

Article Date	Headline / Summary	Publication
10 Nov 2023	Delhi air: 50% surge in health insurance inquiries, most pick Rs 1 cr cover	Business Standard

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Many are choosing the Rs 1 crore cover, a combination of base and super top-up

There has been a 50 per cent surge in inquiries regarding health insurance this month, with the air quality index(AQI) crossing 500 in the NCR region, according to data analysed by Policybazaar.

India ranks eighth among the 10 most polluted countries in the world.

Air pollution is believed to be responsible for an estimated 7 million deaths each year, according to the World Air Quality Index Report 2023.

Some of the common effects of air pollution include diseases such as respiratory/bronchial obstructions, lung cancer, cardiovascular diseases, stroke, and acute respiratory infections. Some of these could lead to chronic conditions requiring long-term medical intervention.

"The deteriorating air quality index (AQI) will not only affect the lungs and result in respiratory disorders but also cause other long-term problems. We are seeing a lot of customers, who are concerned about their health. They are buying health insurance," said Siddharth Singhal, business head — health insurance, Policybazaar.com.

People are opting for the Rs 1 crore cover

Many are choosing the Rs 1 crore cover, a combination of base and super top-up as it proves to be an affordable and comprehensive option. "It shields you from a variety of scenarios, ensuring protection against hospitalisation bills that could reach up to Rs 1 crore," noted Policybazaar.

In cases like cancer, where bills may soar to Rs 30 to 50 lakh or even higher, and considering instances like lung transplants, around 40% of health insurance customers have opted for the Rs 1 crore plan, a significant increase from previous years when the standard cover was only Rs 5 lakh. Now, the average sum insured is approximately Rs 26 to 27 lakh.

Medical inflation

India faces a medical inflation rate of around 15%. Consequently, many insurance companies are adjusting prices to manage the rising loss ratio. The average claim size, once at Rs 60,000, has now climbed to Rs 80,000-85,000. Given the 15% medical inflation, insurance companies find it necessary to increase health insurance premiums.

What kind of health policy do you need?

"Pollution-related illnesses are mostly low in severity, yet they tend to be frequent since causative factors are constantly present in the surroundings. This can lead to long-term impacts on one's health and wellness. A standard Health insurance product will provide coverage for hospitalization related to most of the pollution-related illnesses. However, due to the low severity of these conditions, the management of these diseases mostly happens at the OPD level, cover for which is usually restricted only in comprehensive insurance products and restricted up to defined limits," said Bhaskar Nerurkar, Head – Health Administration Team, Bajaj Allianz General Insurance.

What does a comprehensive policy include?

Health insurance plays a crucial role in mitigating out-of-pocket expenses during the surge in emergency hospitalisations due to rising pollution levels in Delhi NCR.

Hospitals in Delhi are witnessing a rise in patients with respiratory conditions, asthma or COPD (Chronic Obstructive Pulmonary Disease), and cardiovascular diseases, some requiring ICU admissions too.

Usual airborne ailments like bronchitis, pneumonia, asthma, and COPD that require hospitalization are covered under a health insurance policy (as per T&C). However, in many cases, patients do not require hospitalization but might need regular OPD consultations, medications and diagnostic tests, during this time.

"A health insurance policy with good OPD cover/teleconsultation cover plans can help consumers sail through. In severe cases, a consumer and his/ family might require immediate hospitalization or even ICU support; in such cases, a family health insurance with ICU expenses cover and a cashless claim is highly recommended," said Indraneel Chatterjee, Co-founder of RenewBuy.

"By having a comprehensive health insurance policy, individuals can cover hospitalisation costs, including room charges, medical tests, and even specialised treatments. Everyone should secure coverage, with a minimum of Rs 10 lakh or, ideally, opting for a Rs 1 crore cover. This ensures financial protection and reduces the burden of unexpected healthcare expenses ranging from chronic lung diseases to heart attacks," said Policybazaar's Singhal.

Make sure to read the terms and conditions

While most health insurance policies are all-inclusive and provide coverage for air-borne diseases, the policyholder must read the terms and conditions carefully before buying any policy.

"It is important that consumers look for optimum health cover, which includes common diseases and critical illnesses," said Chatterjee.

Opt for policies that offer coverage for outpatient treatments

Moreover, to prepare for outpatient expenses amid the increasing pollution-related ailments such as chest infections, dry throat, cough or eye irritation, consider health insurance plans that offer coverage for outpatient treatments, diagnostics, and medications.

"Opting for policies with OPD benefits can help offset costs for consultations, medicines, and diagnostic tests, providing a holistic approach to managing health-related expenses in the face of rising pollution challenges," said Singhal.

For example, the Bajaj Health Prime Rider offers products that offer holistic coverage benefits such Tele-Consultation Cover, Doctor Consultation Cover and Investigations Cover – Pathology & Radiology Expenses, as per Nerukar.

"Through Tele/ Video consultation services offered through our network providers insured can easily consult the Medical Practitioner/ Physician/Doctor listed on the digital platform through video, audio, or chat channels. One can also easily consult a Medical Practitioner/ Physician/Doctor in person from prescribed network centres and avail for investigations for pathology or radiology from prescribed network centres on a cashless basis/discounted rates," he added.

Point to note: Even though there are no specialised health insurance products in the market specifically for pollution-related illnesses, all conditions leading to hospitalisation due to pollution are covered by most health insurance products.