



## Family Floater Health Insurance

### Avail full benefits once you settle down

Health insurance is one of the largest growing sectors in the non-life insurance sector. Due to increasingly high medical costs and changing lifestyles of people which have led to an array of lifestyle diseases that affect not only older people but the young generation as well, it becomes necessary for a person to invest in a health insurance plan. In the report that follows, we have compared 16 floater health insurance policies from the viewpoint of a person aged 25–30 years, with a spouse in the same age bracket and a child below five years of age. The premise is that they are looking to buy a policy with coverage of five lakh rupees.

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**W**hile rating the features of the 16 policies, we have also taken into account findings from the study ‘Assessment of Quality of Health Insurance Services in India (from consumer perspective)’ (published in September 2013 issue of *Consumer Voice*). The latter was based on the experiences of 3,300 consumers with insurance companies.

Family floater is a policy that covers more than one family member for a fixed cover. The amount of sum insured floats over the entire family – that is, the limit can be used by any member of the family and for any number of times. Thus, if a family of four take a cover of four lakh rupees, the entire family can claim up to four lakh rupees together.

## When and why to buy a floater policy?

A floater policy should be bought when you establish a family of your own. It will cost less than the individual policies if taken of all the members. When the family is young and has a low risk with respect to ailments, floater policy is suitable. It also provides access to a larger pool of funds as in case of hospitalization any individual family member can claim the whole of the floater sum.

A total of 14 factors that covered the majority of the important factors influencing decision making were chosen. Weightage for each factor is as follows:

- 1) **Premium (15%):** Premium amount is the first thing that the consumer evaluates while buying policy.
- 2) **Pre-/Post-hospitalization (5%):** This refers to expenses covered some days before and after the hospitalization on tests, consultation, etc.
- 3) **'No claim' bonus/discount (5%):** These are incentives provided by the company in case of a claim-free year. It varies from company to company.
- 4) **Domiciliary expenses (3%):** These are the expenses incurred in case the patient is being treated at home due to non-availability of beds in hospital or if the patient is not in a condition to be moved to a hospital.
- 5) **Pre-existing diseases (5%):** These are diseases that a person is already suffering from at the time of taking insurance. Different companies have different time limits to cover these.
- 6) **Room rent/ICU charges (10%):** There are capping by companies with regard to room rent and ICU charges which should be kept in mind while buying insurance.
- 7) **Free health checkups (2%):** This feature is desired by insurance seekers and is provided by many companies, though under different conditions.
- 8) **Day-care procedures (5%):** Different companies have separate lists of day-care procedures approved for admission of a claim.

- 9) **Organ donor expenses (5%):** In case of an organ transplant, the cost of hospitalization of the donor is provided by the insurance policy – the cost of organ is excluded, though.
- 10) **Non-allopathic treatment (5%):** As we are looking for a comprehensive medical policy for the long run, we expect that it should also focus on alternative therapies of AYUSH (acronym for Ayurveda, yoga & naturopathy, Unani, Siddha and homoeopathy).
- 11) **Maternity benefit (10%):** It covers expenses incurred for childbirth or lawful termination of pregnancy while in the policy period. Only two such expenses in the entire life are permitted after specified waiting period is covered.
- 12) **Maximum renewable age (10%):** This criterion states up to what age the policy can be renewed.
- 13) **Claim loading (10%):** This criterion takes into consideration that some companies may increase the premium at the time of renewal if there is claim in the previous year.
- 14) **Co-payment (10%):** There is a certain percentage that must be paid by the insurer in the event of hospitalization.

These 14 criteria have been rated and compared for each of the 16 brands. (See the chart 'The 14 Criteria for Comparing Health Insurance')

### Best Buy

ICICI Lombard

### Good Buys

L&T Insurance | IFFCO-TOKIO | TATA AIG  
| Religare

### FINDINGS

#### TOP 5 BY PRODUCT FEATURES

1. ICICI Lombard (8.3/10)
2. L&T Insurance (8.19/10)
3. IFFCO-TOKIO (7.787/10)
4. Max Bupa (7.53/10)
5. TATA AIG (7.487/10)

### TOP 5 BY 'ASSESSMENT OF QUALITY OF HEALTH INSURANCE SERVICES IN INDIA (FROM CONSUMER PERSPECTIVE)'

1. ICICI Lombard (8.77/10)
2. New India Assurance Company (8.73/10)
3. Bajaj Allianz (8.66/10)
4. Star Health (8.56/10)
5. National Insurance (8.33/10)

