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Personal accident cover — your protection net

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VENKAT, an IT professional, the only earning member of his family met with an unfortunate accident while on his way home. As a consequence, he had to undergo surgeries for multiple injuries. Unfortunately, he also lost his right arm. His disability was partial but permanent, which took months together to recover. This also meant those many months of loss of income. However, Venkat had invested in a life and a health insurance policy for unforeseen situations like these. Unfortunately, like most of us though, he had not invested in a personal accident policy, a benefit policy that supports you and family members financially in the case of any bodily injury or death as a result of an accident.

While his health insurance policy took care of the hospital bills of the multiple surgeries, there was no compensation for the loss of income since he was at home for six months recovering from the accident. His life insurance policy, which he had perceived to be an aid in such a situation, did not trigger since a life or term policy comes into effect only in case of natural death and total permanent disability.

How does the Personal Accident Policy help

A personal accident policy compensates the insured under four major heads



along with other special benefits.

■ **Death:** In case of an unfortunate incident, the policy compensates the insured's nominee with 100% of the sum insured.

■ **Permanent Total Disability:** In case of PTD due to accidental bodily injury which might leave the insured in a condition that does not allow him to pursue any further employment, 125% of sum insured is payable to the

insured. This amount varies from insurer to insurer.

■ **Partial Permanent Disability:** In case of PPD due to accidental bodily injury, a certain percentage of sum insured depending on the disablement is paid to the insured.

■ **Temporary Partial Disability:** In case of temporary disability, for instance a fracture or a dislocation etc, compensation is paid on a weekly basis or for the

time period that you are not able to earn an income. This compensation would depend on the kind of PA plan a policyholder opts for. This weekly benefit is paid up to 100 weeks and takes care of the insured's loss of income allowing him to take care of his health without any worries about his loss of pay due to long leave.

Apart from this, the policy also provides benefits like:

■ **Children's education bonus:** In case of death of the insured, a certain allowance is paid towards the cost of education of dependent children.

■ **Hospital confinement, accidental hospitalisation allowances:** The policy not only takes care of the hospitalisation expenses due to the accidental injury but also provides an additional allowance towards a maximum of 30 days of hospitalisation.

Things to keep in mind while buying a PA cover

■ Who can be covered under the policy?

You can cover yourself, spouse and dependent children under a PA policy.

■ Can I get all benefits under one policy?

You can choose the covers depending on your requirement and financial eligibility. Typically, a comprehensive plan will cover you against death due to accident and permanent and temporary disable-

ment. A wider cover will cover death due to accident along with permanent total disability and partial permanent disability. A basic cover will cover death due to accident only. The premium will depend on the plan and coverage that you opt for.

What is the correct sum insured to opt for while looking for a PA policy?

The sum insured for a PA policy is directly proportionate to your income. The eligible sum insured will be in the range of 100 times to 120 times of your monthly income. This multiplier varies from insurer to insurer.

Do I get benefit for a claim-free year?

For every claim-free year, you are eligible for cumulative bonus of 10% of the sum insured.

What is the process to make a claim?

Post any accident or fatality, the insurer must be intimated about the event within 30 days. Documents that must be kept ready to make a claim are claim form, copy of FIR, all investigation reports and certificates from the doctors and disability certificate etc. In case of an accidental death, one will need to submit death and burial certificates as well.

The author is Head-Health Insurance, Bajaj Allianz General Insurance.

The views expressed in this article are his own