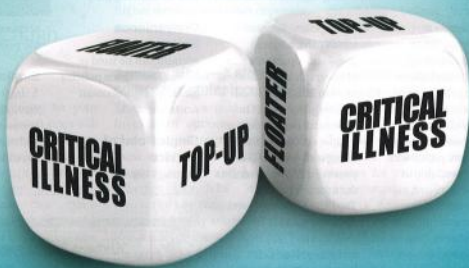


Build a healthy foundation

Fast changing, must have policies will ensure you are not rendered in a situation much worse than death, say **Anagh Pal** and **Preeti Kulkarni**



No one plans to get sick, yet chances are at some point between age 25 and 50, you would have made a trip to the hospital costing you upwards of ₹50,000. If you contract dengue or anything that leads you to hospitalisation for a few days, add few more thousands to the aforementioned amount. Owning a health insurance policy is not only a must, it is also your ticket to financial cushioning without which you could find your savings being depleted. Increasing healthcare costs and complications

means you need more than a single policy to manage the financial implications of hospitalisation.

At 28, Mumbai-based Roshan Bhagat has made sure that he has a health insurance that covers his

wife and 18-month-old son for ₹3 lakh. "It is a floater for all three of us for which I pay ₹16,000 annual premium, which is sufficient at the moment. I will increase the cover later," he says. Most people



G SRINIVASAN
CMD, NEW INDIA ASSURANCE

A right product would be one which is broad in coverage, least on exclusions, capping, co-pay, and should be affordable too.



ANTONY JACOB

MD AND CEO, APOLLO MUNICH HEALTH INSURANCE

Disease-specific covers serve as an add-on cover to regular health insurance policies. They offer different solutions to different segment of customers.

who understand the need for health insurance and fidget over the premium end up paying more. Health insurance is more than just paying the premium; it also means knowing what the policy covers should you experience a crisis.

Selecting a plan

If you explore the available health insurance policies, you are likely to come across individual health insurances, top-up plans, critical illness, floater, senior citizen plans and more. Making a choice can be an arduous task unless you know

the basic features of each of these options (See: *Healthcare menu*). Taken in right doses, chances are you will have a rock solid protection to financially fight any health-related issues. Despite all the options, there are more people who have no health insurance or have a wafer thin health insurance policy. "About 38 per cent of the population in the age group of 18-35 years and 60 per cent of the population above 45 years of age are underinsured," says G Srinivasan, CMD, New India Assurance. The pet peeve for most is the premium



Opt for a personal accident cover and a basic health insurance policy.

ROSHAN BHAGAT, 28

Has taken a family floater to cover his wife and toddler son for ₹3 lakh, which he feels is sufficient for the time being, with the possibility of increasing it later on.



COVER STORY



Continue the personal accident policy, increase your health cover and take a cover for your spouse.

that one pays for health insurance as many feel it costs a lot. "Premium is a factor of age of the individual, people to be covered under a policy, city in which treatment is to be taken and the kind of hospital they plan to choose in the event of a claim," explains Srinivasan. A trade-off between the cost of insurance and the type of facilities one is aiming at needs to be made.

"Purchase health insurance at early age when health risks are low. The policyholder will be rewarded with cumulative bonus on no claims each passing year, which adds to the initial sum insured, going up as high as up to 50 per cent of the sum insured," says Rajiv Kumar, managing director and CEO, Universal Sompo General Insurance. Moreover, with time, certain conditions like the waiting period exclusions are over and the policyholder is completely protected at a stage when he is more vulnerable to health risks.

Healthcare Menu Rx		
Insurance Type	What it offers	Suitability
Individual Health plan	Basic healthcare plans which typically cover treatments undertaken when hospitalised. The cover extends to pre- and post-hospitalisation expenses on medication and diagnostics, subject to limits and conditions in the policy	The base of your health insurance portfolio and is a must even if it is from an employer
Family Floater plans	Extension of the individual plan, these cover a family by spreading the risk across the members. For instance, a ₹2 lakh cover is spread across four family members; two adults and two children	For those who can't afford individual plans for the entire family; a floater is a good start
Senior Citizen Health Plan	These are plans for those over 60 and come with a lower value of cover	Those who are senior citizens and looking for a basic health cover
Groups Health plans	For employees in organisations; comes with certain additional benefits that individual plans do not carry, for instance, pregnancy	Is good as long as you stay with the employer. Do not just depend on this cover
Hospital cash	Pays a fixed sum for each day spent in hospital, totally independent of the room rental and medical treatment	Can act as a buffer for income loss when hospitalised
Critical illness plan	Long-term critical health lists a host of high-cost, low-incidence critical health conditions such as cancer, stroke or kidney failure that it covers for 20-year periods	Add only after a basic health plan if there is a family history of critical ailment or lifestyle that is likely to lead into one
Top-up and Super Top-up	This cover goes beyond the threshold limit or the maximum limit of the existing health insurance policies. For instance, if you have an individual cover for ₹3 lakh and also a top-up cover for ₹10 lakh; the threshold limit of ₹3 lakh will work the best.	Enhances your health insurance beyond the threshold limit and is cost effective

The table is an indicative chart on the benefits of each plan and what one can gain from it. At best, it should be a ballpark to choose and prioritise insurance plans.



