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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/mintmediclratings>.

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—eldest 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 (January 2015) has a new category of individual plans of ₹10 lakh for senior citizens aged 70 years.

This week, we put the spot light on family floater policies with sum assured ₹10 lakh, the eldest person being 45 years old and the coverage is for two adults and two children.

We also explain some of the important aspects that one should look at while choosing a policy. Let's look at claims not settled. A key piece of buying any insurance policy is how good the company is in

paying claims. Unfortunately, in India, in the health insurance space, this data is difficult to get in a user-friendly and comparable format.

Claims settlement data, as it appears in the public disclosure documents of insurers, is a consolidated set of numbers that include claims from group and individual policies. But only a small number of group policies are rejected. So, it is important to segregate this data for better analysis. But the regulator has not asked for it, nor have insurers done so. The second issue is in the nomenclature. Under claims settlement, insurers state number of claims reported, settled, repudiated, closed and outstanding. It's important to track the claims payment of an insurer—claims paid over claim decisions taken (settled, repudiated and closed). The inverse of this measures the claims not settled.

According to insurers, closed claims are those unpaid claims that are closed either due to lack of more documents from the insured or where the policyholder hasn't pursued the claim further. Closed claims should ideally form a very small portion, but if it's sizable, there is reason to worry. In our ratings, we have put claims repudiated along with claims closed in the claims not settled basket.

By Deepthi Bhaskaran/Mint



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

Insurer	Product	Total points (on %)	Overall rating	Premium (₹)
ICICI Lombard	Health Gain	91.25	A	19,554
Reliance General	Health Gain	79.00	A	19,656
Religare Health	Care	73.75	A	20,224
Tata-AIG	Medi Prime	71.25	A	20,256
New India Insurance	Floater Mediclaim	68.75	A	15,978
Apollo Munich	Optima Restore	67.50	A	21,653
Universal Sunco	Complete Health Care	67.50	A	21,436
Star Health	Family Health Optima	63.75	B	19,719
Oriental Insurance	Family Floater Gold	61.25	B	23,865
Max Bupa	Family First Gold	61.25	B	37,578
Max Bupa	Health Companion	60.00	B	22,668
Apollo Munich	Easy Health Premium	60.00	B	29,335
Future Generali	Health Serenata Platinum	58.75	B	33,564
Max Bupa	Family First Silver	53.75	B	22,620
Ifco Tokio	Swasthya Kavach - Wider Plan	53.75	B	23,656
Cigna TTK	Pro Health Plus	52.50	B	29,286
United India	Family Medicare 2014	51.25	B	22,416
HDKE Ergo	Health Serenata Silver	51.25	B	23,188
Star Health	Star Comprehensive	48.75	B	26,427
Max Bupa	Heartbeat Gold	46.25	B	41,933
Bayl Allianz General	Health Care Supreme	46.25	B	42,239
Cholamandalam MS	Circle Healthcare	41.25	C	46,973
Royal Sundaram	Total Health Plus Platinum	37.50	C	53,720
L&T Insurance	Medisure Prime	33.75	C	42,664
Cholamandalam MS	Family Healthline - Advanced Plan	26.25	C	46,479

For a sum assured of ₹10 lakh. For a sum insured of ₹10 lakh. Floater Mediclaim considered because Anja Kar is restricted to females with a girl child. Products with less than ₹10 lakh sum insured not considered. *Assumes two people in the 30-35 years age band and two children. *Insurers ₹1 lakh cover per person and floater sum insured of ₹10 lakh.

METHODOLOGY

Rating scale

Overall Rating	A	B	C
Percentage	>65%	45-65%	<45%

Pricing: Premium is the money you pay for the level of sum insured or health cover opted. 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 the features and the overall rating.

Benefits: In health insurance you buy the assurance that your hospital bills will be paid for, but beyond the basic assurance there are some important caveats and features that you need to be aware of. We pick out on 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. Insurers assess this risk for high-risk policies. We prefer an in-claim co-pay.

No-claim bonus: The norm is an increase in sum insured by 5%, but some give 10%. Since medical inflation is in double digits, 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. While the maximum waiting period on pre-existing ailments is 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 to minimize their risks. Some if you have bought a policy with a sum insured of ₹10 lakh, the insurer may cap its liability to ₹1 lakh in case of particular 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 not settled: We have calculated this as claims repudiated/claims closed/claims settled-claims repudiated/claims closed. The claims data for retail and group insurance combined since the industry does not publicly disclose segregated data. Insurers with an average 5% get the highest score. We also look at the duration of claim settlement. Higher the number of claims pending for more than 6 months, poorer the score.

