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Why Should You Buy Health Insurance?

Good health and its maintenance has increasingly become a topic of interest for us all. We constantly endeavor to discover new ways to live healthier lives and have begun to naturally adopt optimal work-life balances, customized dietary & exercise regimes and even health-centric recreational initiatives. Our focus towards a positive health status has almost become an integral part of our lives.

While our quest for consistent good health is an important and progressive objective, it is equally important to be cognizant of the fact that health adversities often occur unannounced; consequently dampening our spirits and more often than not even burning a hole in our pocket. That said, one can always be prepared to face such an eventuality by taking a health insurance with an adequate cover, so that they can avail quality medical treatment without being concerned about the overbearing expenses related to it.

What's alarming is that despite the rising charges at hospitals, ballooning surgery bills and costly medicines, a very large section of the Indian population remains uninsured or under-insured; clearly the lack of awareness about the need for health cover and the options available remains a challenge. Indians, on an average, still pay 70 rupees out-of-their-pockets for every 100 rupees that they spend on healthcare, a dismal index when compared to the West, where extensively adopted health insurance products ensure that self-financed healthcare spends are limited to only 15-20% of an individual's total healthcare expenses.

Healthcare costs are set to only escalate in the future. Even at the current rate of medical inflation, a knee replacement surgery that currently sets you back by 4 lakh rupees, will cost over 14 lakh rupees in 2022. Similarly, a liver transplant that would cost approx. Rs.30 lakh today, would be priced at over a crore after 8 years.

Imagine a situation where an individual has to undergo an open heart surgery. The operation and associated costs come to around 3-4 lakh rupees. If the person concerned does not have a health insurance cover, she will have to fork out the entire sum from her pocket. If she doesn't have the adequate finances, she will either sell some assets or take a loan. Now, if the same person had bought a health insurance policy, which would have covered this illness, she would not have needed to bother about financing this treatment. This is what health insurance does. At a time when the individual & her family are already traumatized, the added task of arranging funds can put immense & undue pressure.

Unfortunately, I still come across people who treat health insurance like an investment. Somewhere they can't relate to the fact that by paying a nominal premium of only a few hundred rupees per month, they are securing their future against any medical exigency. Please remember that health insurance is not an investment. It is meant to secure and not generate returns!

India's health insurance sector is currently at a nascent stage and is evolving. There are a number of products to choose from and some of the policies now provide a wide range of Sum Insured options, worldwide medical coverage and even a daily allowance to meet your non-medical, incidental expenses during hospitalization. There are now products that even address chronic ailments like diabetes and cancer. Going forward, product refinement will only increase even as the use of technology will make the entire service process more streamlined and customer-centric.

When you are buying a health insurance policy, remember a few key points. Decide what is a sufficient cover for you and your family. A 4-lakh-rupee cover that might be suitable for your friend may not be enough for you. Similarly, the cover provided by your employer may be inadequate should an emergency arise and hence, you need to supplement it with a personal policy as well. Ensure that your cover is in line with rising medical expenses. A 5-lakh-rupee cover bought today may seem adequate but that will not be the case five years down the line. While premiums and product features may not differ much, it is the service quality offered by the insurer that eventually counts.

So in case you are still not insured, buy a health cover for yourself and your family. It will definitely give you peace of mind.