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Tips to pick healthy insurance plan

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HEALTH adversities often occur and consequently end up dampening our spirits and usually burning a hole in our pocket. Individuals and families are prepared to face such an eventuality by taking a health insurance policy with an adequate cover so that they can avail quality medical treatment without being concerned about the overbearing expenses.

While buying health insurance is critical, choosing the 'right' health insurance plan is an equally important decision as only the correct health cover will effectively deliver the goods for you in case of an adversity. Today, many plans are available in market to address requirements of varied consumer segments. Basic health insurance plans and top-up plans can cover your daily and basic health needs, existing chronic ailments and even maternity-related expenses. Frankly, a wide range of products offered by insurers may leave you confused, so here are some basic rules that you must follow while choosing a health insurance plan. These are 10 commandments to securing your health.

Understand product/plan

When you opt for a health insurance cover, ensure that its constituent features and services match your current and future healthcare requirements. Understand the product in detail and invest in it only if you consider it valuable for yourself. For example, there are surgical cash plans that offer a fixed benefit or payout in case the insured is required to undergo a surgery. However, it is imperative to understand that you must first secure your health with a comprehensive hospitalisation indemnity plan before adding other plans to your health insurance portfolio. Similarly, it would not be useful to buy a top-up plan if you do not have means to cover the deductible amount from your existing health insurance or your own funds.

Choose correct sum insured

Be future ready while choosing your sum insured. Medical inflation is on a consistent upward and the quantum of a health cover that appears adequate today will be inadequate to cover your healthcare expenses in the next few years. For example, a simple knee replacement — that costs you approximately Rs 4 lakh today — would cost you Rs 14 lakh in the next 7-8 years. So, in this case, don't be penny wise — it might cost you dearly in future.

Check premium

Use the simple principle of paying for what you get. Your premium should be commensurate to the features and services of your policy and the quantum of coverage (i.e. sum insured). Compare similar products across insurers to understand appropriate premium for your chosen product.



Review benefits & features

Go through the product offerings in detail to understand benefits and innovative features being offered by specialised health insurance companies. Automatic policy recharge, annual health check-up, daily hospitalisation allowance, treatment abroad, cover and second opinion are some of the valuable benefits that make the offering highly attractive and prudent.

Look for cashless facility

This is a key aspect of a health insurance policy because if your insurer has a direct tie-up with a hospital, you can opt for the cashless treatment facility. In other words, you will not have to fork out any money and the claim will be directly settled by your insurance company, saving you from the hassle of filing for reimbursement. Ideally opt for an insurance company that offers cashless facility at well-equipped hospitals — especially

within your geographical proximity.

Go through exclusions

Before you commit yourself to buying a health insurance policy, go through the fine print, raise questions and do not simply go by what you were told or promised verbally. The 'exclusions' notification or section of any health insurance policy is important because it informs you about ailments and treatments that the policy doesn't cover. Be proactive on this front — else you might be in for an unwanted surprise when you file your claim.

No-claim bonus

Just like your vehicle insurance policy, your health insurance policy too carries a 'no-claim bonus' feature. Thus, when you do not claim on your health insurance for a particular year, the insurance company provides you a 'no-claim bonus'. This increases your sum insured at the same premium or reduces your premium while maintaining the same sum insured — depending on the no-claim bonus feature offered by the chosen insurer. Either way, ensure that your policy gets you a significant benefit with this feature.

Co-payment clause

The co-payment means that the policyholder will have to share a part of his/her medical bill with the insurance company. For example, if the co-payment clause says 20%, it means that for every Rs 100 of a claim, the insurance company will pay Rs 80 while the

remaining Rs 20 would be borne by the insured. This clause could be a part of the policy's terms and conditions or could come into force for certain circumstances or certain sum insured levels. Hence, you should look for health insurance plans that offer a 'favourable co-payment clause' throughout the policy life cycle.

Free-look period

Health insurance policies usually come with a 15-day 'free-look period'. It offers you the convenience of returning your policy, if you find it unsuitable, within 15-days of receiving the policy document. Premium for the same is refunded after pro-rata deductions. However, you will only be in a position to take this decision after you have studied all aspects of your policy document in detail — it would be wise to do so at the earliest.

Track the record

Choose a product that offers a combination of most of the above mentioned features. The quality of your insurer's service delivery and customer-oriented approach will always remain critical decisive factors while choosing your health insurance policy.

So, buy an insurance cover that is not only adequate but also promptly delivers on your healthcare requirements as and when the need arises.

Spend some time on choosing the right product so that you won't have to fret in future.

The author is MD and CEO, Religare Health Insurance. The views expressed in this article are his own.