### TOP 5 BY COMBINED SCORE (EQUAL WEIGHTAGE TO FEATURES AND QUALITY OF SERVICE)

**Best buy:** ICICI Lombard (8.535/10)

- Good buys:** 1. L&T (8.215/10)  
2. IFFCO-TOKIO (8.0135/10)  
3. TATA AIG (7.759/10)  
4. Religare (7.745/10)

### MATERNITY BENEFITS COVERED BY

1. Max Bupa
2. ICICI Lombard
3. Star
4. L&T Insurance.
5. Apollo Munich
6. HDFC ERGO

*It is to be noted that these benefits may be given in specific plans or plans with specific coverages.*

### COVERAGE OF NON-ALLOPATHIC TREATMENT

1. Oriental Insurance
2. New India Assurance
3. Tata AIG
4. Star Health
5. IFFCO-TOKIO
6. United India
7. Apollo Munich
8. L&T Insurance

### Downsides, Generally

A floater policy provides cover only to your immediate family – that is, your spouse and two

### COMPANIES NOT CHARGING A LOAD ON PREMIUM IN THE EVENT OF A CLAIM

1. Apollo Munich
2. Religare
3. TATA AIG
4. Reliance
5. Bajaj Allianz
6. Max Bupa
7. ICICI Lombard
8. IFFCO-TOKIO
9. L&T Insurance

### COMPANIES WITH LOWEST PREMIUM

1. IFFCO-TOKIO
2. Oriental Insurance
3. United India Insurance
4. National Insurance

### LOWEST NUMBER OF PROBLEMS REPORTED FROM

1. New India Assurance
2. ICICI Lombard
3. Oriental Insurance
4. Bajaj Allianz
5. Star Health

dependent children. It does not include your parents even if they are living with you and dependent on you.

The dependent children have to be covered separately once they reach the age of 23. They cannot claim under the family floater policy.

The policy can be renewed only till the eldest member in the floater plan reaches maximum renewable age. After that, all members will have to buy a new policy without having the benefit of the waiting periods already covered in the floater policy.

Floater policy is not advisable in case a person in the floater policy makes claims often as it would leave other members of the floater policy exposed to the risk.

Brand→ Parameter↓	ICICI Lombard Complete Health Suraksha	L&T Insurance Medisure Classic	IFFCO-TOKIO Swasathya Kawach	MAX BUPA Family First	TATA AIG Medi-prime	RELIANCE Health Wise	UIIC Family Medicare	
Premium (Rs)	11,551	9,596	6,180	13,129	12,941	12,035	7,211	
Pre-/Post-hospitalization	30/60	30/60	30/30 Post-hospitalization up to 7% (maximum Rs 7,500) of hospitalization expenses	30/60	30/60	30/60	30/60	
No-claim bonus/discount	10% up to 50%	5% up to 50%	No	No	10% up to 50%	Discount of 5% up to 20%	10% up to 50%	
Domiciliary expenses	No	Covered	Up to 20% of SI	Covered	Covered	Covered	**	
Pre-existing diseases	2 years	3 years	4 years	After 4 years	4 years	4 years	4 years	
Room rent/ICU charges	Covered	Covered	1% room rent, 2% ICU	Covered	Covered	Covered	1% room rent, 2% ICU	
Free health check-up	Every year	4 continuous claim-free years	No	Every year	After every 3 years	4 claim-free years	3 claim-free years	
Day-care procedures	140	Covered	Covered	Covered	140	Covered	Covered	
Organ donor expenses	Up to Rs 50,000	Covered	Covered	Covered	Covered	Covered	Covered	
Non-allopathic treatment	Covered	Up to Rs 25,000	Covered	Not Covered	Up to Rs 25,000	No	Covered	
Maternity benefits	After 3 years	After 4 years	No	Covered after 2 years	Not covered	No	No	
Maximum renewable age	Lifelong	Lifetime	Lifetime	Lifetime	Lifelong	75 years	**	
Claim loading	No	No	No	No	No	No	Yes	
Co-payment	No	After 80 years of age: 10%	No	No	No	No	No	
Total	6.25	6.145	5.84	5.65	5.615	5.32	5.11	

