet	26,550	60-75	30%	1
	Star Comprehensive	40,468	18-65	10%	3
	Star Health Assure	37,608	18-75	10%	30-36 months
3 <b>Aditya Birla Health Insurance</b>	Activ Health Platinum Enhanced	39,651	18+	-	3
	Activ Assure Diamond	34,676	18+	20%	4
	Prime-Advantage	55,161	18+	-	3
4 <b>Manipal Cigna Health Insurance</b>	Prime Senior Elite	50,102	55-75	20%	2
	Prime Senior Classic	46,846	55-75	20%	2
	Prime protect	42,567	18+	-	3
5 <b>Niva Bupa Health Insurance</b>	Health ReAssure 2.0	49,393	18-65	-	3
	Senior First Platinum	47,321	-	-	2
	Health Companion	44,226	-	-	3

PREMIUM VARIES DEPENDING ON CO-PAY AND PRE-EXISTING DISEASE COVERAGE. \*CO-PAY IS THE SHARE OF CLAIM PAID BY THE INSURED. †PRE-EXISTING DISEASES ARE COVERED AFTER THE EXPIRY OF THE NUMBER OF YEARS GIVEN IN THE TABLE. ADITYA BIRLA HEALTH INSURANCE AND CIGNA PRIME ADVANTAGE AND CIGNA PRIME PROTECT HAVE WORLDWIDE COVER OF ₹5 LAKH. SOURCE: POLICYBAZAAR.COM

you with maximum in-patient hospitalisation coverage, but you must also check for any deductibles or co-payment clauses," says Singhel. But one must weigh the cost versus benefits of the policy, he adds.

**Deductible:** Another option is to opt for a policy with a deductible clause, where the deductible is the initial amount a policyholder must pay before the policy covers the rest of the claim. This means the insurer is only responsible for paying claims that surpass the deductible amount. For instance, if a policyholder's deductible is ₹30,000, and they file a claim of ₹1 lakh, the insurer will cover only ₹70,000. But if the claim is below the deductible amount, the insurer will not cover any expenses. Policies with higher deductibles usually have lower premiums, while

those with low or no deductibles have higher premiums.

The point to note is that health insurers sometimes impose higher co-payment, deductibles, etc., without the policyholder's knowledge. This can give you a lower premium, but it can also reduce the scope of coverage. Hence, one must check the details of the policy to ensure that co-payment and deductibles are given as per your choice.

**Super Top-up:** If the cost of purchasing a large health insurance policy is too high, you can consider combining a regular plan with a super top-up plan. While the regular policy covers your claim up to the sum insured, the top-up plan kicks in once a certain amount, known as deductible, has been exceeded.

It is important to note that top-up plans operate on a per-hospital-

isation basis and are useful when a single claim exceeds the deductible limit. There are super top-up plans available that consider the aggregate of claims per policy year, rather than a single hospitalisation. Due to the deductible threshold, the top-up plans have lower premiums than regular plans. And with higher deductible limits, the premiums go down. In these combined policies, the deductible must be paid either through a regular health insurance policy or out of your own pocket. "Such top-up policies are very reasonable and provide good cover against emergencies and accidents," says Singhel.

**Porting:** Health insurance portability allows policyholders to port their policy from one insurer to another, especially if customers are unhappy with the service provided



**"In the past, insurers used to be reluctant to provide health insurance to senior citizens, but that is no longer the case"**

**TAPAN SINGHEL**  
MD & CEO, BAJAJ ALLIANZ  
GENERAL INSURANCE



**"Co-morbid health conditions may lead to higher claim outflow of an insurer and hence the premiums are generally higher in comparison to customers who are younger"**

**PRASUN SIKDAR**  
MD & CEO, MANIPALCIGNA  
HEALTH INSURANCE



**"Options such as deductions, co-payment and portability can help senior citizens in reducing their premium rates"**

**SIDDHANT SINGH**  
BUSINESS HEAD,  
POLICYBAZAR.COM

by their current insurer. Policyholders can switch their policies from group to individual policies or from individual to individual policies as well, where the benefits accrued in the previous policy will be carried on to the new policy after portability. The porting request has to be initiated 45 days before the policy's renewal date, with the policyholder required to complete the formalities requested by the new insurer. "The new insurer will reach out to the previous insurer to understand the insured's medical and claims history. Post the requisite due diligence, the policy may be accepted by the new insurer, who may also suggest revisions in the policy," says Singhel. But the company can also deny such a request as per its underwriting norms and guidelines.

Keep in mind that porting is only allowed while renewing a policy. The new insurer has to offer the same sum insured, and with any waiting period completed with the old insurer being continued.

**Modular Policy:** These days, insurers are willing to customise their policies to align with your needs. Hence, if you need a waiver on pre-existing diseases or need a shorter waiting period before the coverage kicks in, then insurers can customise the policy as per your needs. Similarly, if you want to introduce a co-payment or a deductible clause in the policy to reduce your premium, you can do so. You can also buy a floater health insurance with your spouse to reduce the premium outgo.

**Health Fund:** If you find that your current policy does not provide a favourable risk-return equation, you may consider investing in debt funds or fixed deposits to create a substantial health fund. Moreover, it is always pertinent to establish such a health fund because many illnesses are not covered under regular policies. And if you are not prepared for such emergencies, they

can have a significant impact on your finances.

The good part is that health insurers today have understood the challenges a policyholder faces, and hence curated products that offer better coverage, control and care to senior citizens. For instance, the latest products cover charges such as teleconsultations, annual health check-ups and second-opinion consultations, apart from offering lower waiting periods for pre-existing conditions. Not only that, plans, such as one from Care Health, covers senior citizens up to the age of 98 years.

Similarly, ManipalCigna has a policy called 'ManipalCigna Prime Seniors' that gives flexibility in terms of lower waiting periods and provides coverage for pre-existing diseases from 91 days after enrolling in the policy. "There are products in the market that are more affordable, predictable, and simple. We are seeing a gradual change in the landscape of health insurance for senior citizens, and insurers are now curating products that will ultimately benefit the customers," says Sikdar.

Finally, it is always advisable to buy health insurance early in life. Buying a cover early on can ensure that the waiting period for any pre-existing disease is completed at a young age. One can also increase the coverage for any non-claim year by getting a no-claim bonus or NCB—a reward for not raising any claims in a particular year—from the insurer. "There is a significant difference in the premium of a young person versus a senior citizen. However, this may vary from insurer to insurer," says Chaturvedi of Go Digit. He further explains that Go Digit has devised an age band for premiums instead of charging higher premium age-wise so that rates stay constant for everyone in the same age band. All of this means that there are a number of ways for people, especially senior citizens, to keep a tab on increasing premium rates. ■

@neeraj\_kumar