

# Do you need a high value health cover?

A significant rise in medical inflation has seen health insurance companies offering very high value covers. However, you may not really need them.



## What are your options?

Gulechha suggests buying an indemnity plan of up to ₹5 lakh and increasing it as and when your requirement or responsibilities increase by way of a top-up policy. Vishal Dhanwan of Plan Ahead Wealth Advisors says review your health insurance portfolio every three years and then decide whether to increase it or not. You could take a call based on increase in salary, family responsibility, change in job profile and so on.

Assuming you may still consider going overseas for a specialised treatment, you could buy a fixed benefit policy like for critical illness, in combination with the regular hospitalisation cover. You could also buy a high-sum insured critical illness plan and get the entire sum insured as lump sum. High-value covers are beneficial if you are looking to cover your family.

artery bypass graft. An overseas treatment claim is honoured only if similar treatment is not available in India.

These policies also have a higher co-payment clause for senior citizens at 20%. According to certified financial planner Abhinav Gulechha, the year-on-year premium cost does not justify the coverage provided.



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## Steep premium price to pay

| POLICY                            | SUM INSURED | ANNUAL PREMIUM* |
|-----------------------------------|-------------|-----------------|
| Religare Health Insurance Care    | ₹50 lakh    | ₹17,718         |
|                                   | ₹60 lakh    | ₹19,177         |
| Apollo Munich Easy Health         | ₹50 lakh    | ₹19,884         |
| Bajaj Allianz Health Care Supreme | ₹50 lakh    | ₹31,138         |
| Cigna TTK ProHealth Preferred     | ₹50 lakh    | ₹36,902         |
| Cigna TTK ProHealth Premier       | ₹1 crore    | ₹44,118         |
| Max Bupa Heartbeat                | ₹50 lakh    | ₹56,751         |
|                                   | ₹1 crore    | ₹67,334         |

Source: Company websites

\*For 30-year old male

## NEHA PANDEY DEORAS

A health insurance floater policy of ₹5 lakh was considered adequate till recently. However, rising healthcare costs are pushing individuals to opt for higher covers. Cashing in on the trend, some companies are now offering ₹50 lakh, and even ₹1 crore covers. Apart from hospitalisation costs, these high-value policies offer higher maternity, baby care, post-treatment, OPD and day-care procedure covers, insure organ donation and fund alternative treatment. They do not apply sub-limits on room rent. Some policies also cover treatment abroad and allow reinstatement of sum insured.

Not surprisingly, the premiums are steep. An individual health cover of ₹50 lakh for a 30-year-old would cost ₹20,000-60,000 a

year. A family floater of a similar sum insured would cost ₹40,000-50,000 if the oldest family member is 30-35 years old.

### How much do you need?

Divya Gandhi, Principal Officer and Head of General Insurance, Emkay Insurance Brokers, says a ₹20-25 lakh policy is sufficient even if you plan to get treated in the best of hospitals in metros. "The entire sum assured doesn't get utilised and the high premium is wasted as not many claim for more than ₹20 lakh a year," she says.

The biggest advantage of high value covers is that international treatment is compensated. However, the list of ailments covered is restrictive. Usually treatment abroad is covered for diseases like cancer, benign brain tumour, major organ/bone marrow transplant, heart valve replacement and coronary