



Top-ups for Your Health-Insurance Plan A hedge against chronic illnesses?

Here we revisit our earlier study on top-up health-insurance plans (published in January 2017 issue of Consumer Voice), focusing on aspects such as product update or improvement, if any, with reference to user feedback and claim settlements, as well as new players in the segment. The following report will add on to our information on what to expect from top-up health plans (including for senior citizens), what the benefits/riders are, what the inclusions and exclusions are, and which companies offer the best, good and fair policies. After all, it is hardly ever as simple as just topping it up. How is it different from a standard health-insurance plan? What are threshold limits and deductibles, and when is a top-up applicable?

– Subas Tiwari & Gopal Ravi Kumar

When even a minor surgery and attendant hospitalization can set one back by a lakh or a couple of lakh rupees, a health-insurance policy needs to be more than equal to exigencies. What if there is a situation of multiple hospitalisations within the same year?

One can barely afford to be complacent about such matters and if the existing health-insurance cover seems inadequate in the face of escalating costs, one will look to increase the coverage. What are the options here? Buy another health policy or upgrade the existing plan? However, both are relatively expensive options. Here, top-up plans make sense

because these will let one increase the sum assured at an affordable premium amount—at half the cost or even less compared to other options.

How Does a Top-up Work?

Unlike normal hospitalisation policies, top-up plans come with a deductible or threshold limit. You have to select the threshold limit at the time of purchasing the policy – this is the amount up to which you or your existing policy can pay the medical bills. As long as your present ailment is fully met by your existing policy and the hospital bills meet the policy claim amount (through either cashless or reimbursement method), there's no worry. The top-up plan does not come into the picture here.

Top-up plans work when your hospital bills show expenditure in excess of the medical-insurance claim estimates cleared (either by in-house arrangement or through a third-party administrator) by the insurance company. In such a case, you can very well file an additional claim on the top-up policy on the same hospital bills for treatment undergone.

A top-up health-insurance plan covers hospitalisation costs beyond this specified limit (called the base amount policy).

Thus, basically a top-up health policy is an additional coverage for people who have an existing individual plan or a mediclaim cover from the employer. Note that it is for reimbursement of expenditure that arises out of a single illness/hospitalisation beyond the limit of the existing cover, if any.

For all purposes, top-up health plans are a backup to your health-insurance policy after you exhaust the sum-insured limit. A regular policy reimburses hospital bills up to the sum insured, while a top-up plan covers costs beyond the specified limit. So, for

a little extra premium, one may own a complete health-insurance plan.

The Deductible Makes It Different

Unlike normal hospitalisation policies, top-up plans come with a deductible or threshold limit. You have to select the threshold limit at the time of purchasing the policy, which is the amount up to which you or your existing policy can pay the medical bills. Only if your hospital bills cross the deductible limit can you use the top-up plan. Thus, the only difference between a normal health-insurance plan and a top-up plan is the deductible.

Top-up health-insurance plans come handy when the threshold of the existing health cover is already used or exhausted and there are some more medical costs left to deal with, which would otherwise exert pressure on your financial savings.

For example, let's assume that you have a top-up health cover of Rs 10 lakh sum assured, with the threshold limit of Rs 3 lakh, in which case the policy will only cover your expenses beyond Rs 3 lakh. If your claim amount is Rs 8 lakh, the insurance company will pay you Rs 5 lakh (8 – 3), and not Rs 8 lakh. In a regular health-insurance policy with sum insured of Rs 8 lakh, the entire amount of the claim – that is, Rs 8 lakh – will be paid. It is another matter that premium amount will be much more than that in a top-up policy.

You must of course check deductible criteria for pre-existing disease, single illness, and pre/post-hospitalisation. Also, the higher the deductible, the lesser will be the premium amount (due to less insurance risk for the insurer).



Reasons Why You May Want a Top-up

- You have not yet taken any health-insurance policy.
- You do have a basic/regular health-insurance policy with, say, X company but this company does not provide a top-up cover.
- You have a health-insurance policy but the sum assured is not significant to cover huge hospitalisation costs.
- You want to minimise the premium amount.

