

Date: 27.09.2021	Publication: Business Standard
Page No: 11	Edition: New Delhi Mumbai Bangalore Chennai Kolkata Ahmedabad Bhubaneswar Hyderabad Pune
Headline: Limit co-pay in senior citizen plan to 10%	

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Use super top-up and critical illness plan to further bolster your health insurance portfolio

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While the threat from the Covid-19 pandemic has reduced, it has not gone away entirely. A third wave remains a distinct possibility. In such a scenario, buying health insurance for the vulnerable, like senior citizens, has become a necessity. As S Prakash, managing director, Star Health and Allied Insurance, says, "Health insurance for seniors is now an essential need, at par with food, clothing and shelter."

Normal or dedicated plan?

Senior citizens can purchase the normal comprehensive health insurance plans that insurers offer (individual or floater). Many insurers also offer dedicated plans for senior citizens.

Prakash says, "Individual and family floater covers are available up to the age of 65. Those above 65 need to go for a senior citizen policy."

Senior citizens (between 60 and 65) who don't suffer from any ailment should first try to purchase a normal individual or floater cover. Those suffering from an ailment or two have a better chance of getting covered if they apply for a dedicated senior citizen plan.

Should you opt for co-pay?

Co-pay is the percentage of the claimable hospital bill that the insured has to pay out of his own pocket. Most senior citizen plans offer this feature.

Mayank Bathwal, chief executive officer (CEO), Aditya Birla Health Insurance, says, "The co-payment option allows the insured to keep the premium low."

Co-payment usually ranges from 10 to 30 per cent. Manish P Hingar, founder, Fintoo says, "If you opt for co-pay, and the bill is high, the amount you have to pay can be unexpectedly high. So, it is advisable to avoid this feature." If you go for it, limit it to 10 per cent.



COMPREHENSIVE PLANS: COSTLIER BUT FEATURE-RICH

Insurer	Senior citizen health insurance	Annual premium (₹)*
• Star Health and Allied Insurance	Senior Citizen Red Carpet	26,550
• Care Health Insurance	Care Senior	25,828
• Aditya Birla Health Insurance	Activ Care Standard	24,202
Insurer	Comprehensive health insurance	Annual premium (₹)*
• Bajaj Allianz General Insurance	Individual Health Guard	39,884
• Aditya Birla Health Insurance	Activ Health Platinum Enhanced	31,927
• Star Health and Allied Insurance	Star Comprehensive	30,881
• Care Health Insurance	Care	25,265

*Premiums are for ₹10 lakh sum insured. Source: Policybazaar

Augment cover with super top-up

Purchasing health insurance gets difficult after 60. Senior citizens who are unable to get a health cover can create a health corpus of, say, ₹5 lakh or ₹10 lakh and supplement it with a super top-up, which is easier to get. Bathwal says, "You can avail of a super top-up even if you don't have a health policy. Once the deductible is paid by you, the super top-up policy is activated for subsequent claims."

While senior citizens require a larger cover, purchasing a high sum insured for them is expensive. Instead of hiking the sum insured of the base plan, they should explore buying a super top-up. Gurdeep Singh Batra, head-retail underwriting, Bajaj Allianz General Insurance, says, "Opt for a super top-up cover, in addition to the base cover, to cope with increasing medical costs."

Do so after comparing the cost of the two options — hiking base cover versus buying a super top-up — and go for the latter if it saves you money.

Amit Chhabra, head-health insurance, Policybazaar.com, says, "Buy the base policy and the super top-up from the same insurer." Doing so makes it simpler to make a claim.

Critical illness policy for high expenses

A critical illness usually burns a big hole in the pocket, so senior citizens should consider buying a critical illness plan. Bathwal says, "A critical illness cover makes a lump sum payout on the detection of one of the covered ailments. The payout is not based on the actual cost of treatment." This amount can be used to meet a variety of expenses not covered by the base health cover.

This policy should be purchased only after buying an adequately large base cover. Naval Goel, founder & CEO, PolicyX.com, says, "An adequate base cover is essential to take care of the hospitalisation cost arising due to multiple diseases. A critical illness cover kicks in only when the policyholder is diagnosed with an illness covered by the policy."

If a person has to pay a bill of ₹5 lakh and the base cover is for ₹3 lakh only, he will have to pay ₹2 lakh out of his own pocket. Goel says, "The critical illness policy or rider will not come into play in such a case."

Is a disease-specific cover advisable?

A senior citizen should first buy a base cover. To cope with medical inflation, he should boost the sum insured on the base cover or buy a super top-up. In addition, he may buy a critical illness plan as safeguard against the massive expenditure such an illness entails.

A senior citizen who is unable to purchase these covers may opt for a disease-specific cover. According to Batra, "Dedicated plans can be bought by those who have a family history of diseases like diabetes or cancer."

These policies usually don't require a medical check-up and can be bought even by someone who has already suffered from a disease. Rishad Maneekia, founder and managing director, Kairos Capital says, "If someone has a specific illness, he can opt for a disease-specific plan. A diabetic may, for instance, opt for a dedicated plan that covers this ailment."

Other key parameters

Claim settlement ratio indicates the number of claims paid by the insurer out of the total number of claims received in a year. Senior citizens should opt for an insurer that has a claim settlement ratio of 90 per cent or above.

Another crucial parameter is the waiting period for pre-existing diseases (PEDs). It usually ranges from two to four years. Policies with lower waiting period of one year are also available and should be preferred.

Many senior citizens have to undergo treatment at home in case of a prolonged illness. Chhabra says, "Go for a plan that covers the cost of hospitalisation at home."

Check if you will have to undergo a health check-up at the time of purchase. Some insurers offer a senior citizen policy even without it. Prakash says, "We don't do pre-acceptance screening. You just have to fill a self-declaration proposal form." Make correct declarations to avoid claim rejection later.