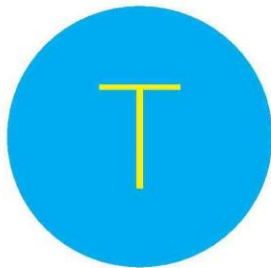
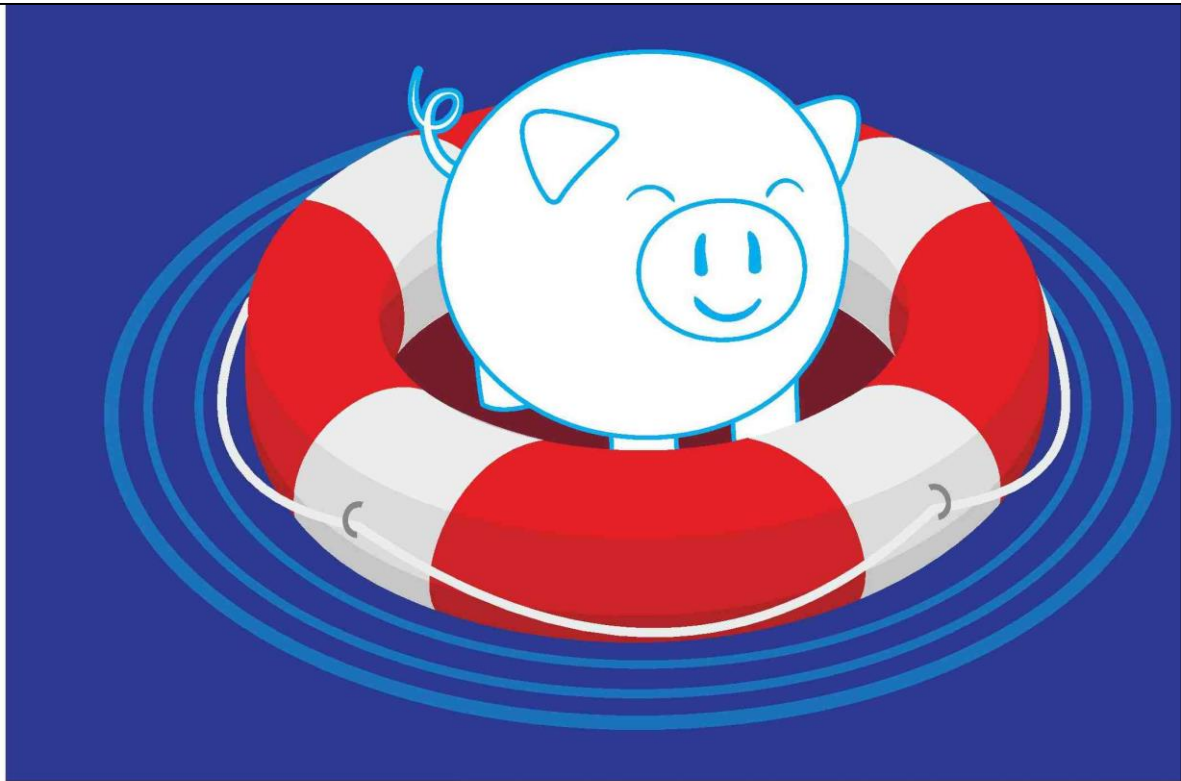


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he momentum of your wealth-building journey could take a hit in case of medical emergencies. It not only has the potential to consume all your savings, but can land you in a debt trap as well. Health insurance offers a wider protection net in such cases.

A Critical Factor

While you keep saving and investing diligently, you need to guard your finances against incidents that can derail the process. "Health insurance offers complete peace of mind to the insured. The knowledge that in case of an unforeseen event the economic damage will be covered is enough to reduce stress hormones," says Abhinav Angirish, Founder, Investonline.in.

