

Check before you opt for health insurance

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FIGURES of the latest National Sample Survey (NSS) say around 86% of the rural and 82% of the urban populations are unexposed to health insurance cover. Even among those with some coverage, most are covered under government-financed schemes such as Rashtriya Swasthya Bima Yojna (RSBY). This means four out of five Indians are not covered under any kind of health insurance.

The NSSO 2015 report says over 26% of the hospitalized Indians borrow or sell assets to cover expenses. “A few of us tend to think that health insurance should be bought in later stages of life. That’s the reason we are unable to find a suitable cover once disease sets in mostly in later years of life,” says Rajive Kumaraswami, MD & CEO, Magma HDI General Insurance.

“We estimate 73-75% of expenses in private hospitals (considering only hospitalisation, not OPD) to be out-of-pocket expenses. So, it may seem logical that in order to have good quality healthcare, we must be investing in insurance,” says Dhruv Sarin, head of health insurance, Policybazaar.com. “There is no magical pill to solve the



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problem in one shot. We will require a set of concerted efforts.”

According to Sushant Reddy, founder, AskArvi.com, an interactive fintech platform for insurance buyers, the health insurance industry as on 2016 has a premium of Rs 24,500 crore. Overall, insurance companies have paid claims of Rs 20,900 crore. This pales in comparison with the total out-

of-pocket expenses on healthcare.

Across the industry, health insurance is one of the fastest growing segments, recording a growth rate of 30% year-on-year basis.

Today, various health insurance plans are available in the market. Experts highly recommend that you check parameters such as range of network, renewability, claim set-

tlement process and also coverage on various conditions such as maternity, critical illness etc. “Some of the health plans cover existing diseases after 2-4 years where some have special features like AYUSH treatment, yearly check-up, and restoration of total sum insured. One has to find an acceptable trade-off between your requirements, budget and

available health insurance plans for your family. Another important factor is to select the correct sum insured so that you are not under-insured,” says Roopam Asthana, CEO, Liberty Videocon General Insurance Company Ltd.

One should also consider convenience of claim process and value added services. A product that offers a comprehensive coverage, including life-style related diseases, is much preferable.

Here are a few points:

- **Estimate your needs:** People working in risky work environments, dependent parents, young families have different requirements.
- **Go cashless:** Every insurer has a network of hospitals offering cashless coverage. This facility is better than paying first and claiming reimbursement later.
- **Read the sub-limits:** insurance contracts have a lot of fine-print with complex terms such as sub-limits and deductibles. It is important for customers to clearly understand what is covered and what isn't. In instances where a surgery is covered, there might be some limitations.
- **Insurer' track record:** Every insurer reports speedy claim-settlements. Ask your agent or the insurer about the track record of companies.