It is not compulsory to have a health-reimbursement policy to buy a top-up plan, but it is futile to take a top-up policy unless you have a reimbursement cover equal to at least the 'threshold limit' of the top-up plan. This way you will be able to take care of your bills even before the top-up plan starts working. A top-up plan can be taken even if you have a group health cover from your employer.



Don't be confused about these terms

- **Deductibles**

Top-up plans work on a cost-sharing basis where medical expenses up to the deductible limit have to be borne by the policyholder. In order to pay the deductible amount, the insured can either use the sum insured from an existing health plan or contribute from their own pocket. The insurance company bears the medical cost only if the expenses cross the deductible limit.

A deductible does not reduce the sum insured. It means the amount of hospitalisation expenses that you need to bear before the policy starts paying. You can opt for a limit that suits your pocket; the insurance provider will not pay you up to the deductible limit chosen by you.

Therefore, if you already have a health plan of Rs 2 lakh, you can opt for a top-up policy of Rs 5 lakh with Rs 2 lakh as deductible. It means that the initial Rs 2 lakh will have been paid by your existing mediclaim and the remaining Rs 3 lakh will be borne by the top-up plan.

- **Threshold limit**

It is the level up to which your existing health-insurance policy covers hospitalisation expenses. Beyond this level, the liability to provide medical cover lies with the insurance company that has provided you a top-up plan.

- **Co-pay**

It refers to the amount expected to be paid by you for medical services covered by the plan. In other words, co-pay means concurrent liability to pay a certain amount of your own contribution on a health policy to avail the health benefit up to the sum assured, subject to the type of policy or age restriction or other conditions enshrined in the policy. This is always at a certain percentage of the sum assured.

Top-ups for Your Health-Insurance Plan

Major Inclusions in a Top-up Plan	Major Exclusions
Medically necessary hospitalisation expenses as a result of any disease or injury due to an accident	Medical expenses incurred for any ailment/disease contracted during the 30 days prior to taking the policy, except on account of sudden accidents
Pre-hospitalisation and post-hospitalisation expenses	Any disease contracted during the waiting period as prescribed in the policy
In case of organ transplant, hospitalisation expenses of donor inclusive of pre/post-hospitalisation expenses	Genetic disorder and stem-cell implantation/surgery
Ambulance expenses within prescribed limits	Dental treatment or surgery unless necessitated on account of accidents requiring hospitalisation
Day-care expenses	Cosmetic surgery including for obesity
Domiciliary hospitalisation expenses	Outpatient-treatment expenses
Pre-existing diseases subject to waiting periods and subject to prior declaration at the time of taking the policy or on renewal of the policy	Expenses for treatment received outside India
Maternity expenses	Expenses incurred on diagnostic tests
	Naturopathy treatment/acupressure/acupuncture/magnetic therapies

Additional benefits/covers provided by some top-up plans (on payment of additional premium) include:

- ✓ Personal accident cover
- ✓ Critical illness cover
- ✓ Hospital daily cash

Be Aware of the Limitations

a) Buying a top-up presupposes an existing basic health-insurance policy, which may not be the case with every consumer. There are many consumers who may still be debating in their minds about which policy to buy. In such a scenario, they may end up buying a top-up policy with higher premium, compared to those who already have a basic policy and are going for a top-up as well.

b) While most of the claims under top-up plans are considered in cashless mode (pre-authorisation is needed), most of the super top-up plans work on reimbursement basis (post-hospitalisation period), not a cashless one. In case of the latter, the insurer will pay the claim amount after getting the details of all the medical bills, to assess whether the policyholder

has paid the deductible limit by himself or through any existing health-insurance policy.

c) The basic top-up plan covers only one hospitalisation claim (beyond the deductible limit) during the tenure of the policy, which may not suit everyone (for example, senior citizens who may end up being hospitalised for different ailments).

d) Top-up plans come into 'play' only when the claim is more than the deductible chosen by you. If your claim is within the deductible, there will be no claim to be filed with the insurance company, as the claim amount is to be met by you out of your own pocket or through the existing health-insurance policy.



I have a health-insurance policy of X company but they do not offer top-up plans. What should I do?

