

Publication	Mint
Date	10.08.2015
Description	Best Health Plans for You'

BEST HEALTH PLANS FOR YOU

How do you buy a health insurance plan? If you just settle with the plan your agent sells or are happy knowing you have bought the cheapest plan, there is a bit of unlearning and a lot of learning in store for you. A health insurance policy packs in several features and caveats. To give you a ready comparison, we designed Mint Mediclaim Ratings (MMR), which was developed by SecureNow Insurance Broker Pvt. Ltd. The full ratings along with the methodology can be seen here: <http://www.livemint.com/mintmediclaimg>.

We also explain some of the important aspects that one should look at while choosing a policy. Let's look at pricing. Price is perhaps the most important factor that you consider when you buy a product and that doesn't change even when you buy a financial product much less an insurance plan. When buying a health insurance policy too, you need to look at the premiums, but your comparison shouldn't stop there. Ensure that you buy a policy that's competitively priced but offers a comprehensive cover. Many policies would appear cheaper, but may insist on co-payment or have sub-limits on expenses.

In the ratings, for family floater plans, we have considered two sum insured amounts (₹10 lakh and ₹20 lakh) and three age categories in each—oldest insured member is 35, 45 or 65 years old. For individual plans, the age categories are the same but the sum assured is ₹5 lakh. The newest edition of the ratings (July 2015) also includes individual plans of ₹5 lakh, ₹10 lakh and ₹20 lakh for a person aged 70 years. This week, we spotlight family floater policies with sum assured ₹10 lakh, the eldest person being 35 years old and the coverage is for two adults and two children.

In MMR pricing has 30% weightage. So policies that have the lowest premium get the highest score, but to make sure that you don't trade off basic health insurance benefits for cheaper policies, other parameters such as co-payment, sub-limits, waiting period on ailments and pre-existing diseases collectively have a weightage of 70%. This way while a policy with a lower premium gets the highest score, other parameters make sure that you don't end up with the raw deal.

By Deepthi Bhaskaran/Mint

35 years: ₹10 LAKH (2 ADULTS + 2 CHILDREN)

Ratings and disclosures as on July 2015

Insurer	Product	Total points (in %)	Overall rating	Premium (₹)
ICICI Lombard General	Health	91	A	16,979
Royal Sundaram General	Lifeline Supreme	77	A	17,937
Religare Health	Care	76	A	17,592
Reliance General	Health Gain	75	A	17,799
Liberty Videocon General	Health Connect-Basic	73	A	20,057
Max Bupa Health	Health Companion-Family Floater	70	A	18,351
Star Health	Family Health Optima	68	A	17,738
Tata-AIG General	Medi Prime	68	A	18,033
Universal Sampo General	Complete Health Care	67	A	17,464
Apollo Munich Health	Optima Restore	67	A	19,444
Apollo Munich Health	Easy Health Exclusive	67	A	23,305
New India Insurance	Floater Mediclaim	65	A	17,624
Max Bupa Health	Heartbeat-Family First Silver	64	B	20,734
Max Bupa Health	Heartbeat-Family First Gold	64	B	29,396
Future General General	Health Saraksha Platinum	63	B	28,910
Apollo Munich Health	Easy Health Premium	60	B	26,307
Iffco Tokio General	Family Health Protector (FHP)	58	B	23,942
Oriental Insurance	Family Floater Gold	57	B	21,058
Cigna TTK Health	Pro Health Plus	57	B	24,259
HDFC Ergo General	Health Saraksha Silver	55	B	22,088
Star Health	Star Comprehensive	53	B	23,849
Iffco Tokio General	Swasthya Kavach-Wider Plan	52	B	18,905
SBI General	Arogya Premier Policy	51	B	29,215
Max Bupa Health	Heartbeat Gold	49	B	31,091
Bajaj Allianz General	Health Guard	45	B	24,882
United India	Family Medicare 2014	44	C	19,745
Bajaj Allianz General	Health Care Supreme	43	C	34,162
L&T General	Medisure Prime	38	C	32,309
Cholamandalam MS General	Enrich Healthline	38	C	35,976
IndiaFirst Life	Easy Health	32	C	36,342
HDFC Life	Health Assure-Gold	31	C	30,382
Cholamandalam MS General	Family Healthline-Advanced Plan	25	C	36,811
Reliance Life	Care for You	11	C	34,470

HDFC Life Option to remove room rent sub-limits considered, assumes family ages 35, 32, 5 and 2 years; Max Bupa Family First Assumes ₹1 lakh per person and floater sum assured of ₹10 lakh; Oriental Assumes two adults in the 30 to 35 age band and 2 children; Reliance General Health Gain assumes ₹9 lakh sum assured.