VINAY SINGH CHUPAL, 46

Plans to increase health insurance cover for self and wife as both are now over 40 years old so that he need not dip into his savings in spite of a health cover.

Photo: SHARMA

Unlike life insurance, where a ballpark ten times annual income or expenses is a good start point on the quantum of cover one needs, health insurance does not have any such indications. "Every individual's needs vary. Start by listing out the important features that you would look for like disease-wise limits, cost sharing arrangement and waiting periods before looking at the premium," advises V. Jagannathan, CMD, Star Health and Allied Insurance. He goes on to detail why choosing the right insurer is even more important than the policy.

"The past track record of the insurer, especially with claim settlement is crucial," he stresses.

"Although different families have different healthcare needs, it is advisable for a young nuclear family living in a metro city to consider a family floater policy of at least ₹10-15 lakh sum insured, as it provides adequate coverage for two adults and two young children," feels Antony Jacob, MD and CEO, Apollo Munich Health Insurance. At a very basic level, most employers provide a health insurance policy that is linked to the employee's hierarchy



Continue the personal accident policy and include your children with a family floater.



V. JAGANNATHAN
CHAIRMAN CUM MD, STAR HEALTH & ALLIED INSURANCE

Disclose all details and information truthfully in the proposal form to ensure that you do not face a claim rejection later.

COVER STORY

in the organisation and the salary they draw. This is a good start, and for many it is perhaps their first brush with health insurance in any form.

Although other forms of insurance may lose relevance with time, health insurance is a must for you throughout your lifetime. Whether you are young or old, ill health can hit you at any stage, which is why adequate health insurance is a must at every stage in life. In fact, you should assess your existing health insurance cover every passing year. "We are both in our 40s now and I think the family floater of ₹5 lakh which also covers our two daughters is insufficient," says Vinay Singh Chaupal. The Mumbaikar is planning to double the cover after having experienced colleagues dip into their savings to tide over hospitalisation expenses.

For those who have missed taking a health insurance early in life, there are dedicated plans for senior citizens too. Yes, the premiums on such policies are high and there are exclusions that come with these policies; yet, if you do not have one, you should go for it. Increasing longevity and high healthcare costs necessitate such plans. "Medical inflation, as on 2015, was as high as 15 per cent, outpacing the average inflation rate. Lifestyle-related diseases are also on the rise, which makes health insurance a must," feels Sandeep Patel, MD and CEO, Cigna TTK Health Insurance. People with elderly parents can buy this policy for their parents.



TAPAN SINGHEL

MD AND CEO, BAJAJ ALLIANZ GENERAL INSURANCE

Don't underestimate expenses that you will incur at the time of a medical crisis; go for a health insurance to take care of the expenses.



Include a critical illness policy to existing portfolio.

Smart strategy

As you grow older, the probability of health risks goes up and so does the premium on such policies. While ₹2 lakh health policy is a good start to fund small hospitalisation costs, it is not sufficient to cover for a serious case such as a heart attack. Not to worry if you have low cover as you can add on covers to enhance the scope of your health insurance policy. You could take a top-up health insurance plan in addition to your existing basic health insurance policy.

These policies come into action after a basic threshold is breached

by your existing health insurance, popularly known as deductible in the insurance dialect. Deductible is the portion of the claim amount that is not covered by the insurer and which you, the policyholder, needs to pay before the benefits of the insurance policy can kick in (*See: Essential terms*). For instance if you opt for a top-up policy of ₹5 lakh cover with a deductible of ₹3 lakh, it means that the first ₹3 lakh of the hospitalisation bill will have to be borne by you and the remainder by the insurer.

What this means is that if you do run up a hospital bill of ₹5 lakh, you can use your individual health insurance policy to pay ₹3 lakh and then use a top-up cover to pay the remaining ₹2 lakh. In similar vein there is the super top-up plan, which is a step ahead of the top-up plan. While top-up plans work on 'per claim' or 'per single hospitalisation' basis, super top-up is useful in case of multiple hospitalisations.

The increasing incidents of critical illness, especially chronic critical illness have also resulted in the launch of disease-specific insurance plans. Today, there are health policies available to address diabetes, cancer and heart-related health issues. With India being the diabetes capital of the world, insurers have come up with dedicated health insurance policies to address this disease. Typically, health insurance was either unavailable to diabetics or was available with stringent exclusions. The diabetes care policies offer insurance cover for diabetes-related complications, which is a boon for diabetic patients, who otherwise are denied health insurance when they need it the most.

