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Headline: - Covered Under Your Employer's Group Health Policy? Here's How You Can Make Most Of It

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You are recommended to buy separate individual policies, but there are alternatives.

If you are covered under your employer's group health insurance plan, and are unsure of whether you need a separate individual policy, then here is all you need to know. Individuals are mostly recommended to buy separate individual policies, over and above their group health cover, because of insufficient and incomplete coverage of hospitalisation expenses and limited coverage periods. But, there are alternatives.

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But, there are alternatives.

Buying A Top-Up Plan

A group health insurance plan typically provides a medical expenses cover of about Rs 3 lakh to Rs 5 lakh, S Dheeraj Krishnaa, head of wellness and telehealth at Star Health and Allied Insurance, told BQ Prime.

"So, an employee has the option to buy a top-up policy for the additional coverage or a larger sum assured with the same insurer." This, he said, would cost less premium and provide the coverage as desired.

This can be done when an individual is employed.

Convert Group Policy To Individual Policy

In a separate scenario, where an individual has not taken a separate individual policy during his/her employment but now plans to quit the existing organisation, they can convert existing group health insurance policy to an individual one.

According to the Insurance Regulatory and Development Authority of India, an employee can convert their group coverage into an individual health insurance plan with the same insurance company after completing the necessary formalities.

"Individuals, who are covered under a group insurance plan, can migrate along with family members to an individual or family health insurance policy with the same insurer. The application for porting the policy should be done at least 45 days prior to the last working day with the employer," Bhaskar Nerurkar, head-health administration team at Bajaj Allianz General Insurance, told BQ Prime.

The individual may have to pay an extra premium and provide a medical certificate to change from group to individual health insurance. However, this is not a mandatory requirement, and it is the insurance company's discretion to offer the conversion or not, he said.

Conversion Versus Buying A Fresh Policy

Star Health's Krishnaa highlighted two main advantages of conversion:

Moratorium period: When a policyholder has maintained the coverage for eight years without a break, the health insurance provider cannot deny a claim. For an employee, who is covered under a group health policy with a particular insurer, when it is converted to an individual policy, all his years under the group policy would also be considered for the moratorium advantage.

Waiting period: Certain lifestyle diseases like diabetes, hypertension, and cardiac ailments have a waiting period of one or two years since the purchase of the policy. A conversion of existing group to individual policy would help overcome the waiting period clause.

Addressing Policy Conversion 'What-Ifs'

What if the former employee wishes to change the insurance provider after conversion to individual policy?

Nerurkar said the Insurance Regulatory and Development Authority of India regulations state that the employee can convert group coverage into individual health insurance plan only with the same insurance company. "After a year under the individual cover, you can switch to a different insurer."

If the employee quits and wishes to opt for an individual policy with a different insurer than the one affiliated with the organisation, then the policy will be treated as a fresh policy with the new insurer, he said.

What if an employee quits one organisation and joins another where the group policy is provided by

a different insurer?

In such a scenario, it will be a fresh policy and the period for moratorium and waiting periods would start afresh.

Thus, if one wishes to own an individual retail policy, one could consider converting their first group policy into a retail policy to enjoy benefits while being additionally covered at the next organisation.

Health Premiums And Age

There is no right age to buy insurance policies. Health insurance premiums depend on the age slab and both the existing and new policyholder will be required to pay premiums depending on and appropriate to his/her age.

However, buying early could come with some advantages, according to Nerurkar:

Premiums will be affordable, which allows getting the best coverage.

Can afford additional coverage such as maternity insurance and get over its waiting period in case you plan to start a family in the coming years.

Lifetime renewal facility and earn a cumulative bonus with ease.

Also, onset of certain critical ailments like cancer could lead to a person not being issued an individual health insurance policy later. So, it is better to take a cover while an individual is in good health, Krishnaa said.