METHODOLOGY

Pricing: Lower pricing gets the highest weightage, but don't look at pricing in isolation. Low premium could mean that several important features are not included. So, look at all features and the overall rating.

Benefits: Health Insurance you buy the assurance that your hospital bills will be paid for. But there are some important caveats and features. We pick out six such features and rate them.

Co-pay: When you make a claim, the insurer will ask you to bear a certain portion of that claim amount. We prefer no co-pay plans.

No-claim bonus: Some insurers increase sum insured by 5% and some by 10%. Policies that give at least 10% gets full marks and others zero.

Pre-existing exclusion: The insurer will not pay for any claims arising out of a pre-existing ailment for up to four years. Some insurers have a lower waiting period. The lower, the better.

Disease waiting period: You sometimes need to wait for specific ailments to be covered. Insurers that have waived the waiting period get full score.

Disease-wise capping: Insurers restrict the amount of money they will pay on specified ailments. So, even if the sum insured is ₹3 lakh, it may cap its liability to ₹1 lakh for some ailments. Policies that don't cap, get full marks.

Sub-limits on room: Insurers also tend to cap expenses for lodging. Policies with no sub-limits get full marks.

Claims: Claims settled is calculated as claims settled/(claims settled + claims rejected + claims closed). Insurers with settlement ratio of at least 95% gets the highest score. Higher the number of claims pending for more than 6 months, lower the score. Segregated data related to health insurance complaints is not available for non-life insurance companies. We have looked at overall claim complaints through claim complaints per 10,000 claims registered as on 31 December 2014. Insurers with lesser than 30 complaints gets the highest score.

OVERALL RATING ≥65% 45-65% <45%

Rating scale	Weightage Points
Pricing	30.00
Premium	1.00 30.00
Top quartile	0.75 22.50
2nd quartile	0.50 15.00
3rd quartile	0.25 7.50
4th quartile	0.00 0.00
Product Structure	
Co-pay	1.00 5.50
Yes	1.00 5.50
No	0.00 0.00
No-claim bonus*	5.5%
If no-claim bonus is >=10%	1.00 5.50
If no-claim bonus is <10%	0.00 0.00
Pre-existing exclusion (years)	15%
1 year or less	1.00 15.00
2 years	0.75 11.25
3 years	0.50 7.50
4 years	0.25 3.75
4 or more years	0.00 0.00
Disease waiting period	5.5%
No	1.00 5.50
Yes	0.00 0.00
Disease-wise capping	5.5%
No	1.00 5.50
Yes	0.00 0.00
Sub-limits on room	8.0%
No	1.00 8.00
Yes	0.00 0.00
Claims	
Claims pending for over 6 months	5.0%
<5%	1.00 5.00
5%-15%	0.50 2.50
>15%	0.00 0.00
Claims settled	15.0%
95% and higher	1.00 15.00
85%-95%	0.50 7.50
<85%	0.00 0.00
Claim complaints per 10,000 claims	5.0%
<30%	1.00 5.00
30%-40%	0.50 2.50
>40%	0.00 0.00
Total	100.00

*10% claim as benchmark to reflect inflation

UNDER THE LENS

We look at six family floater policies and see how they score on various parameters.

FAMILY FLOATER: ₹10 LAKH (2 ADULTS + 2 CHILDREN) Person's age: 35 years

MAXIMUM POSSIBLE WHEN TOTAL SCORE IS 100

Premium	Co-pay	No-claim bonus	Pre-existing disease exclusion	Disease waiting periods	Disease-wise capping	Room sub-limits	Claims settled	Claims pending 6+ months	Claims complaints /10,000 claims
30	5.5	5.5	15	5.5	5.5	8	5	15	5

ICICI Lombard General

Product health	Premium (₹ including service tax)	Total points	Overall rating
Health	16,979	91%	A

Score

Premium	Co-pay	No-claim bonus	Pre-existing disease exclusion	Disease waiting periods	Disease-wise capping	Room sub-limits	Claims settled	Claims pending for over 6 months	Claims complaints /10,000 claims
30	5.5	5.5	11.25	0	5.5	8	15	5	5

