

A ₹1-crore health question

MEDICAL INSURANCE With the ₹1-crore health cover available at premiums as low as ₹9,000/year, here's what you should look out for while considering it

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MUMBAI: Rising healthcare costs can burn a hole in your wallet. Hence, it is important to have a health insurance plan. But how much is enough? If you are 30 and live in a metropolitan city such as Mumbai, financial planners unanimously suggest a health cover of at least ₹10-15 lakh. However, recently, a number of health plans have come up, which offer a cover of up to ₹1 crore. "A ₹1-crore health cover is required to ensure that you do not miss out on a health care facility because of lack of funding," said Mayank Bathwal, chief executive officer (CEO) of Aditya Birla Health Insurance Co. Ltd. But, do you really need a ₹1-crore health cover? Here's a look at whether you should consider it.

WHAT IS ON OFFER?

There are three ways to get a ₹1-crore health cover—a basic health cover with a full ₹1-crore sum assured; a combination of base plan of a certain amount, say ₹50 lakh and a top-up plan, say another ₹50 lakh bought separately; and a combined plan where in a base cover and a super top up is available in a single plan or purchase.

Insurance companies such as Religare Health Insurance Co. Ltd, Max Bupa Health Insurance Co. Ltd, Cigna TTK Health Insurance Co. Ltd, Royal Sundaram General Insurance Co. Ltd and Aditya Birla Health Insurance Co. Ltd provide a ₹1-crore health cover. Usually, the premium for a ₹1-crore health plan ranges between ₹20,000 and ₹60,000 per annum, depending on various factors

such as global health coverage, restoration benefits and number of cashless hospitals. For instance, if you are 30 and living in Mumbai, Royal Sundaram General Insurance's Lifeline Supreme Plan with a sum assured of ₹50 lakh will cost you ₹14,965 annually and a super top-up policy of ₹50 lakh separately to enhance the cover to ₹1 crore, will cost you ₹12,719 annually. The total annual premium will be ₹27,684. In another scenario, the insurer also has a plan called 'Lifeline Elite' which provides a cover of ₹1 crore for an annual premium of ₹60,076.

In May 2018, Aditya Birla Health Insurance Co. Ltd launched a ₹1-crore cover which will cost a 30-year-old residing in Mumbai around ₹9,734 annually. This plan, available only for Paisabazaar.com customers, is a combination of a base sum insurance of ₹10 lakh and a super top-up of ₹90 lakh. The insurer combines the existing plan Active Assure Diamond of ₹10 lakh sum assured and a Group Active Health plan of ₹90 lakh. Till Friday, the plan offered a base cover of ₹5 lakh and a super top-up of ₹95 lakh. Before the change, for the same customer profile, the premium was ₹8,162. If you take this plan, and suppose you contract an illness, and you are required to foot the bill for around ₹20 lakh, the insurance plan will first use the base plan of ₹10 lakh and the remaining will be served from the group plan automatically. If in the same year, there is a need to use your insurance plan again, the insurer's Active Assure Diamond plan has a restoration benefit and the ₹10 lakh base will be restored to its capacity again. However, the group plan,

from which you may have used ₹10 lakh in the first example will not be restored and will remain at ₹80 lakh. "This policy was devised to encourage people to get a higher health cover. Right now we are

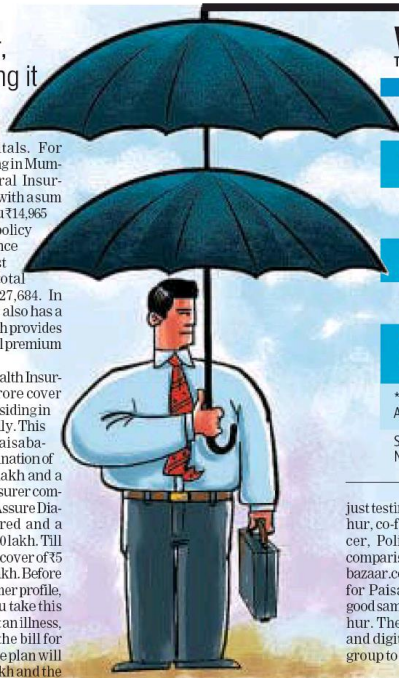


ILLUSTRATION: SHRIKRISHNA PATKAR

WHAT YOU PAY

There are five insurers in the market which provide a retail ₹1-crore insurance plan

Insurer	Plan name	Annual premium (₹)
Religare Health Insurance	Care Global (Global Coverage)	48,268
Max Bupa Health Insurance	Health Companion	21,198
Cigna TTK Health Insurance	Revised Prohealth Premier V3 SB02	36,609
Royal Sundaram General Insurance	Lifeline Elite	60,074
Aditya Birla Health Insurance	Active Assure-Diamond	22,012
Aditya Birla Health Insurance (only for PaisaBazaar customers)*	1 crore sum assured (Active Assure Diamond + Group Active Health)	9,734

*Consists of an Active Assure Diamond plan of ₹10 lakh sum insured and a Group Active Health plan of ₹90 lakh sum insured

Source: PolicyBazaar.com

Note: The premium is for a 30-year-old individual living in Mumbai

just testing the ground," said Tarun Mathur, co-founder and chief business officer, Policybazaar.com, an insurance comparison website that also runs Paisabazaar.com. "Launching this policy only for PaisaBazaar customers gives us a good sample size of customers," said Mathur. The customers, who are salaried, and digitally savvy, are a good enough group to take risks with, Mathur added.

SHOULD YOU OPT FOR IT?

A ₹1-crore health insurance policy is usually targeted for the high networth individual. However, plans which are available at premiums as low as ₹9,000 may push you to consider this option. However, you need to look closely at the insurance plan

and check about cashless hospitals, waiting periods, sub-limits for a few treatments, claim settlement history and exclusions, said Vishal Dhawan, founder of Mumbai-based financial planning firm, Plan Ahead Wealth Advisors. For instance, the waiting period for the ₹1-crore plan with Aditya Birla Health Insurance and Religare Health Insurance is four years. Most plans have a two-year waiting period.

Look for insurers that have a claim settlement ratio of above 90%. If the customer, said Dhawan, is keen on cashless hospitals, they need to check the quality of the cashless hospitals available.

You also need to check if there is going to be any alteration in the plan later.