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Description	Insurance for elderly comes with too many riders

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Besides conditions and caps, premium jumps up on renewal

DEEPA NAIR

When Amrit Ramchandran tried to buy a health insurance policy after retiring from a private manufacturing company in 2012, he was denied one.

At 60, most insurers were reluctant to sell him a health policy for two reasons — age and his medical history of clogged arteries.

Ramchandran's bitter experience is not uncommon. Senior citizens continue to get a raw deal trying to get a health cover despite efforts by lawmakers to tackle this discrimination.

In 2013, the Insurance Regulatory and Development Authority of India (IRDAI) outlined health insurance regulations, introducing landmark changes for senior citizens.

A senior citizen could now buy health insurance for the first time at 65 years (the entry age is de-

finied) and renew all health policies for the rest of his life. Rejection of a policy to a senior citizen required a written explanation and insurers were even required to bear part of the expenses towards the initial health check-up.

Guarded acceptance

The regulations were a game changer, says Sanjay Datta of ICICI Lombard General Insurance, as it forced insurers to address availability of tailor-made insurance products for senior citizens.

"From a phase of risk avoidance, health insurance coverage for senior citizens has now reached a stage of guarded acceptance," says V Jagannathan with Star Health and Allied Insurance.

Customised senior citizen policies now include, for example, shorter waiting periods (two years) to have a pre-existing illness covered.

The hurdle, however, is that these policies come with more sub-limits or restrictions in terms of cost of treatment and higher co-payment clauses, where the se-

HEALTH INSURANCE PLAN FOR SENIOR CITIZENS

Case Study - 65yr old

Private Insurers	Plan	Sum Assured	Premium	Medical Test
Religare Health Insurance	NCB Super Premium	10,00,000	26302	Yes
Tata AIG Insurance	Mediprime	10,00,000	36716	Yes
Apollo Munich Health Insurance	Optima Restore	10,00,000	39552	Yes
Max Bupa Health Insurance	Heartbeat Gold	10,00,000	56714	Yes
Public Insurers				
The New India Assurance Company	Individual Mediclaim Policy	8,00,000*	33708	Yes
United India Insurance	Health Policy	3,00,000**	12625	Yes

*Maximum Sum Insured under the policy **Maximum Sum Insured under the policy Source: Policybazaar.com

nior citizen will have to foot part of the bill.

But there are some positives too, following the regulator's diktat to pay attention to senior citizens' grievances. A special senior citizen cell is operational at Bajaj Allianz, for example, with a special email address, besides priority at the call centre. Some insurers also have external providers sending SMS reminders on medicines, ex-

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ercises and health check-ups.

Premium increase on claims

Renuka Kanvinde with Bajaj Allianz General Insurance says it is a misconception that senior citizens claim more. "According to our claims data, those in the age group of 18-25-year-old band claim more due to accidents and infections. We have been getting claims for angioplasty for a 35-year-old too now," she says.

The mortality and morbidity risk premiums for senior citizens are higher according to the age slabs she agrees, as age progresses.

A major concern for older people is the huge increase in premi-

um when renewing a policy, especially if a claim had been made or as they grow older.

Harish Sharma had taken a senior citizen health policy in 2011 for his parents from a private sector insurer.

But, he says, the premium amount increased 400 per cent over three years after a claim.

Though regulations prohibit "claim-based loading" (increasing the premium after a claim) many insurers continue doing it because of lack of awareness among policy-holders and insurance agents, says Gaurang Damani, who has filed a public interest litigation at the Bombay High Court seeking transparency in

health insurance. Hiking premium rates following claims force a senior citizen to discontinue the policy, says a senior official with a public sector general insurer.

Slow change

Jagannathan disagrees that senior citizens are avoided by the health insurance industry. "With sub-limits and co-payments and lesser waiting periods, they are being offered cover. This trend is gradually undergoing change," he says.

Conditions to buy health insurance for senior citizens are not always conducive, agrees Somesh Chandra with Max Bupa. However, the Union Budget increased the tax deduction limit on health insurance premium up to ₹30,000 for senior citizens, he says, and such measures will help improve affordability and access to health insurance.

Also, awareness of these changes, says Damania, will be key to ensuring that health is covered in those twilight years.

*Some names have been changed to protect the identity of people

LEAD STORY