Royal Sundaram General

Product Lifeline Supreme	Premium (₹ including service tax)	Total points	Overall rating
Lifeline Supreme	17,937	77%	A

Score

Premium	Co-pay	No-claim bonus	Pre-existing disease exclusion	Disease waiting periods	Disease-wise capping	Room sub-limits	Claims settled	Claims pending for over 6 months	Claims complaints /10,000 claims
30	5.5	5.5	7.5	0	5.5	8	7.5	5	2.5

Religare Health

Product Care	Premium (₹ including service tax)	Total points	Overall rating
Care	17,592	76%	A

Score

Premium	Co-pay	No-claim bonus	Pre-existing disease exclusion	Disease waiting periods	Disease-wise capping	Room sub-limits	Claims settled	Claims pending for over 6 months	Claims complaints /10,000 claims
30	5.5	5.5	3.75	0	5.5	8	7.5	5	5

Reliance General

Product Health Gain	Premium (₹ including service tax)	Total points	Overall rating
Health Gain	17,799	75%	A

Score

Premium	Co-pay	No-claim bonus	Pre-existing disease exclusion	Disease waiting periods	Disease-wise capping	Room sub-limits	Claims settled	Claims pending for over 6 months	Claims complaints /10,000 claims
30	5.5	5.5	7.5	0	5.5	8	7.5	0	5

Liberty Videocon General

Product Health Connect-Basic	Premium (₹ including service tax)	Total points	Overall rating
Health Connect-Basic	20,057	75%	A

Score

Premium	Co-pay	No-claim bonus	Pre-existing disease exclusion	Disease waiting periods	Disease-wise capping	Room sub-limits	Claims settled	Claims pending for over 6 months	Claims complaints /10,000 claims
22.5	5.5	5.5	3.75	0	5.5	8	15	2.5	5

Max Bupa Health

Product Health Companion*	Premium (₹ including service tax)	Total points	Overall rating
Health Companion*	18,351	70%	A

Score

Premium	Co-pay	No-claim bonus	Pre-existing disease exclusion	Disease waiting periods	Disease-wise capping	Room sub-limits	Claims settled	Claims pending for over 6 months	Claims complaints /10,000 claims
30	5.5	5.5	7.5	0	5.5	8	0	5	2.5

*Family Floater

Some figures have been rounded off. Products published on the website of insurers or available through the company call-centres have been considered. Premium Delhi has been selected. Where products have a third-party administrator (TPA) and a non-TPA one, the TPA rates have been taken. Where a maternity and a non-maternity option are available, the non-maternity option has been selected. If an option is not available, then the maternity product has been selected. In the criterion of disease-wise capping, we have only considered capping on non-cancer treatment. Sub-limit on room type is classified as 'Net' if a single or higher category room is allowed without any price restrictions. Co-pay has been marked 'Yes' if it is required for all claims, claims in hospitals outside the network hospitals or in claims from select countries. For scoring no-claim bonus, we have considered only sum insured increases and not premium discounts. For no-claim bonus, we have considered the default options to increase sum assured. Rates that can accelerate sum assured increases at a cost are not considered. Where insurers have multiple similar products, we have generally selected the higher rated product.

Claim complaints: We have considered claim complaints per 10,000 claims registered as on 31 December 2014. Overall claim complaints considered and not just health insurance specific ones since those are not disclosed publicly. Oriental Insurance Co. Ltd, National Insurance Co. Ltd, United India Insurance Co. Ltd and New India Assurance Ltd report absolute number of claim complaints. So we have used the absolute claims reported in Q3 2015, to convert this into the common format of per 10,000 claims. Claim settled (%) is claims settled/(claims settled + claims rejected + claims denied).

Claims payment: Considered for April 2014 to December 2014 unless otherwise mentioned. Oriental Insurance Public disclosures for Q2 FY2015 are not available on the website so we have considered data for only two quarters, Q2 and Q3 of FY2015. HDFC Standard Life Insurance Co. Ltd, Reliance Life Insurance Co. Ltd and India First Life Insurance Co. Ltd report absolute number of claim complaints. So, company provided correctors have been factored in. SBI General Insurance Co. Ltd has discrepancies in the published claims data. So, company provided correctors have been factored in. SBI General Insurance Co. Ltd Minor corrections made based on company feedback.

Future General India Life Insurance Co. Ltd Company information used because public disclosures do not capture claim repudiation.