



## Standalone Health Insurers

### Do they go the extra mile to cover you?

Do standalone health-insurance companies give you better coverage? Do they do that by charging higher premium rates? What inclusions and exclusions should you expect? Overall are their products more attractive? These are questions you must have grappled with when considering your health-insurance options. In the following report, as we go about comparing various health-insurance plans for individuals by standalone insurers, we also explain the basic features of such plans that will help you decide if these are suitable for you.

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**F**or this study, we chose seven insurance plans based on consumer feedback and product structure. The parameters on which we have compared them include minimum and maximum entry age, minimum and maximum sum insured, pre- and post-hospitalisation expenses coverage in terms of days, day-care procedures (numbers), ambulance cover per hospitalization, daily cash, pre-existing diseases cover (waiting period),

provision for free health check-up, and policy tenure.

We gave highest weightage to the one-year premium charged by companies for a policy bought by a 35-year-old healthy male (20 points) as well as consumer feedback (20 points). The latter helped in determining the quality of services as well as the most important and beneficial variables. These variables have a direct bearing on the product structure.

## PLANS FOR INDIVIDUALS BY STANDALONE HEALTH INSURANCE COMPANIES:

CV Weightage Points (100)		Aditya Birla	Religare Health	
		Activ Assure – Diamond	Care	
3	Minimum entry age	5 years (1)	No limit (3)	
2	Maximum entry age (years)	No limit (2)	No limit (2)	
10	Sum insured – minimum (Rs, in lakh)	2.00 (10)	3.00 (7)	
15	Sum Insured – maximum (Rs, in lakh)	200 (15)	75 (11)	
3	Pre-hospitalization (days)	30 (1)	30 (1)	
3	Post-hospitalization (days)	60 (1)	60 (1)	
5	Day-care procedures (numbers)	586 (4)	500 (3)	
2	Pre-existing disease cover (waiting period, in years)	4 (1)	4 (1)	
4	Free health checkup	Yearly (4)	Yearly (4)	
3	Policy tenure (years)	1, 2, 3 (3)	1, 2, 3 (3)	
5	Ambulance cover per hospitalization (maximum, in Rs)	2,000 (4)	2,000 (4)	
5	Daily cash (Rs, per day)	NS (0)	NS (0)	
20	*1-year premium for 35 years age	7,938 (20)	8,479 (16)	
20	Consumer feedback	10	12	
Total		76	68	

## Notes:

- Information given here has been sourced from websites/brochures/customer care.
- Sum assured and premium are dependent upon individual's age, health-risk profile, benefits opted for, period of insurance and risk-bearing criteria.
- We have selected for this study standalone health-insurance companies that offer individual health-insurance policies.
- For this study, only individual policies have been taken up (not family floaters).
- NS – not specified
- In many companies the GST is included/excluded in the premium and is hence not specified here.

\* Premium amount indicated is for a sum insured of Rs 10 lakh for a healthy male.

## CV RECOMMENDATION

Best Buy | Value for Money

Aditya Birla

(Active Assure – Diamond)



## A COMPARATIVE CHART

	Reliance Health	Apollo Munich	Cigna TTK	Max Bupa	Star Health
	More Health	Easy Health Individual – Exclusive	Pro Health- Plus	Go Active	Comprehensive Insurance
	91 days (2)	5 years (1)	91 days (2)	91 days (2)	3 months (2)
	65 (1)	65 (1)	No limit (2)	65 (1)	65 (1)
	3.00 (7)	3.00 (7)	4.50 (4)	4.00 (4)	5.00 (1)
	100 (11)	50 (2)	50 (2)	25 (2)	25 (2)
	90 (3)	60 (2)	60 (2)	90 (3)	30 (1)
	180 (3)	90 (2)	180 (3)	180 (3)	60 (1)
	Covered (5)	Covered (5)	500 (3)	Covered (5)	405 (2)
	3 (2)	3 (2)	4 (1)	3 (2)	4 (1)
	NS (0)	Every 3 years (3)	Yearly (4)	Yearly (4)	Every 3 claim-free years (1)
	1, 2 (2)	1, 2 (2)	1, 2, 3 (3)	1, 2 (2)	1 (1)
	NS (0)	2,000 (4)	3,000 (5)	3,000 (5)	3,500 per policy period (2)
	NS (0)	800 (3)	2,000 (5)	NS (0)	750 per day up to 7 days (1)
	8,600 (16)	10,226 (8)	11,372 (4)	12,449 (1)	11,475 (4)
	11	11	11	10	10
	63	53	51	44	30





