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Headline: - Will your newborn baby be covered under your company health insurance policy with maternity benefit? Check if you need to act

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Synopsis

If you are planning to start a family and depending upon your corporate health insurance policy then you need to check whether it offers adequate coverage to meet all eventualities as in many cases these plans offer no coverage to new born baby or the coverage may not be adequate for the new born baby. To avoid last minute surprises you must ensure that your new born has adequate financial protection. If you are a young couple thinking of having children, a critical decision to make is whether you should go for maternity cover with your personal health insurance policy or not. If you take a policy with maternity cover, the premium will be higher. If you go without maternity cover, you will have to bear the entire expenses yourself, unless you have a corporate health policy that covers maternity. However, the most critical issue will be coverage of new-born children which you must check before planning your family. We explain how maternity cover works in a health insurance policy and how to decide if you should buy a health insurance policy with maternity cover?

Critical Health Coverage for the New Born

A good number of corporate health plans may not offer maternity benefit. Even the ones that do, they may not offer insurance cover to newborns or the cover that they offer may not be adequate. Even if you have a personal health insurance policy that does not have maternity, it will not help in the case of new born. If you want to buy a new personal health plan for the new born, most insurance companies offer financial protection to newborns only when they are older than 90 days. Family floater plans without maternity cover have provision to add new member but even that may not help. These plans typically allow addition of a new member within the same sum insured but for an additional premium however, only after 90 days of the delivery. So you must check if you need to have a personal health insurance plan with maternity benefit that offers protection to the new born baby.

“There are two types of health insurance plans with maternity coverage in a retail policy. One is where the insurance company pays the delivery expenses, and the other is where the delivery expenses and

the newborn baby is also covered at no extra cost from day 1 until day 90. This plan would cover expenses for any kind of complications, postnatal care, ICU charges, etc. It is recommended to buy a cover that provides both for newborn expenses and for delivery expenses," says Siddharth Singhal, Business Head-Health Insurance, Policybazaar.com.

Any personal health insurance policy that offers maternity cover usually covers childbirth and all related complications. "Maternity cover provides coverage towards expenses related to pregnancy and childbirth, such as the cost incurred during hospitalisation, pre/post-delivery, room rent charges, and any other pre/postnatal complications for the mother and her baby. Irrespective of the delivery being a caesarean section or a natural delivery, expecting mothers can avail of these benefits under their health insurance policy," says Bhaskar Nerurkar, Head-Health Administration Team, Bajaj Allianz General Insurance.

Maternity cover in retail health insurance policy usually comes with a considerable waiting period. So, check the fine print of the policy before buying the policy. "The usual waiting time for such policies start at 4 years but companies are now bringing it down to as low as 9 months. It is always advisable to seek a maternity health insurance policy well in advance," says Indraneel Chatterjee, Co-Founder of RenewBuy.

Personal health insurance plans also offer additional coverage. "Some plans also cover the mandatory vaccinations of the newborn baby for up to 90 days, as recommended by the Pediatrics Association of India," says Nerurkar.

Premium and benefits for 2 Adults of age 27 years (Male) and 25 years (Female) with Sum Insured of 10L and located in Delhi,*Mother and Child Care rider added which is only available in a 3year tenure policy, hence the premium mentioned is of 3 years including the rider with a waiting period of 1 year and 1L sum insured of maternity coverSource: www.policybazaar.com

For a 27-year-old male and 25 year old female, non-smoker, sum insured of Rs 10 lakh living in a metro citySource: www.policybazaar.comIf a person has a corporate health insurance policy with adequate maternity cover, it is better to avoid duplication by buying an individual or family floater plan. However, not all corporate plans tick all the right boxes. In many cases, buying a personal health insurance policy may be a better option.

If you have a corporate plan, evaluate it before taking a call. Employees who have a corporate health insurance coverage are likely to have maternity coverage as well; however, it needs to be thoroughly checked before taking a decision. "Maternity benefits are generally made available at the discretion of employers. They may or may not choose to include it in their corporate health plan," says Nerurkar.

