

Date: 6.11.2018

Publication: DNA Money

Page No.: 4

Edition: Delhi, Mumbai

Ask **THE EXPERT**

Tapan Singhel

MD & CEO, Bajaj Allianz General Insurance



GENERAL INSURANCE

Personal accident insurance is as essential as health insurance

I am 45 years old, my wife is 41 and our daughter is 11. I have a Rs 10 lakh health insurance from my office. As I have increased the amount from what the office is offering, I am paying Rs. 1,500 premium per year. Do I need more health insurance? If so how much more should I buy? —Rajnish Rao

It is always advisable to have health insurance of your own apart from the one offered by your employer. The employer's insurance coverage will cease to exist once you resign/retire from services. As you age further, you may need to have regular health check-ups and medical examinations, which may also lead to a higher premium. Hence, I would suggest you buy a separate health insurance coverage for your entire family as early as possible. I would also recommend you have a holistic health insurance policy for your family, which comprises of a base cover, super-top up plan, critical illness cover and a cover which gives daily reimbursement. To ensure you have a relook at the sum insured of your policy every couple of years as medical inflation is increasing at about 15% annually.

I recently got a mail from my health insurance company about personal accident cover. As per their advice, my husband and I should take Rs 10 lakh cover since our incomes are more than Rs 12 lakh and our daughter should also have Rs 5 lakh cover. Our health insurance cover is Rs 20 lakh. Is this personal accident cover required? Does our daughter also need it? - Manisha Tandon

Health insurance will do good only in case of hospitalisation and provide cover only to the extent of the hospitalisation expenses incurred. A personal accident policy, however, is a benefits policy which will trigger in case of accidental death or disability (be it permanent or temporary). The policy pays a lump sum on the occurrence of an event like death/disability. I would recommend you to have a personal accident cover with a sum insured that is 100 times your gross monthly salary to be appropriately covered. I believe that a personal accident insurance cover is equally essential like a health insurance policy to protect your family's financial health that can go off track suddenly due to an unfortunate accident. Planned financial support in time of exigencies not only helps you to cope with the suffering better but also allows you to have a normal life as soon as you recover.

If I buy a motor insurance policy for more than one year, how will I get the no claim business (NCB) benefit? —Paresh Shah

It is great that you are thinking about opting for a long term a comprehensive insurance as you won't have to worry about renewing the same every year and the premium for the policy will remain fixed for the long-term tenure. You can get the benefit of NCB at the time of renewal of policy as per the eligibility and duration of the policy.