Standalone health insurance companies are also referred to as ‘healthcare specialists’. There are some distinct advantages associated with this category of insurers. Since they focus on one product, there is greater scope for variations and coverage with regard to critical illnesses and illnesses requiring lifelong

healthcare. Thus, one can expect innovative products from them specific to certain illnesses that otherwise are usually excluded or subject to long waiting periods—for example, cancer-specific and diabetes-specific products. Also, as they are few in number, they are competitive about their claim processes.

General Inclusions	General Exclusions
In-patient expenses including admission expenses	Death benefit
Pre-hospitalization and post-hospitalization expenses	Pre-existing diseases (PED)
Domiciliary-treatment expenses	Self-inflicting injury
Day-care procedures	Hospitalization due to attempted suicide
Health checkup	Hospitalization due to use of drug, alcohol, etc.
AYUSH treatment	Dental treatment
Daily cash	Psychological/Mental disorder
Second opinion	HIV+/AIDS
Ambulance charges	War/Nuclear attack risks
Organ-donor expenses	Obesity/Cosmetic surgery
Tax benefits	
Recharge/Restore benefits	

### Tax Benefits

The premium paid towards health-insurance policies allows you to claim tax deduction under Section 80D of Income Tax Act. The benefit is available to individuals on health-insurance premium paid for self, spouse, children and parents. Importantly, it does not matter whether or not the children or parents are dependent on you. The quantum of tax benefit depends on the age of the individual who is medically insured.

#### For self

A maximum deduction of Rs 25,000 per assessment year is available for payment towards health-insurance premium. Besides this, one is entitled to a further tax deduction of Rs 5,000 towards an annual medical checkup for every assessment year.

Section 80DDB provides for tax deduction in respect of expenses incurred for medical treatment of specified disease(s) or ailments of self or dependent relatives up to Rs 40,000.

#### For dependent parent(s)

Under Section 80D, for premium paid by an individual taxpayer towards his/her dependent parents for a health-insurance policy cover, tax exemption is available up to Rs 60,000. Under Section 80DDB, in case expenses are incurred by the individual taxpayer for dependent parents/dependent senior citizens towards medical treatment, the tax exemption is Rs 100,000 per assessment year.

#### For senior citizens

For a senior citizen, tax exemption under Section 80D is up to Rs 50,000 for self and dependents. As

for reimbursement of medical expenses where there is no health-insurance policy cover in his/her name, an amount of up to Rs 50,000 is allowed to be claimed as tax exemption. For claiming this deduction, it is mandatory that the health-insurance premium/medical expense be paid by a mode other than cash.

### Takeaways

- Purchase a policy at the earliest age of entry to get the maximum benefit of cover at a reasonable premium with tax benefits.
- Go for long-tenure policies and discounts on premium.
- Look for a policy with maximum pre-hospitalization and post-hospitalization days.
- It's preferable to have no sub-limit/no capping/no co-payment.

### The Dos and the Don'ts

#### Dos

When you buy a health-insurance policy, you should:

- Know that there are restrictions on coverage
- Pay special attention to terms and conditions in the policy like:
  - The clause excluding pre-existing diseases
  - Waiting period before certain diseases can be covered
  - Restrictions or limits on various expenses relating to hospitalization
  - Co-payment, which means you have to share a part of the claim
  - Pre-conditions for renewal
  - Upper limits for age at entry and for renewal
- Disclose details of all pre-existing health problems including
  - Major ailments
  - Conditions like high blood pressure or diabetes
- Know that if the company wants medical test reports (depending on age at entry), you should comply with all procedures and documentation requirements



- Check where and how the medical tests will be carried out
- Check who should bear the cost for the tests
- Pay the premium only after the insurer accepts your proposal
- Renew the policy meticulously for the rest of your life

#### Don'ts

- Don't conceal facts or you could face a dispute at the time of a claim.
- Don't allow a gap of even one day in your policy renewal or your cover may be insufficient or useless.

