

Health covers for NRIs: Check geographical limit, sum insured

Currency fluctuations could affect value of premiums and claims

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A growing number of non-resident Indians (NRIs) is choosing to purchase health insurance policies for themselves and their dependants in India. A recent study by PolicyBazaar found that about 71 percent of the 3,000 respondents had bought a policy in India.

The primary driver is lower cost. Says Siddharth Singhal, business head, health insurance, PolicyBazaar: "Medical treatments are much more affordable in India. A heart bypass surgery, for instance, costs about \$5,500 in India, significantly less than the \$13,000 in the UAE and \$123,000 in the United States. This affordability leads to lower insurance premiums."

Covered during visits to India

Purchasing a health policy in India carries several other advantages. Says Bhaskar Nerurkar, head, health administration team, Bajaj Allianz General Insurance: "NRIs tend to be familiar with the Indian healthcare system. Also, health insurance in India provides coverage during visits to the country. This is particularly valuable to NRIs who travel to India frequently."

Many policies nowadays offer international coverage. Says Nerurkar: "Many comprehensive health insurance policies available in India provide seamless cover for planned as well as emergency treatment availed from health care providers internationally (outside India) and domestically."

Usually, policies have a pre-existing disease waiting period of four years. Says Singhal: "Several Indian health insurance plans now provide coverage for pre-existing conditions from day one." In most cases, insurers don't ask for a pre-issuance health check-up. A tele-underwriting call suffices even in cases where the customer has pre-existing ailments.

Owning a policy in their country of residence is not a barrier to purchasing



Insurer	Plan	Sum insured (₹lakh)	Annual premium (₹)
Care	Care Supreme	10	21,000
NivaBupa	Max Saver 2.0	100	24,072
NivaBupa	ReAssure 2.0 Platinum	10	24,313
HDFC	Optima Secure	10 (5 + 5)	24,352
Star	Star Comprehensive	10	25,382

Family floater of three where the husband is 40, wife is 38 and child is 12, living in Delhi (plans sold to residents can also be sold to NRIs)
Source: PolicyBazaar.com

one in India. Says Naval Goel, chief executive officer and founder of PolicyX.com: "Even if the NRI has a health policy in his or her country of residence, they can buy a separate health plan in India for themselves, their parents, spouse, and children."



NRs can claim a refund on the 18 per cent good and service tax (GST) paid on their Indian health insurance plan (to avoid double taxation).

Says Apaar Kasliwal, executive director, PolicyBoss: "NRIs can also avail of tax benefits on the premium paid under Section 80D of the Income-Tax (I-T) Act." If the policy covers

the NRI and their wife and children, they can claim a deduction up to ₹25,000 on the premiums paid in a year.

Says Raghavendra Rao, chief distribution officer, Future Generali India Insurance Company Ltd: "For parents aged above 60 years, NRIs can claim benefits up to ₹50,000 on the premiums paid."

Beware currency risk

Currency risk is something NRIs need to face. Fluctuations in exchange rates can impact premiums and claims.

Health insurance providers usually offer only a limited sum insured to NRIs, as they are considered risky. Says Goel: "These policies often come with a set sum insured as the insurer will not be

able to cross-verify the authenticity of the claim once the policyholder leaves the country." These policies may have geographical limits. Adds Rao: "A policy bought in India may not provide coverage outside the country."

Check scope of coverage

NRs must check the policy coverage and benefits, and the network hospitals where cashless treatment is available. The policy's geographical scope must be understood. NRI buyers must also check the waiting periods, sub-limits and caps, the claims process, and exclusions. Says Goel: "If their current travel cover offers health coverage in India, they need not buy an extra health plan unless they soon plan to move to India permanently."

If status changes

The NRI status is usually not permanent and can change to resident Indian (RI) or non-citizen. Says Nerurkar: "If an NRI's status changes to RI or non-citizen, they must promptly communicate this to their insurer. Depending on their policy's terms and conditions, adjustments may be necessary." The NRI may need to transition to a different policy or insurer. Adds Nerurkar: "This can involve changes in premiums, coverage, and eligibility for certain benefits."

Sometimes, according to him, insurers may choose not to renew the policy or may terminate it when the status changes to non-citizen.