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While the public awareness in the country about escalating healthcare costs is increasing, this does not make an average middle-class Indian well prepared to face the financial crisis arising out of medical emergencies. This is evident from the low penetration level of health insurance, with only one in every five Indians having a health insurance policy. Even those having health insurance are not able to manage the healthcare costs completely as they are severely under-insured. So, how does one know exactly how much health insurance should suffice for him or his family? There are a large number of health insurance providers in India, which means the product options available are many and varied. Therefore, assess your requirements and buy a policy that suits you best.

Look for a policy that offers adequate cover with an affordable premium cost. Don't postpone buying a policy because you are facing a cash crunch, but, instead, buy a policy with a smaller sum insured initially. You have the option of increasing the coverage amount later when your affordability improves. Moreover, buy insurance when you are young and able-bodied. The chances of you having any serious medical issues are lesser at a young age, and the premium payable each month will be low. By a rule of thumb, your medical cover should ideally be 50 per cent of your income, plus 100 per cent of the last three years' hospital bills. Factor into it what kind of hospital you would generally prefer to be treated in, for this will change the amount of the health cover required. If you are looking to cover your spouse, children or parents, you can go for a family floater.

A family floater plan is cheaper than buying individual policies for all family members. If you think your existing individual health insurance policy is not adequate, you can opt for a top-up plan for additional coverage. This is cheaper than buying a new policy or even upgrading the existing one; the premium payable will also be lower. Also look at smaller factors while selecting a health insurance policy. For instance, choosing a cashless policy over a reimbursement policy type may be beneficial, as you don't have to shell out a huge amount of money to avail the treatment before your health insurer intervenes. Also check whether your insurance covers hospitalisation costs, what the room rent cap is, whether costs of ambulance and medication, and doctors and nurses fees are included. Check how long before your insurance policy kicks in and how much you will be paying in deductibles. Check if you can avail services only in the insurer's affiliated hospitals network, or from any hospital, and be reimbursed.

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