

HEALTH INSURANCE POLICY : WHAT IS THE NEED?

Health insurance policy in the current COVID-19 times and with the rising costs of medical treatment year on year, has become the need of the hour for an individual.

A Health insurance policy covers the individual/family for medical/hospitalization expenses or cost incurred for surgeries. It typically pays for medical, surgical, prescription drugs and, sometimes- dental expenses too. The insured/policyholder selects the kind and level of coverage, which is commonly known as Sum Insured by paying requisite premium. In case of hospitalization, the individual gets the reimbursement for such covered expenses.



What is Health Insurance Policy?

In the current COVID-19 times and with the rising costs of medical treatment year on year, health insurance has become the need of the hour for an individual. Considering the sedentary lifestyle and environment pollution around us due to which the risk of an ailment is high, it becomes vital for any individual to opt for it. Additionally, arranging for funds at the eleventh hour can be herculean task.

Eventually, when an individual contemplates on buying Health Insurance he/she has many doubts and misconceptions/myths in mind around it and we endeavour to clarify them as below:

I am young I do not need health insurance?

If the pandemic has proven one thing, it is that age has no correlation with good health, with even relatively young people falling prey to the disease. The susceptibility to ill health is compounded due to today's hectic lifestyle. It has been proven by medical research that younger population is at increased risk of falling ill. People attribute health insurance to illness, whereas apart from covering the financial burden of treatment due to illness, it also covers for regular health check-ups that encourages healthy lifestyle.

Buying health insurance at an early age comes with affordable premium due to low risk of illness and by the time age catches up and chances of illness are higher, the health insurance covers everything considering that there is a waiting period (generally of 1/2/4 years) for cover for few diseases. Also, when you start early there is generally an inbuilt feature of adding the coverage amount for each claim-free year which is commonly known as Cumulative Bonus, which can be as high as 100% of the original Sum insured.

I am covered by my employer provided health insurance policy

While some of the organisations tend to offer good health insurance cover for their employees, there is always a limitation in terms of cost that the employer would spend. Also, the policy may sometimes just cover the individual and not the family.

Generally, the sum insured in the group health insurance is limited and is available only until the point one is an employee. The cover ends when you leave the organisation.

It is important to note that once you contract an illness, it is covered in the group health (as it has coverage for pre-existing illness from day one). Once you exit the organization, it is difficult to get a cover and, if at all, there shall be a waiting period for up to 4 years for covering a pre-existing illness.

Also read: [DEMAND FOR HEALTH INSURANCE POLICIES HAVE INCREASED](#)

No need to declare all pre-existing ailments

It is wrong to assume that pre-existing ailments should not be declared at the time of obtaining the health insurance. Incorrect information that can be correlated at the time of claim can lead to rejection of claims based on misrepresentation.

There are provisions in the health insurance where the pre existing ailments get covered generally after four years and, hence, once should declare all the information accurately.

The cheapest cover should be bought

The current COVID-19 crisis has been an eye-opener for many individuals. A low-cost cover will save money at the moment, however, one should do a thorough feature wise comparison of health insurance products and then decide on what one needs vs what is available in a certain price range.

There are cover restrictions or lower coverage as a trade off for low cost of premium for health insurance. Cheap cover may cover the obvious expenses, but one should look at additional benefits for comprehensive coverage at certain additional cost.

To keep yourself against the medical emergencies, it is advised to opt for health insurance for the complete family. This is to make sure that every individual is covered and enjoys equal benefits. One can look online or seek advice from financial advisors to know more about the health insurance policies available in order to make an informed decision. It is highly recommended to be aware of all the nuances related to health insurance and opt for one in order to lead a healthy and happy life.



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