Even if a corporate plan has maternity coverage, it may offer very little help due to restrictions. "Generally, the insured will be subjected to sub-limits and co-payments. So the plan might not meet one's medical needs. On the basis of one's requirement, it is always necessary to check the coverage limits under a corporate health plan," says Nerurkar.

You need to check the features of the corporate health plan to make sure there is adequate coverage. "Usually, a corporate health plan provides Rs 25,000–35,000 as delivery expenses. Whereas, in a retail health insurance plan, which you can buy for yourself, the sum insured can go up to Rs 2 lakh," adds Singhal. A personal health plan may offer much higher maternity coverage to handle any eventuality. "A retail health insurance plan has no sub-limits and is lifelong and renewable," says Singhal. A personal health plan can be helpful when the corporate plan seems to have inadequate maternity coverage. "Corporate policies may have limitations or restrictions on maternity coverage, so you might

want to supplement this with an individual or family floater plan,” says Singhal. This will ensure that you are best prepared to deal with any complications during the childbirth. “A retail health policy, either individual or family floater, can always act as a shield just in case there are any complications or medical situations in the family,” says Singhal.

If a person uses the corporate plan and does not use the individual plan, it can lead to accumulation of no-claim benefits. “Consumers can also avail no-claim benefit from the family floater plan, if they have both family floater and corporate policies and keep claiming for settlements from their corporate policy,” says Chatterjee.

Corporate plans will not work when a person leaves the company. “If a person changes a job, then he or she is covered through the family floater policy during the transition period. The only major difference is the premium, which has to be borne by the policyholder in case of family floater,” says Chatterjee. If husband and wife both have separate corporate plans, which one should be used first? “Look for information based on a high claim amount, more benefits, fewer coverage limits, deductibles, and any exclusions. This will help you know which plan should be used first. One should definitely go for a plan where there is no room rent cap and no particular sub-limit on maternity,” says Singhal. If the expense is higher than the sum insured of one corporate health policy, can these plans be clubbed for a delivery or post-delivery treatments? “If the expenses are higher, these two plans can be combined. From one policy, the policyholder can pay via cashless mode. The rest of the amount can be paid via the spouse’s corporate plan via reimbursement mode,” says Singhal.

Individual health plans do come with maternity cover, but a family floater plan typically offers higher coverage for a similar premium and is more beneficial, especially for maternity coverage. “Family floaters cover the entire family, including maternity costs, making it convenient. The premiums are also cheaper than taking two individual policies. If one is planning to start a family soon, a family floater with maternity benefits is a great plan that provides comprehensive coverage,” says Chatterjee. The higher coverage of a family floater plan can help in case of an eventuality. “Maternity cover in a family floater can provide adequate coverage for pregnancy, hospitalisation as well as take care of the newborn’s expenses. One should carefully understand his or her family requirements and the financial capability before choosing any of the plans,” says Chatterjee.

If you are value-conscious, a family floater plan will work better. “Whenever a couple plans to start a family, it is crucial to consider the overall cost of maternity care, which can be substantial. If you compare the premium costs of family floater plans with maternity coverage to the cost of an individual plan plus the out-of-pocket expenses associated with maternity care, the family floater plan can definitely provide better value,” says Singhal. Some plans offer maternity coverage only when you buy a family floater plan. “Many health insurance companies provide maternity benefits only if you and your spouse are covered by the same insurance plan,” says Singhal.

If a person has a stable job with an adequate corporate health insurance cover with maternity benefit that covers new born baby also, avoid having a personal health plan with maternity cover. Otherwise, it is better to have a personal health insurance plan with maternity cover for better protection. “An important point to understand here is that corporate insurance policies can only act as a backup plan because the coverage amount is low and the employer might change the terms and conditions at any time. There’s also a risk of the policy being seized if the policyholder switches jobs or loses the job, as the policy only lasts until the date of employment. Thus, it’s always recommended to have a personal health insurance policy to secure your financial well-being,” says Singhal.