

# Buying a health policy? Know these factors

Going for a medical insurance from a reputed insurer is not enough. One must look at the various inclusions and exclusions before choosing to pay for it

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Buying health insurance has become a matter of exigency in today's life considering the rising cost of healthcare and the enormous expenses involved in seeking treatment for various illnesses. Anand Roy, Joint Managing Director, Star Health and Allied Insurance Co Ltd, says, "To manage rising healthcare costs, one would require a health insurance plan. Increasing lifestyle diseases amongst our population and related expenses make comprehensive health insurance for the entire family a must-have."

"People risk their entire savings to be wiped out during hospital emergencies if they don't have health insurance. Cashless benefits provided by insurers are a boon to customers during these unforeseen circumstances. Therefore, health insurance is a necessary part of the prudent financial planning of every individual," said Roy.

### Family health plans

Many people prefer to buy family health plans instead of individual health insurance to benefit from the health cover extended to family members including parents or in-laws in the former. However, the premium charges

of family floater plans are evaluated after considering the age of the eldest member of the family. Explaining why health policies benefit young customers more, Naval Goel, CEO & Founder, PolicyX.com, says, "Young families must consider buying family floater policies as they are cost-effective and insure the entire family under one sum insured. The premium that you pay for a family floater plan depends on the age of the oldest member, so younger families with fewer age gaps benefit the most."

### Buying health insurance

Buying health insurance in haste is futile and does not serve the necessary purpose for which it was initially bought. Prasun Sikdar, MD & CEO, ManipalCigna Health Insurance Company, says, "Life is unforeseeable, thus to prioritise the family's health and well-being, the factors one must consider before buying health insurance are the kind of basic and value-added covers the plan offers such as access to quality healthcare network, waiting period, ceiling on claims, health reward points, preventive health benefits, inflation protection guaranteed cumulative bonus and other added benefits."

Given the numerous options available in the market, buying health insurance can be a confusing and emotionally tiring process. Enlisting some additional factors, Jaideep Devare, Managing Director, Mahindra Insurance Brokers Ltd (MIBL), says, "Considering the following key factors, before buying a health insurance cover, could help simplify the process. Some of them include coverage of daycare procedures, the inclusion of pre/post-hospitalisation expenses, the extent of coverage, age limit, co-payment clause, maternity, and newborn benefits, coverage of pre-existing diseases, etc. Every policy comes with the exclusion clause. Check the list of diseases and surgeries that are not covered under the plan before you buy."

### Sum assured matters

It is important to choose an adequate amount of sum assured to cover all the hospital and medical treatment bills. While this may involve an increase in premium plans, some insurers allow the flexibility to increase the sum assured sans any additional premium charges. Subramanyam Brahmajossyula, Head - Underwriting and Reinsurance, SBI General In-

surance, says, "If you would like to have a comprehensive health plan covering all your family members, it is economical for a floater health plan which will result in significant savings in premium. Under a floater plan, the sum insured selected is available for utilisation by one or more members of the family during the policy year. The premium for a floater plan is around 30% of what it would cost if you were to opt for a separate plan for each member of your family. In other words, a floater plan offers optimum protection at an affordable premium."

### Does the renewal age matter?

Though the Insurance Regulatory Development Authority of India (IRDAI) mandates every health insurance company to cover its customers till they turn 65 years old, it is important to check the extent to which your choice of insurer allows the renewal of your policy. Rashmi Nandargi, Head - Retail Health, PA and Travel Underwriting, Bajaj Allianz General Insurance, says, "Renewal age is the age limit until which you can renew your health insurance policy and not beyond that. However, all retail health policies are re-

## HEALTH CHECK

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newable up to a lifetime. Retail health products are filed products and premium charts are predefined as per age limits. These increase over a spectrum of age as the age band changes and progresses further."

### Medical and critical illness insurance

There are two kinds of health policies available in the market, viz., medical insurance and critical illness insurance. However, while buying a health plan, many of them do not understand the difference between them

and mistake one for the other. Amit Chhabra, Head- Health Insurance, Policybazaar.com, says, "A regular indemnity health insurance plan is the one where the lumpsum amount is paid to the policyholder upon hospitalisation. The amount which is paid is the actual expense incurred during hospitalisation up to the sum insured."

"The policyholder can opt for either cashless or reimbursement as a mode of payment. Under cashless, one can pay for the hospitalisation expenses through the cashless card where the insurance company will directly pay to the hospital, while under reimbursement the policyholder can submit the actual bills of the hospitalisation expenses to the insurer and get the same reimbursed," said Chhabra.

"These plans are renewable for life even after making the claim. Most Critical Illness (CI) plans are fixed benefit plans. These plans offer protection against severe or specific illnesses and diseases. Usually there are CI plans available for ailments such as cancer and heart diseases. These plans offer one-time lumpsum payment upon the detection of a certain stage of the illness and extinguish," he said.