Caveat emptor

Having adequate health insurance is one thing; being paid the claim

COVER STORY

Terms to know

Co-payment: It is a cost-sharing requirement under a health insurance policy that provides that the policyholder/insured will bear a specified percentage of the admissible costs. A co-payment does not reduce the sum insured.

Day care treatment: Day care treatment refers to medical treatment, including surgery in a hospital, that takes less than 24 hours.

Deductible: It is a cost-sharing requirement under a health insurance policy by which the insurer is not liable to pay for a specified amount of the covered expenses, which will apply before any benefits are payable by the insurer. A deductible does not reduce the sum insured.

Network provider: It means hospitals or healthcare providers enlisted by an insurer or by a third party administrator (TPA) and insurer together to provide medical services to an insured on payment by a cashless facility. The list of such hospitals is maintained by the TPA.

Non-network: Any hospital, day care centre or other provider that is not part of the network.

Pre-existing disease: Any condition, ailment, injury, related condition(s) for which the policyholder had signs or symptoms or was diagnosed within 48 months prior to the first policy issued by the insurer.

Cashless facility: It means a facility extended by the insurer to the insured where the payments, of the costs of treatment undergone by the insured in accordance with the policy terms and conditions, are directly made to the network provider by the insurer to the extent pre-authorisation is approved.

is another. While the cashless claim with health insurance has been in vogue for over a decade, it comes with its share of rough edges. "I was hospitalised and the bill ran up to ₹12,000 and despite the intimation and reminders, I was denied the claim," says an anguished Pankaj

Adlakha. The Gurgaon resident needed hospitalisation in May 2015 and got himself admitted to a leading private hospital where he had no complaints of the treatment. As it was an emergency, it was not a planned admission. "The insurer asked him to furnish



Make sure you have a senior citizen health insurance policy for yourself.

documents and proof, which he did diligently. However, after a few follow ups, he gave up due to time constraints.

It is not enough to have adequate health insurance policy, make sure that you read the terms and conditions well. You should know whom to call at the time of the need than leave it till the last. Chances are you will have someone else take you to the hospital and get you treated and use the insurance policy; so make sure you maintain the policy-related documents in order and easily accessible for your near and dear ones. Yes, there are instances of claims being delayed and in some cases even denied. However, most such cases are due to mistakes committed by the insured. Do not be a victim of ignorance; know about your policy and its scope to benefit from it when you need it the most. □

With inputs from Anjali Adlakha



SANDEEP PATEL
MD AND CEO, CIGNA TTK HEALTH INSURANCE

Critical illness policy can be of help to cover medical bills and the allied expenses. It is a good supplement to the health insurance portfolio.

General Insurance Made Easy

Looking beyond life

Do not be blinded just by life insurance; there are other forms that are much more important when you are alive



Mention insurance and chances are most people will think of life insurance and stop right there. Yes, life insurance is important and necessary to create a financial cushion for your dependents. However, equally important are insurance policies like health, personal accident, motor insurance and a cover for your home. The upside of all of these forms of insurance is that they address the financial challenges you may face when you are alive.

Rising healthcare costs, spreading health hazards could severely affect your finances. Take for instance the prevalent dengue and chikungunya scare. Hospitalisation can set you off by several thousand rupees for each day you spend in a hospital. Things could get

enhance the scope of insurance.

One of the most expensive possessions for Indians is their home. However, very few think of a householder's insurance which covers the structure as well as the contents. Yes, the risk of a house being impacted by fire or floods seems farfetched; however, do not forget that you may face a deluge or even flash floods as was the case in Chennai in December 2015 or Hyderabad or Gurugram in recent months due to sudden

downpour.

In similar vein is the personal accident cover. While death is loss of life which may be covered by your life insurance policy, but accidents leading to disability, which could be partial or total and temporary or permanent, the financial implications could result in a disaster. Do not treat these hazards lightly; the scope of general insurance policies is such that it can help you ensure that you are not heavily impacted financially. □

outlook@outlookindia.com

Secure your family's "health" with health insurance

Universal Sompo General Insurance Co. Ltd.

Toll Free No. 1800 22 4030
Log on to www.universalsompo.com

COMPLETE HEALTH INSURANCE

- Includes 11 sub-coverage
- Free and Post Hospitalisation expenses covered
- Cashless facility at over 8000 hospitals
- Maximum OPD/AYUSH/OT/ICU also covered

A joint venture of All India Bank • Indian Overseas Bank • Karnataka Bank Ltd • State Investment Corp • Sampo Japan Insurance