

As the old proverb goes by 'health is wealth' and rightly so, with the modern age of hectic lifestyle, late hours, pollution etc. ill health amongst masses has become a matter of concern, especially in a country like India. Over the years though the life expectancy has risen in the country, the rise of lifestyle diseases, especially amongst youth, has seen an alarming upward trend. Moreover, ever increasing cost of healthcare and medical inflation is adding to the pressing need for health insurance across all age groups as a risk mitigation tool.

Today, there are multiple health insurance plans available in the market with different features and benefits. We recommend you to consider five key aspects before buying a health insurance.

### **Comprehensive coverage**

The primary aspect of any health insurance policy is the coverage or the benefits it offers. The coverage usually ranges from hospitalisation expenses, day care procedures and vector borne diseases to maternity benefits and OPD expenses among

Key factors to consider while buying a health insurance policy include 'claims settlement ratio and financial strength'

others. It is advisable to select a policy that offers best benefits to cover yourself adequately, within a range of premium that you can afford. Also check for caps and restrictions in the small print as these have a major impact on what amount of the total bill is deducted in the claims process.

### **Adequate sum insurance**

You should always select a sum insured keeping in mind the prevailing medical cost in your city of residence. For e.g. a person residing in a metro city needs higher sum insurance compared to a person living in a small town due to variety of reasons, with high hospitalisation costs in cities being the biggest expense. While buying cover for the family, you must ensure that it adequately covers all dependent members of the family. Herein, the sum insured should be sufficiently higher considering a situation where more than one person of your family may need hospitalisation in the same year. You must consider taking a top-up or super top-up cover that increases your sum insured significantly at a very low cost. Also look



for the "restore" facility that helps in case of repeated hospitalization of the insured.

### **Renewable age limit**

As you grow older, it is important to ensure that your health insurance cover is adequately equipped to cushion against health, related risks. Hence, it is vital to understand the maximum permissible age limits offered by the health insurance company. We recommend getting a health insurance plan that is renewable lifelong, since it becomes difficult to get a new insurance at an older age, when you need it the most.

### **Exclusions and waiting period**

We stress that every person buying insurance read through the exclusions in the policy so, as to avoid any heartache later. Insurance companies provide coverage for

pre-existing disease only after a waiting period and it is important to note that a preexisting disease does not mean only the disease itself but also any illness arising because of the preexisting disease. E.g. If one is diabetic, renal failure is a condition that can develop, so in the pre-existing disease exclu-

sion clause, even renal failure gets excluded from the policy.

### **Claims settlement ratio and financial strength**

It is imperative you check the claims settlement ratio of the prospective company from whom you are planning to buy a

policy. Claims settlement ratio is the indication of the claim paying ability of an insurer, a better count would mean that the company has a track record of paying most claims. This data can be procured from the IRDA website or from any insurance aggregator website. Health Insurance Policies are generally renewed for many years and it is important to choose an insurance company with adequate solvency and with a long term view of the Indian insurance market. With spiraling medical costs, a health insurance policy gives peace of mind with the knowledge that you will not have to dip into your savings to pay for medical emergencies and it also entitle you to impressive tax benefits. You must remember that a policy with low premium may not always be the best for you. It is the reputation of the insurer, servicing, claim settlement ratio and wide range of hospitals network that you should look at. While most of the policies would look similar on the face of it, you should read through the exclusions, caps, restrictions etc. in the fine print and pay heed to the above factors before you make a final decision. However, the most important factor is the need to eat healthy, exercise regularly and reduce the stress in your life – there is no better solution than this to reduce the impact of costly medical emergencies.

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