## Floater Health Insurance

	RELIG- ARE Care	APOLLO MUNICH Easy Health Standard	BAJAJ ALLIANZ Health Guard	ORIEN- TAL Happy Fam- ily Floater (Silver)	HDFC ERGO Health Suraksha	FUTURE GENER- ALI Future Health Suraksha	STAR Compre- hensive	NATION- AL INSUR- ANCE Parivar Mediclain	NEW INDIA AS- SURANCE Fam- ily Floater Mediclain
	10,265	10,500	10,773	7,180	14,064	10,881	14,798	7,964	17,694
	30/60	30/60 (60/90 if informed 5 days before hospitaliza- tion)	60/90	30/60	60/90	60/90	30/60	15/30	30/60
	10% up to 50%	10% up to 50%	10% up to 50%	Discount of 5% up to 20%	5% up to 50%	10% up to 50%	50% up to 100%	No	**
	Up to 10% of SI	Covered	**	Covered	Covered	**	**	No	No
	4 years	3 years	4 years	4 years	4 years	4 years	4 years	4 continuous claim-free years	4 continu- ous claim- free years
	Covered	Covered	Covered	1% room rent, 2% ICU	Covered	Covered	Covered	1% room rent, 2% ICU	1 % room rent, 2% ICU
	Every year	4 continu- ous claim- free years	After 4 claim-free years	**	After 4 years	4 claim-free years	After every 3 yrs	**	**
	144	Covered	130	Covered	Covered	130	101	Covered	Covered
	Up to Rs 1 lakh	Covered	Covered	Covered	Covered	No	Not cov- ered	Covered	Covered
	Not covered	Up to 20,000	No	10% of SI	Covered	No	Covered	No	Up to 25% of SI
	No	No	No	No	No	No	Covered after 3 years	No	No
	Lifetime	Lifetime	80 years	**	Lifetime	Lifelong	Lifelong	65	**
	No	**	No	Yes	Yes	Yes	Yes	**	Yes
	Above 61: 20%	No	10% if treatment in non-list- ed hospital	10% for every claim	No	No	10% for above 60 years	10% for diabetes or hypertension and 25% for both	**
	5.03	5.02	4.92	4.8	4.44	4.02	3.78	3.3	2.8

### Waiting Periods

There are certain waiting periods in the policy which should be read carefully while purchasing a policy

- a) For a first-year policy, any claim from during the first 30 days from the date of cover is not admissible except for accidental claims, which are covered from day one.
- b) All pre-existing diseases are generally covered after three to four years of continuous renewals (ask your service provider for more details).
- c) Certain diseases like cataract, congenital internal diseases, hernia, fistula in anus, piles, sinusitis and related disorders, surgery of gall bladder and bile duct excluding malignancy, hypertension, diabetes, surgery of varicose veins, etc., are not payable for the first two years (ask your service provider for a complete list of diseases not covered).

### Exclusions

Almost all the policies exclude the following from their cover:

- a) Circumcision unless for treatment of disease
- b) Cost of spectacles, contact lenses, hearing aids, etc.
- c) Dental treatment except in case of accident
- d) Cosmetic or aesthetic procedures
- e) Naturopathy
- f) Treatment relating to childbirth, pregnancy including caesarean section (except if specifically covered)
- g) Convalescence, general debility, congenital external defects, intentional self-injury, suicide, infertility/sub-fertility or assisted conception procedures, accidents due to misuse or abuse of drugs/alcohol or use of intoxicating substances
- h) Cost of organ (only hospitalization expenses of donor are covered)

### Claim Loading

In case of a claim, many companies add a load to your premium – that is, they increase your premium if you had made a claim in the previous policy year. However, some companies like Apollo Munich, Religare and Tata AIG do not charge any load to your premium in case of a previous claim. It is advisable that while buying a health insurance policy you ask the provider for clear terms for the claim loading.



### Timely Renewal

The policy is generally for a year and it is advisable to renew your policy on time as the benefits gained may otherwise be lost. Where policy is not renewed on time, the benefits accruing on the policy for no-claim bonus/ discount will be withdrawn as well as waiting period for specified diseases will start again. Some companies also offer a grace period in which you can renew the policy but it is advisable that renewal is made on or before due date as any claim made during the grace period may not be admissible. Grace period is the time given by companies after the due date for renewing policy without taking away the benefits accrued until then.

### Recommendations

The best buy cannot be based only on the criteria listed above. The consumer should opt for a policy that also provides customer-friendly service. Therefore, we have given these factors equal weight (50:50) and computed their ratings.

According to this weightage, ICICI Lombard Complete Health gives the best service and also has the best features, making it the 'best buy'. The 'good buys' are L&T Insurance, IFFCO-TOKIO, TATA AIG and Religare.

However, it should be noted that the difference in ratings given is very narrow. A consumer may choose a policy that provides cover most suited to their needs. Also, while buying insurance, the consumer should check whether it provides comprehensive coverage of good hospitals in their city. Finally, an informed choice based on the best fit for one's needs makes all the difference.