

Building a strong health insurance plan

Buying a coverage at an early stage, topping up with relevant packs are crucial

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Since childhood, we have learnt that food, shelter, and clothing are the three necessities of life. Unfortunately, nobody spoke about insurance, and no one perceives it as a priority. However, insurance is an amazingly effective tool that offers protection against adversities in exchange for a nominal premium.

We all have witnessed and heard stories of people selling their jewellery or valuables and mortgaging properties to pay for medical bills in case of exigency. Good health insurance can easily address such problems at a relatively much lower price. Given the unprecedented rise of lifestyle diseases, much early onset of health-related issues, and increasing medical inflation, having a health insurance plan is an absolute necessity today.

While many people know the importance of health insurance, not many know how to design a cover that acts as a formidable shield during a medical exigency. Let us take some time to understand how to do this:

Buy a base plan at a young age

I sincerely advise that everyone should have a basic health cover, this acts as the first layer of safety for the insured in case of an unforeseen situation. One should start investing in a good health insurance plan at the earliest to enjoy lower premiums and wider coverage. In health insurance, age plays an important role in the premium calculation, the younger you are the lesser premium you will have to bear. Also, insurers often put a waiting period on a few ailments or existing conditions, and one has to serve those waiting periods before one can raise a claim under these ailments/health conditions. One advantage is that at a younger age you are less likely to be suffering from any ailments.

Even if your employer covers you through group health insurance, please do not undermine the importance of an individual coverage plan. Group medical claims cover you only until the time you are part of the organisation, and the policy might not meet your personal requirements. To continue reaping the benefits of your health insurance, please ensure that



you renew your policy each year so that you are well-prepared during the time of a medical emergency.

Top up your base plan

Many people think that having a basic health cover, for Rs 3 to 5 lakh as the 'sum insured' is enough. However, even a cursory glance at the soaring medical cost will tell you to rethink. The whole idea of buying health insurance is to ensure that you are worry-free and get to live a life of dignity, which requires adequate coverage. Yet, one cannot keep increasing the sum insured every few years, and that is where a top-up plan comes to your rescue. Top-up plans are designed to bolster your base plan by offering you additional coverage over and above the existing policy, at a nominal premium. To understand how a top-up plan works, you must know the concept of 'deductible'. A 'deductible' is the limit, up to which the claim cost has to be borne by you or your base insurance policy. For example, if your top-up policy has a deductible limit of Rs 5 lakh, then it means that your top-up plan will come into effect once the claim amount crosses that limit. The initial Rs 5 lakh will either be borne by the insured or the base policy. For a seamless experience, align your top-up policy with your base policy. Suppose, your base policy has a sum insured of Rs 3 lakh, then you should buy a top-up plan with a deductible limit of Rs 3 lakh.

If your employer is offering you a GMC, and you are hesitant about buying individual health insurance at the moment, then you can simply buy a top-up cover to supplement your GMC.

Buy a Critical Illness cover

Unfortunately, India is witnessing an unparalleled rise in critical illnesses like cardiovascular issues, cancer, kidney failure, tumours and paralysis to name a few.

However, thanks to the advancement in medical sciences, many of these issues can be cured if one undertakes proper treatment. The cost of these treatments is quite high and it requires a substantial amount to get proper treatment. Typically, critical illness is a benefit policy, which means that the policy pays the lump sum amount if the insured is diagnosed with a critical illness named in the policy. It is important to note that the list of illnesses varies from insurer to insurer; one must go through this list thoroughly to have a clear understanding of the coverages. A critical illness is a must-have for anyone whose immediate blood relatives have suffered from these life-threatening ailments.

Top up with a wellness rider

You can take a wellness rider, which will take care of doctor consultations fees, OPD costs, teleconsultation and investigation costs like pathology or radiology expenses, and offers cover for a preventive health check-up. Please note that the covers under these riders vary from insurer to insurer, and you should look for the rider which meets your requirements the best.

If you buy these few policies, then by and large you will be adequately covered against any health-related exigency. So, now that you understand how you can build a strong health insurance plan, I urge you to evaluate your requirements and find suitable cover for you and your family.

Always remember, the cost of insurance is substantially low compared to the financial expense that one might have to bear in case of an unforeseen event. If the Covid-19 pandemic has taught us anything, it is that we should take our health seriously and be prepared for medical exigencies.

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