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How to use multiple plans for one claim

To pay up a large claim amount, use group health insurance provided by your employer first, followed by your individual base plan and top-up policy

Disha Sanghi
disha.s@livemint.com

The number of covid-19 cases in the country is spiking with each passing day, resulting in more people getting treated in hospitals or makeshift facilities. For individuals with co-morbidities, the period of hospitalization, due to covid-19 or other diseases, could be longer, resulting in huge medical bills.

But if you have multiple health policies, there is no need to worry. You are allowed to use multiple policies, such as the group policy from your employer, your individual health policy and your top-up plan, for a single claim. "Keeping in mind the increasing medical costs, policyholders may purchase multiple health insurance policies across different insurers if they need a higher sum insured and their current policy has insufficient cover," said Bhaskar Nerurkar, head, health claims, Bajaj Allianz General Insurance.

However, there is a certain way you should ladder these policies to avail of maximum benefit. We tell you what it is, how to use and claim from multiple plans.



USING MULTIPLE POLICIES

Multiple indemnity policies: If you have two or more indemnity policies, you can choose the one under which you want to make the claim first. Indemnity policies pay the claim, up to the sum insured. If the claim amount is higher than the sum insured under the first policy, you can claim the balance bill amount on the second policy and so

on. Remember that while buying health insurance, you are required to disclose about existing policies. If the policies are from different insurers, then both companies need to be informed about the other policy, Nerurkar said this is important because your claim may get rejected as non-disclosure of policies is a violation of insurance

contract. Insurance companies need this information as most policies come with a contribution clause. Under this clause, all the policies contribute in equal proportion to the sum insured in case of a claim. For example, if you have two health insurance policies with a sum insured of ₹3 lakh (policy A) and ₹4 lakh (policy B) and you want to make a claim of ₹2 lakh, then you have the right to choose either of the two policies. However, if the total claim value is ₹7 lakh, then the insurers can choose to settle the claim in equal proportion to the sum insured.

Indemnity and top-up: If the second policy is a top-up, the process remains the same. Top-up plans pay for hospitalization expenses but only after a threshold limit called the deductible is crossed; the insurer expects the policyholder or another policy to pay up the deductible, and funds the remaining claim amount. "The top-up policy will be triggered as soon as the base indemnity cover expires and is consumed. Copy of claim documents need to be submitted, along with approval letter of the previous insurer, proof of payment of the deductible and so on,"

said Priya Deshmukh Gilhale, chief operating officer, ManipalCigna Health Insurance Co. Ltd.

Indemnity and fixed benefit: If one of them is indemnity and the other a fixed benefit policy like Corona Kavach and Corona Rakshak, the claim will be triggered in both separately and both the policies will be honoured independently. Corona Kavach pays the claim up to the sum insured and Rakshak pays a one-time fixed sum assured.

POLICY LINE-UP Before choosing which indemnity policy to use first, check for any deductibles or co-payment clauses. Under the co-payment clause, a percentage of the claim amount is to be borne by the policyholder. "The decision should be made on the estimate of expenses. If the expenses are high, the policy with the highest probability of paying up to the deductible limit on the top-up should be used first. In order of benefits, first group policy, then retail policy and finally top-up should be used," said Gilhale.

THE CLAIMS PROCESS For cashless claim, the request will be raised by the hospital to the insurance company on behalf of you, while for reimbursement claim, since the expenses are already paid by you, the request will have to be made by you. If you have two policies from different insur-

ers with the cashless facility, the hospital may offer it to you only on one of the policies and ask you to pay the remaining amount and get it reimbursed later. In some cases, hospitals could offer cashless facility on both the health policies. It's advisable to go for the policy with the cashless claims facility first as you can avoid paying out of pocket and then get the surplus amount reimbursed under the second policy. "The policyholder needs to be aware of the documents that will be required to file such a claim. There may be additional requirements hence the policyholder should read the policy documents to understand how to file a partial claim," said Gilhale.

For reimbursement, the approval letter of the previous insurer in itself is proof that originals have been submitted. A copy of the documents, along with this letter will suffice to process the claim. There is no cap on the number of health insurance policies that one can buy but experts suggest sticking to a maximum of two policies (one base policy and a top-up) with adequate sum insured over and above what your employer offers, to avoid confusion at the time of claim settlement.

It's advisable to use the policy with the cashless facility first and get the surplus reimbursed under the second policy Since the top-up, typically, comes up with a large deductible, invoke the group or individual policies first. Further, check the oldest policy first as the waiting period and pre-existing exclusions are likely to be over in them.

Nerurkar said it's advisable to use