



## Expand your health insurance with top ups

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If you are looking at increasing the health insurance protection available to your family, you need not call up the agent and just purchase another insurance policy. There are ways to increase your health insurance cover in a cost-effective way.

High deductible plan or top up:

These covers are the best way to increase the sum assured if you already have an employer's cover or a basic insurance policy. So, if you feel a Rs 3 lakh sum assured won't suffice, then you can purchase a high deductible health plan or a top-up plan. This plan will kick in only when your initial cover amount (Rs 3 lakh here) is exhausted.

So, if your hospital bill is Rs 4.25 lakh, then the bill up to Rs 3 lakh would be paid from the first cover and the balance Rs 1.25 lakh would be cleared off using the high-deductible plan. The premium is low because of the deductible amount.

But one should top up the base cover efficiently else you would be left underserved. "Top up is a waste. One should always opt for super top-up. In our top-up policy, hospitalisations throughout the year are covered," says Sampathkumar.

Under a top-up policy hospitalisation expenses exceeding the base cover are paid for only one hospitalisation. But under a super top-up the hospitalisation expenses for the entire year are taken into account. So, if you fall ill in January and your wife requires hospitalisation in March then a top up won't cover exceeding costs for your wife's hospitalisation, but a super top-up will.

According to New India Assurance, top-up on a ground policy is a seamless way of increasing the cover.

"Top-up plans are significantly cheaper. For instance if one opts for a top-up plan for Rs 5 lakh attached to a base policy of Rs 3 lakh basic health cover then it would be 50% cheaper than going for a Rs 5 lakh fresh health insurance policy," says **V Ramakrishna, managing director of India Insure Brokers.**

The best thing about top ups is that "You can get a top-up of up to Rs 15-25 lakh. It doesn't kick in until the base policy coverage is exhausted," **Ramakrishna** says.

Insure your daughter under the same plan:

Most of the public health insurance providers such as New India Assurance have been offering a 50% discount on the premium for families with a girl child.

Second plan for younger member:

If you feel that the frequency of hospitalisation of one policy holder has increased and hence the family floater cover may not be sufficient to cover two or more people, don't increase the sum assured here. The insurance company may demand a hefty premium anticipating the higher usage of the cover.

Instead ask for a fresh individual cover for the younger member – spouse, son, daughter etc. This way the premium would be lower and the chances of a cover being rejected would be low too. "Since the rate of premium for a wife younger to husband or a child would be lower, one can take a separate cover for the wife or the child to increase the health insurance protection for the family," says Sampathkumar.

Critical illness cover:

If you have a family history of heart attacks or cancer, then instead of buying a hospitalisation plan, go for a critical illness cover. "A small amount of critical illness cover goes a long way in taking care of the post discharge costs involved when one gets a major disease," says Sampathkumar.

Here you would be paid a lump sum amount upon detection of the disease. The expenses have to be borne out of this fixed cost paid out. These diseases include: Cancer, major organ transplant, multiple sclerosis, third degree burns, aorta graft surgery, coma, quadriplegia, total blindness, end stage renal disease etc.

Opt for simple products

Instead of going in for a policy that covers anything and everything, look for simple products. There are plans in the market that offer additional riders. Give add-on covers a miss.

"People should take simpler policy instead of going for insurance policies that cover OPD expenses etc. If you make too many claims under the OPD cover and your loss ratio becomes adverse, the premium for next year could shoot up significantly," says **Ramakrishna**.

"Health insurance isn't needed to meet OPD expenses, but for large unforeseen hospitalisation expenses. Insurance companies will charge a higher premium for OPD inclusive cover as chances of misuse are very high, for instance prescription can be manipulated."

So, keep an eye on your existing health insurance cover and assess if you need additional cover. "For a family of four with the eldest member in the age group of 30-45 years a Rs 5 lakh would be required. For those beyond the age of 45 years a total cover of Rs 15-20 lakh is recommended. The sum assured would also depend on the city of residence, as the cost of hospitalisation is high in places like Mumbai as compared with Kolhapur etc," says **Ramakrishna of India Insure**.

<http://www.dnaindia.com/money/report-expand-your-health-insurance-with-top-ups-2044186>