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START AGAIN: Under refill plans, you can get double the sum insured

Used Up Your Health Cover? Refill or Top up

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Bengaluru: It takes a medical crisis to make most of us realise that our health insurance cover is too small. Insurers are aware of this and therefore, almost all comprehensive medical plans from standalone health insurance companies now come with a built-in sum insured restoration or refill benefit.

Under these plans, the basic cover automatically gets reinstated in case you exhaust it during a policy year. Take for instance, you have a health insurance cover of ₹5 lakh. During the policy year you fall ill and run up a claim of ₹2 lakh which the companies settles. In a few months, another claim of ₹4 lakh arises. In regular policies you would have got only the outstanding ₹3 lakh out of the total ₹5 lakh cover and would have had to pay the remaining ₹1 lakh from your pocket. However, in a policy that comes with the restoration benefit, you will get the full ₹4 lakh.

Health insurers reinstate up to 100% of the sum insured in a year: In effect, you are actually covered for double the amount of your basic cover size. For a ₹5 lakh cover, you can claim up to ₹10 lakh with the restoration benefit. Not surprisingly, this benefit costs slightly more than a standard health plan. For instance, a regular ₹5 lakh indemnity plan would cost a 35-year-old a little more than ₹6,000 annually, while the plan with restoration benefit would cost more than ₹7,000.

Also, there is no loading on your next year's premium for using the refill benefit. "According to the new health insurance regulation, a health insurance company is not allowed to charge a higher premium from the customer post a claim. The rule applies to restoration plans as well and the cost for this benefit is built-in from day one," says V Jagannathan, CMD, Star Health and Allied Insurance.

How Much Does it Cost?

THOUGH THE COMBO COSTS SLIGHTLY MORE THE BENEFITS ARE BIGGER



SUM INSURED (SI) 'RESTORATION' BENEFIT			VS	BASIC HEALTH PLAN + SUPER TOP-UP		
Company	Individual Premium*	Family Premium**		(A) Premium for a basic health plan	Individual Premium*	Family Premium*
Max Bupa	₹6,843	₹14,256		(B) Premium for a super-top-up	₹2,584	₹5,169
Apollo Munich	₹7,298	₹24,130		=Total Premium (A+B)	₹8,584	₹17,169
Religare Health	₹6,618	₹13,398				
Star Health	₹6,124	₹13,876				

FAMILY FLOATER

Under floater plans, the illnesses are individual specific and each ailment is treated as fresh case for different members

V Jagannathan
CMD, Star Health and Allied Insurance.

Sounds too good a deal to be true? The catch is that the restored sum insured can be only used for any other illness or diseases unrelated to the ones for which claims have been made during the year. So, if your previous medical claim was related to your heart ailment or diabetes, any hospitalisation that remotely relates to the illness won't be claimable.

In a family floater plan the treatment is slightly different. "Under floater plans, the illnesses are individual specific and each ailment is treated as fresh case for different members," says Jagannathan.

Nevertheless, this clause beats the whole purpose of having a bigger cover as the chances of you falling ill with an existing condition or a relapse is always higher than developing a new ailment.

It is, therefore, better to opt for a

basic health plan and a top-up combo. Though buying two products may cost slightly more, the benefits are bigger. One, the top-up plan does not come with the 'claims different ailments only' clause. It simply kicks in once you cross the basic threshold/deductible limit and pays for all ailments irrespective of where a similar claim has been made during the year.

Two, you have the flexibility to choose a higher cover. This means even if you have a base cover of ₹5 lakh, you can always opt for a ₹10 lakh top-up. In a restoration plan, the maximum you get is double the sum insured.

However, make sure you pick a 'super top-up' and not any regular top-up plan.

The difference is that in the case you choose a regular top-up policy, for you to get the claim, the expenses for a single treatment should be over the threshold. Whereas, in a super top-up your total expenses in a year have to be above the threshold level for the policy to kick in.

