

## Few Things You Must Know Before Buying A Health Insurance Policy In India



**CHOOSE THE RIGHT  
HEALTH COVER**

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**'Health is Wealth'** is an old saying, which depicts that good health is as important as having lots of wealth. A person with good health can work efficiently to earn wealth and lead a quality life. On the other hand, a person who does not have good health spends a lot of his wealth to regain the health. According to an Arabic proverb, "He, who has health, has hope; and he, who has hope, has everything". All of these sayings imply that good health is of great importance, and it cannot be compromised.

So, don't we need to take necessary steps to protect it? Since, despite all precautions, the possibility of an accident or illness cannot be ruled out; we need to be prepared for any eventuality. In such tragic circumstances, we fall prey to the dual economic crisis – first, we have to abandon work because of poor health, and second, pay huge healthcare expenses. Our hard-earned money is spent on illnesses. At times, we are forced to borrow from within or outside the family.

A World Health Organisation (WHO) study on the impact of rising health expenditure in India, states that about 40 per cent of low-income families have to borrow money from outside the families to meet their healthcare expenses resulting in over 16% of them getting pushed below the poverty line.

Therefore, to safeguard any health related eventuality, we must have a health insurance policy of appropriate cover. Today, there are many health insurance products of various insurers available in the market. Through research and comparison, one can identify the best product which suits one's needs. With hundreds of products to choose from, this research can be quite confusing and time consuming. Thankfully, with the advent of insurance web-aggregators, simple comparisons of all products are available. Web-aggregators allow customised comparisons of products based on their features, coverage and premium besides other things. The fact that web-aggregators provide unbiased comparisons that has helped consumers in their search for the ideal insurance product.

***There are few points which need to be kept in mind before buying insurance products.***

1. **Premium and Coverage.** Expensive insurance policies are not necessarily always good. If premiums are identical, benefits such as OPD, Hospitalisation Cash Benefit, Coverage of Critical Illness etc. should be reviewed. Assess and identify the benefits you need. Choose the appropriate cover. Identify 3-4 products and compare them to find your ideal policy.

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2. **Basic Hospitalisation Cover**: If your pocket doesn't allow you to buy a comprehensive health insurance policy, you must buy a basic health insurance plan, which pays expenses incurred out of an accident or illness.
  3. **Sum Assured**: Sum Assured can be determined on the basis of the city you live in and your family size. Keep in mind that healthcare cost more in big cities as compared to smaller cities, so determine sum assured accordingly. Typically, sum assured of Rs 2 to 3 lac and Rs 5 to 6 lac for a family of 3 to 4 members in small and big cities respectively, are considered appropriate.
  4. **Family Floater Policy**: It is always recommended to buy a family floater health insurance policy instead of individual policy. Under family floater policy, each member in the policy can utilise sum assured either individually or collectively. Thus, you can save on premium.
  5. **Separate Policy for Parents**: In family floater policies, premium amount is calculated on the basis of the age of the eldest member. Therefore, it is always advisable to have separate policy for parents, and save on premium.
  6. **Day Care Procedures**: Before buying insurance, have a look at the list of diseases covered under Day Care Procedures.
  7. **Exclusions**: Before signing on the policy document, policy buyers should go through it very carefully. And, also ask for detailed terms and conditions of the policy. In any policy, exclusion part is very important because it mentions the diseases and scenarios which are not covered under the policy.
  8. **Top-Up**: If your employer has provided you a health insurance policy, and you want a policy of higher sum assured or coverage of critical illness, you don't need to buy separate policy. For this, you can top-up your existing policy with required sum assured and benefits. Doing this, you can save on premium.
  9. **Claim Settlement Ratio**: Check the claim settlement ratio of the insurer before buying insurance as this directly relates to how many claims does the insurer pay on average. The higher the ratio the better it is.

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10. **Network-Hospitals**: In the case of an illness, you are most likely to choose hospitals which are near your place of residence. You must try and choose insurers which have these hospitals on their network.
  
  11. **Seek expert advice**: In case of any confusion, do not hesitate to seek expert advice. You can choose from your agent, insurer, health advisor or a licensed web-aggregator. Pick up the phone and make an informed decision.

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