You can buy the top-up plan and the health-insurance plan from two different companies, but it is advisable to buy these from a single insurer as it will save you money and time. If your basic policy and the top-up policy are from two different companies, informing two insurers and getting the claim settled may be cumbersome.

Do all the general health-insurance companies provide top-up plans?

In the main, the insurance companies listed in the product comparison chart in this report offer top-up plans. There are some others but their offers are not 'transparent' – something that you will realise while looking for information on their websites.

What is a super top-up plan?

A top-up cover will pay you for your claim amount (bill for a single hospitalisation). A super top-up plan, on the other hand, considers 'the total of all the bills' in any given year. It covers 'multiple' hospitalisations and looks at the aggregate claim. This means the plan puts together several cases of hospitalisation to calculate the deductible limit (threshold limit).

Lessons We Learnt

- ✓ Purchase a health policy early on in your life.
- ✓ Demand/seek improved health cover/top-up by keeping deductible limit to the minimum (this could depend on your health profile, age and fund affordability).
- ✓ Seek maximum sum assured so as to pay only the minimum premium.
- ✓ It is advisable for senior citizens to go for super top-up plans even though the premium costs may end up being higher.





Unique Selling Points (USPs)

Cigna TTK – ProHealth	<ul style="list-style-type: none"> • No additional premium payment for value-added covers like health check-up, expert opinion on critical illness, cumulative bonus, health rewards, etc. • Worldwide emergency cover • Newborn baby expenses • First-year baby vaccinations • Waiver of mandatory co-pay on payment of additional premium for those above 65 years of age • A lot of ailments covered on loading on premium
Apollo Munich – Optima Super	<ul style="list-style-type: none"> • Waiver of deductible if you are a policyholder continuously for a minimum of five years
SBI General – Arogya Top-up	<ul style="list-style-type: none"> • Maternity expenses covered
IFFCO-Tokio – Health Protector+	<ul style="list-style-type: none"> • Day-care treatment available • Super top-up cover available (for more than one illness/disease)
ICICI Lombard – Health Booster	<ul style="list-style-type: none"> • Super top-up cover available • Complimentary annual check-up
RELIGARE Health – Enhance	<ul style="list-style-type: none"> • Annual health check-up • Obesity expenses allowed subject to 15% additional loading on premium
United India – Top-up Medicare	Maximum age of entry is 80 years
Max Bupa – Health Companion	Sum insured is up to Rs 100 lakh
Bajaj Allianz – Extra Care	No medical check-up required up to 55 years of age
Future Generali – Future Health Surplus	No medical check-up required up to 55 years of age

We chose 13 top-up health-insurance plans based on consumer feedback, popularity and availability of full information in the public domain (including official websites and brochures). The parameters on which we have compared them include deductible options, maximum and minimum sum insured, maximum and minimum entry age, pre- and post-hospitalisation expenses coverage in terms of days, domiciliary treatment, day-care procedures (numbers), pre-existing diseases cover and policy tenure. We gave the highest weightage (20 points) to consumer feedback, which also helped in determining the most important and beneficial variables. These variables have a direct bearing on the product structure.

CV RECOMMENDATIONS
Best Buy
ICICI Lombard (Health Booster)
Good Buys
SBI General (Arogya Top-up)
Cigna TTK (ProHealth)
Fair Buys
Religare Health (Enhance)
IFFCO Tokio (Health Protector Plus)