"Even if you are in perfect health,

MAGAZINE KING

Health Cover To Protect Savings

MEDICAL INSURANCE

WILL COME IN HANDY
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PERSONAL WEALTH

BY NAVEEN KUMAR
ILLUSTRATION BY RAJ VERMA

THE WEALTH ISSUE — HEALTH INSURANCE

your health insurance should play a critical role in your financial planning as it prevents you from dipping into and depleting your savings in case of medical emergencies,” adds Shanai Ghosh, Executive Director and CEO, Edelweiss General Insurance.

“The premium is nothing compared to what you would pay in case of hospitalization... My advice would be to act now, if you haven’t already.”

Deciding The Right Cover

One of the important things to decide is the cover amount. “There is no set rule to arrive at the amount of insurance one may require. One must account for medical inflation while purchasing health insurance. Currently, medical inflation is hovering at 17 per cent per annum,” says Angirish of Investonline.

cover their children along with themselves in the same policy on a floater basis against an individual basis, the sum insured should be sufficient to take care of multiple incidences of illness in the family during the policy period,” says Rakesh Jain, Executive Director and CEO, Reliance General Insurance.

If there is a family history of chronic ailments you need to look for higher coverage. “Ideally, people living in metros must have a health insurance cover of around ₹10 lakh, the reason being the high cost of living” says Angirish. If you are living in other places, the minimum starting point could be ₹5 lakh for each individual.

Type Of Policy

Having a corporate health policy is common among salaried people. These

covered under the group health insurance policies provided by their employers. However, if you find that the cover is insufficient you can consider top-up plans as well” says Gurdeep Singh Batra, Head, Retail Underwriting, Bajaj Allianz General Insurance.

The next big question is whether to opt for individual plan or a family floater plan.

“An individual policy offers more extensive coverage. In the case of a calamity, the sum assured may not be adequate for the entire family” says Angirish. If you are going for a family floater plan make sure that it has higher coverage in case multiple members are hospitalised. One can also choose a separate senior citizen cover for parents, says Batra.

The Checklist

WHAT YOU SHOULD DO

Get a minimum health cover of ₹10 lakh if you are living in a metro and ₹5 lakh for other locations

Buy a health policy as soon as possible, the earlier you buy, the lower will be the premium

To increase affordability, buy a family floater plan to get higher coverage at a lower premium

Have a separate policy for senior citizens in the family since they are most prone to emergencies

If you have family history of chronic diseases, it is better to buy a higher cover at an early stage

If you have a good corporate policy, enhance the family cover with a top-up plan

in. So, while deciding the cover amount you have to think about the present as well as the future. If you buy a policy at a young age, you will need it for a much longer period, so the cover should be sufficient for long duration. The good thing is the sooner you buy a health insurance policy the lower will be the premium. So, you will be able to afford a higher coverage. You can also buy a basic cover and enhance it at a later stage.

While deciding the cover, you should also keep other factors in mind. “Some of the key factors one needs to consider are the size of the family and age group of members. For example, the sum insured opted by a newly married couple may be lower than a middle-aged couple. Also, if a couple wants to

policies are considered to offer wider coverage. “Most of the group policies of companies have various advantages like coverage of pre-existing diseases, coverage of maternity expenses and new-born child from the first day just to name a few, which are usually not available in case of individual policies,” says Jain.

But corporate policies also have their disadvantages. “It will be prudent to have an individual plan along with your corporate plan. This ensures you have an added cushion, in case your medical emergency goes over limits of your corporate,” says Ghosh.

If you have a good corporate health policy then you add top-up plans as well. “Conventionally, most Indians are

One needs to understand the basic nuances before buying a health insurance policy.

“It’s imperative to thoroughly read through your policy documents in order to be informed regarding the coverage you receive, the SI (sum insured) of your policy and also your exclusions (e.g room category /capping, co-payment if any, sub-limits for any illness, etc). It’s also essential to have adequate coverage which is at par with medical costs,” says Batra. Also, compare the features, coverage and premiums of different policies before buying one, and disclose all details while filling your application form. **BT**

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