### Essential FAQs

#### • Why is health insurance important?

Buying health insurance protects us from the sudden, unexpected costs of hospitalization (and other covered health events, like critical illnesses) which could otherwise leave a major dent in one's household savings or even lead to indebtedness. Each of us is exposed to various health hazards and a medical emergency can strike any one of us without any prior warning. Healthcare is increasingly expensive, with technological advances, new procedures and more effective medicines that have also driven up the costs of healthcare. While such high treatment expenses may be beyond the reach of many, taking the security of health insurance is much more affordable.

#### • What is cashless facility?

Insurance companies have tie-up arrangements with several hospitals all over the country as part of their network. Under a health-insurance policy offering cashless facility, a policyholder can take treatment in any of the network hospitals without having to pay the hospital bills as the payment is made to the hospital directly by the third-party administrator, on behalf of the insurance company. However, expenses beyond the limits or sub-limits allowed by the insurance policy or expenses not covered under the policy have to be settled by the policyholder directly with the hospital. Cashless facility is not available if one takes treatment in a hospital that is not in the network.

#### • What are the factors that affect health-insurance premium?

Age is a major factor that determines the premium – the older you are, the higher the premium cost, since you may be more prone to illnesses. Previous medical history is another major factor that determines the premium. If no prior medical history exists, premium will automatically be lower. Claim-free years can also be a factor in determining the cost of the premium.

#### • What does a health-insurance policy not cover?

You must read the prospectus/policy and understand what is not covered under it. Generally, pre-existing diseases (read the policy to understand what a pre-existing disease is defined as) are excluded under a health-insurance policy. Further, the policy would generally exclude certain diseases from the first year of coverage and also impose a waiting period. There would also be certain standard exclusions such as cost of spectacles, contact lenses and hearing aids not being covered, dental treatment/surgery ( unless requiring hospitalization) not being covered, convalescence, general debility, congenital external defects, venereal disease, intentional self-injury, use of intoxicating drugs/alcohol, AIDS, expenses for diagnosis, x-ray or laboratory tests not consistent with the disease requiring hospitalization, and treatment relating to pregnancy or childbirth including caesarean section.

#### • Is there any waiting period for claims under a policy?

Yes. When you get a new policy, generally there will be a 30 days' waiting period starting from the policy-inception date, during which period any hospitalization charges will not be payable by the insurance

company. However, this is not applicable to an emergency hospitalization occurring due to an accident. This waiting period will not be applicable for subsequent policies under renewal.

- **What is a pre-existing condition in health-insurance policy?**

It is a medical condition/disease that existed before you obtained the health-insurance policy, and it is significant because the insurance company does not cover such pre-existing conditions within 48 months prior to the first policy issued by the insurer. It means pre-existing conditions can be considered for payment after completion of 48 months of continuous insurance cover.

- **If my policy is not renewed before expiry date, will I be denied for renewal?**

The policy will be renewable provided you pay the premium within 15 days (referred to as 'grace period') of the expiry date. However, coverage will not be available for the period for which no premium is received by the insurance company. The policy will lapse if the premium is not paid within the grace period.

- **Can I transfer my policy from one insurance company to another without losing the renewal benefits?**

Yes. The Insurance Regulatory and Development Authority (IRDA) had issued a circular, making it effective from 1 October 2011, directing insurance companies to allow portability from one insurer to another and from one plan to another. This means one can port credits on time-bound exclusions and no-claim bonuses. However, this credit will be limited to the sum insured (including bonus) under the previous policy. For details, one may check with the insurance company.

- **What is 'health check' facility?**

Some health-insurance policies pay for specified expenses towards a general health checkup once in a few years. Normally this is available once in four years.

*Also sourced from IRDA website*