HOW TO READ THE SCORE

PREMIUM (RANGE: 0-0.3) 0.3 means the premium is very affordable. 0.25 means the premium is on the lower side. 0.15 means premium is on the higher side. 0 means an expensive policy.	NO-CLAIM BONUS (SCORE: 0 or 0.075) 0.075 means the policy rewards with a no-claim bonus of more than 10%. 0 means the no claim bonus is less than 10% or not available.	PRE-EXISTING DISEASE EXCLUSION (RANGE: 0-0.15) 0.15 means waiting period is the least at one year or less. 0.125 means the waiting period is on the lower side at 2 years. 0.075 means waiting period is 3 years. 0.05 means the waiting period is the maximum at four years.	DISEASE WAITING PERIOD (SCORE: 0 or 0.05) 0.05 means no disease specific wait period. 0 means there is waiting period.	SUB-LIMITS ON ROOM (SCORE: 0 or 0.075) 0.075 means no cap on amount payable on the amount to pay. 0 means there is a limit.	CLAIMS NOT SETTLED (RANGE: 0-0.2) 0.2 means that the insurer has not settled only under 2% of its claim in a year. 0.1 means the insurer has not settled 5-15% claims in a year. 0.05 means the insurer has not settled over 20% of its claims.	CLAIMS PENDING FOR OVER 6 MONTHS (RANGE: 0-0.05) 0.05 means less than 5% claims are pending for over 6 months. 0.025 means 5-15% claims are pending for the period. 0 means over 15% claims are pending for more than 6 months.
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UNDER THE LENS

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

FAMILY FLOATER: ₹10 LAKH (2 ADULTS + 2 CHILDREN) Eldest person: 45 years

MAXIMUM POSSIBLE WHEN TOTAL SCORE IS 1							
Premium	Co-pay	No-claim bonus	Pre-existing disease exclusion	Disease waiting periods	Disease-wise capping	Room sub-limits	Claims not settled
0.30	0.05	0.075	0.15	0.005	0.005	0.075	0.20
							0.05

ICICI Lombard

Product	Premium (₹ including service tax)	Total points	Overall rating
Health Gain	19,554	91.25%	A

Score

Premium	Co-pay	No-claim bonus	Pre-existing disease exclusion	Disease waiting periods	Disease-wise capping	Room sub-limits	Claims not settled	Claims pending for over 6 months
0.30	0.05	0.075	0.125	0.00	0.05	0.075	0.20	0.05

Reliance General

Product	Premium (₹ including service tax)	Total points	Overall rating
Health Gain	19,656	75%	A

Score

Premium	Co-pay	No-claim bonus	Pre-existing disease exclusion	Disease waiting periods	Disease-wise capping	Room sub-limits	Claims not settled	Claims pending for over 6 months
0.30	0.05	0.075	0.075	0.00	0.05	0.075	0.10	0.025

Religare Health

Product	Premium (₹ including service tax)	Total points	Overall rating
Care	20,224	73.75%	A

Score

Premium	Co-pay	No-claim bonus	Pre-existing disease exclusion	Disease waiting periods	Disease-wise capping	Room sub-limits	Claims not settled	Claims pending for over 6 months
0.30	0.05	0.075	0.0375	0.00	0.05	0.075	0.10	0.05

Tata-AIG

Product	Premium (₹ including service tax)	Total points	Overall rating
Medi Prime	20,256	71.25%	A

Score

Premium	Co-pay	No-claim bonus	Pre-existing disease exclusion	Disease waiting periods	Disease-wise capping	Room sub-limits	Claims not settled	Claims pending for over 6 months
0.30	0.05	0.075	0.0375	0.00	0.05	0.075	0.10	0.025

New India Insurance

Product	Premium (₹ including service tax)	Total points	Overall rating
Floater Mediclaim	15,978	68.75%	A

Score

Premium	Co-pay	No-claim bonus	Pre-existing disease exclusion	Disease waiting periods	Disease-wise capping	Room sub-limits	Claims not settled	Claims pending for over 6 months
0.30	0.05	0.00	0.0375	0.00	0.05	0.00	0.20	0.05

* Products published on the websites of insurers or available through company call centres have been considered. * Information drawn from public sources. * Products as on 15 December 2014. * Where insurer determines premiums, DMI has been selected. * All products have a 3-yearly premium (TPA) and a non-TPA rate, the TPA rate has been taken. * Where a maternity and a non-maternity cover option is available, the non-maternity plan has been selected. If such an option is not available then the maternity product has been considered. * Where there is a co-pay in certain situations such as hospitalisation, diagnostic or hospitalisation we have used the product assuming there is a co-pay. For example, Religare's Swasthya Kavach plan. * In the criterion of disease-wise capping, we have considered capping on non-cancer treatment only. * Health insurance products of the insurers have not been considered because relevant claims information is not available. * Claims payment information for TPA and non-TPA rates mentioned. * Cigna TTK and Q2 of F&E used since company commenced operations this year. * Future Generali: Connected information provided by the company has been used. * HDKE Ergo: Q2 disclosure has claims closed + claims settled - claims repudiated. So we have assumed claims closed as zero to be consistent with other quarters. * ICICI Lombard: The claim settled numbers in the first half have been checked to ensure claims approach is to be consistent across quarters. * Ifco Tokio: Published quarterly data not properly reconciled and has small errors. * L&T: Published quarterly data not properly reconciled and has small errors. * Q2 closing claims different from Q3 opening claims; includes cancelled claims. * Cholamandalam: Claims have not been reconciled because the information is not publicly available across insurers. * Liberty Vivekanand: Annual claims numbers have been taken directly from the insurer as Q4 public disclosure is not available on the website; data not properly reconciled and has small errors. * Religare Health: Minor corrections made to published data based on company feedback. * Royal Sundaram: Published annual numbers not reconciled. Over a 5% margin of error. * Star Health: Small inconsistencies in Q4 information. Company provided corrections have been built in. * Tata-AIG: Corrected numbers sent by Tata-AIG used. Factors in Religare's Swasthya Kavach Bupa Insignia claims.

10% taken as benchmark to reflect inflation