CV Weightage Points (100)	Health Insurance Top-up Plans (including for senior citizens)	ICICI Lombard	SBI General	Cigna TTK	Religare Health	IFFCO Tokio	
		Health Booster	Arogya Top Up	ProHealth	Enhance	Health Protector Plus	
For Information Only	Min. Entry Age (years)	6	3M	18	18	3M	
	Max. Entry Age (years)	Any	70	Any	Any	65	
5	Sum Insured Min. (Rs, in lakh)	5 (2)	1 (5)	2.5 (3)	1 (5)	2 (5)	
10	Sum Insured Max. (Rs, in lakh)	50 (10)	50 (10)	10 (4)	40 (10)	25 (7)	
15	Deductible Options (Rs, in lakh)	3, 4, 5 (5)	1 to 10 (12)	1, 2, 3 (5)	0.5 to 20 (15)	1, 2, 3, 5 (8)	
5	Day-care Procedures (numbers)	Yes (5)	Yes (5)	Yes (5)	Yes (5)	NS (0)	
5	Pre-hospitalisation (days)	60 (5)	60 (5)	60 (5)	30 (2)	60 (5)	
5	Post-hospitalisation (days)	90 (3)	90 (3)	180 (5)	60 (2)	90 (3)	
5	Domiciliary Treatment	Yes (5)	Yes (5)	Yes (5)	NS	Yes (5)	
5	Pre-existing Disease Cover (waiting period, in years)	3 (5)	4 (2)	4 (2)	4 (2)	4 (2)	
5	Health Checkup (on renewal, in years)	Every year (5)	NS (0)	Every year (5)	Every year (5)	NS (0)	
5	Policy Tenure (years)	1,2,3 (5)	1,2,3 (5)	1,2,3 (5)	1,2,3 (5)	1 (2)	
5	Long-Term Discount on Premium (%), Max.	12.5 (5)	7.5 (3)	7.5 (3)	10 (3)	15 (5)	
5	Family Discount on Premium (%), Max.	NS (0)	NS (0)	10 (3)	10 (3)	10 (3)	
5	Ayush Treatment	Yes (5)	NS (0)	No (0)	No (0)	Yes (5)	
20	Consumer Feedback	19	13	17	5	11	
	Total	82	68	67	62	61	

Notes:

- Information given here has been sourced from websites, brochures and customer care.
- Sum assured and premium are dependent on individual age, health profile, benefits opted for, period of insurance and risk-bearing criteria.
- We have selected for this study only those insurance plans that offer top-up insurance plan as one single insurance

Top-ups for Your Health-Insurance Plan



	Apollo Munich	Max Bupa	HDFC Ergo	Bajaj Allianz	Future Generali	Star Health	New India	United India
	Optima Super	Health Companion	My Health Medisure Super Top Up	Extra Care	Future Health Surplus	Super Surplus	Top Up Mediclaim	Top Up Medicare
	91D	3M	18	18	3M	18	3M	18
	65	Any	Any	70	65	65	65	80
	5 (2)	2 (5)	3 (3)	10 (0)	3 (3)	5 (2)	5 (2)	3 (3)
	10 (4)	100 (10)	20 (7)	15 (4)	10 (4)	25 (7)	22 (7)	15 (4)
	1, 2, 3, 4, 5, 6, 7, 10 (12)	1, 2, 3 (5)	2, 3, 4, 5 (8)	3, 4, 5 (5)	2, 3, 5 (5)	3, 5, 10 (5)	5, 8 (2)	2, 3, 5 (5)
	Yes (5)	Yes (5)	NS (0)	NS (0)	NS (0)	NS (0)	NS (0)	Nil (0)
	60 (5)	30 (2)	30 (2)	60 (5)	60 (5)	30 (2)	NS (0)	30 (2)
	90 (3)	60 (2)	60 (2)	90 (3)	90 (3)	60 (2)	NS (0)	60 (2)
	NS (0)	NS (0)	NS (0)	NS (0)	NS (0)	NS (0)	NS (0)	NS (0)
	4 (2)	4 (2)	3 (5)	4 (2)	4 (2)	3 (5)	4 (2)	4 (2)
	NS (0)	Every 2 years (4)	Every 4 years (2)	NS (0)	NS (0)	NS (0)	NS (0)	NS (0)
	1,2 (3)	1,2 (3)	1,2 (3)	1 (2)	1 (2)	1 (2)	1 (2)	1 (2)
	7.5 (3)	12.5 (5)	5 (2)	NS (0)	NS (0)	NS (0)	NS (0)	NS (0)
	10 (3)	NS (0)	10 (3)	NS (0)	60 (5)	NS (0)	NS (0)	NS (0)
	No (0)	Yes (5)	No (0)	No (0)	No (0)	NS (0)	Yes (5)	NS (0)
	14	13	12	12	10	5	4	4
	59	58	47	43	39	30	24	24

product, even for the uninsured.

d) We have not selected super top-up plans for this study.

e) For the purpose of this study, only individual policies have been taken up (not family floaters).

f) NS: Not specified