



Any co-morbid condition triggered due to covid-19 shall be covered. Photo: iStock

## Compare the premiums before buying a Corona Kavach policy

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Though the policy features are the same across health insurers, there's a difference in the premiums

As mandated by the [Insurance](#) Regulatory and Development Authority of India (Irdai), standalone health and general insurance companies started offering the standard indemnity health insurance policy—Corona Kavach—over the last weekend. While some insurers currently don't pay for the cost of personal protective equipment (PPEs) and other hygiene-related consumables, which form a chunk of the hospital bills, the Corona Kavach will pay for PPEs, gloves, masks and other similar expenses.

Though the features and wordings of the policy are the same across insurers, *Mint* found out that there's a difference in the way insurers have priced it (*see graph*).

### The cost of Corona Kavach

Here are the premiums for some of the insurers for Corona Kavach policies across two age groups of 31-35 and 61-65 years. We have taken the rates for base policies, with a sum insured of ₹3 lakh for tenors of 3.5 and 9.5 months.

**Sum insured: ₹3 lakh**

Age group (years)	31-35		61-65	
	3.5	9.5	3.5	9.5
Bajaj Allianz General	648	<b>1,080</b>	2,760	<b>4,600</b>
Future Generali	436	<b>664</b>	1,678	<b>2,552</b>
Go Digit General	5,200			<b>26,195</b>
Iffco Tokio General	861			<b>3,579</b>
National Insurance	955	<b>1,670</b>	2,875	<b>5,035</b>
New India Assurance*	968	<b>1,075</b>	6,772	<b>7,524</b>
Oriental	461	<b>932</b>	923	<b>1,864</b>
Raheja QBE General	775	<b>1,375</b>	2,000	<b>3,600</b>
Star Health and Allied	1,055	<b>1,424</b>	1,266	<b>1,709</b>
United India	464	<b>1,192</b>	2,030	<b>5,890</b>

\*15% discount for women and 30% loading applicable for individuals with co-morbidities. Premiums for one adult only. Premiums exclude taxes. Healthcare workers to get 5% off on premiums. Rates could change in the family floater variant as some insurers may offer additional discount. The optional cover hospital daily cash comes in the range of ₹13,08 to ₹1,680 for a policy with a sum insured of ₹3 lakh. Source: Mint Research

The policy allows three tenors of 3.5, 6.5 and 9.5 months; and the sum insured varies from ₹50,000 to ₹5 lakh. In addition to the base cover, the policy offers an add-on hospital cash cover.

Corona Kavach



Read on to know the product features and how the premiums compare among insurers.

## Product features

The minimum entry age for the policy shall be 18 years and the maximum 65. Dependant children shall be covered from the age of three months to 25 years. It also offers the family floater option. Most insurers could offer a discount on this. The tenures could be 3.5, 6.5 or 9.5 months, including the 15-day waiting period, and insurance rules such as lifelong renewability, migration and portability shall not be applicable. The minimum sum insured is ₹50,000, which can be increased in multiples of ₹50,000, up to ₹5 lakh.

Any co-morbid condition triggered due to covid-19 shall be covered. However, a few insurers may apply loading on premiums for individuals with co-morbidities. For instance, New India Assurance shall apply a 30% loading on premiums for individuals with diabetes, hypertension, asthma, lung fibrosis, cancer and so on.

The policy has no sub-limits on room rent, which is an advantage. Capping of room rent usually results in increased out-of-pocket expenditure. It also has a bearing on other associated costs such as nursing and doctors' fees.

The policy comes with an optional hospital daily cash cover in which the insurer will pay up to 0.5% of the sum insured for every 24 hours of hospitalization up to 15 days. The base policy will pay for hospitalization expenses incurred for the treatment of covid-19 on a positive diagnosis from a government-approved diagnostic centre. Read [bit.ly/304ETS7](https://bit.ly/304ETS7) for further details.

The policy covers costs of at-home treatment, provided the medical practitioner advises home treatment and there is a continuous active line of treatment, which requires monitoring by a medical practitioner.

## What it costs

*Mint* analyzed the premiums shared by insurers across age groups and found that Future Generali India Insurance Co. Ltd and public sector insurers such as Oriental Insurance Co. Ltd and United India Insurance Co. have priced it at the lower end of the spectrum, whereas Go Digit General Insurance Ltd is at the higher end.

For an individual between ages 31 and 35 years, for a sum insured of ₹3 lakh and tenure of 9.5 months, Future Generali has priced the base product at ₹664, plus taxes, whereas Go Digit has priced it at ₹8,085 plus taxes. Oriental and United India have priced it at ₹932 and ₹1,192, respectively, plus taxes.

“I think inadequate data on claims and the infection itself is a reason for the (price) variation. Some amount of conservatism reflects in the way most private insurers have priced the product, especially when you compare the rates with PSUs,” said Abhishek Bondia, managing director and principal officer, SecureNow.in.

Irdai has mandated a 5% discount for all healthcare workers. A few companies are also offering discounts on the aggregate premium for family floater plans and if the plan is bought online without the involvement of an intermediary. "One of the PSU insurers has offered up to 90% discount to add family members," said Bondia.

For older age groups, the difference in premium is sharp. For those above 60 years, for a sum insured of ₹3 lakh over 9.5 months, Oriental is charging ₹1,864 plus taxes, Future Generali ₹2,552 plus taxes, and Go Digit ₹26,195 plus taxes. If you go for the optional cover, the premium will have to be paid over and above the premium for the base policy. For the same tenure, age and cover, Future Generali is charging ₹100.68 plus taxes for the optional cover, whereas Go Digit is charging ₹1,680 plus taxes.

Premiums for Corona Kawach exceed that of Arogya Sanjeevani, in case of a few private insurers such as Go Digit. "Arogya Sanjeevani is a standardized product, and our pricing is the most competitive in the market. We are focused on customer needs and competitive pricing. For covid-19, 10 in 100 people test positive. The Kavach policy also caters to home care hospitalization. If one includes two tests for covid plus some basic medicine, it can easily cost ₹5,000-10,000 per positive person. The balance 20% people could need some sort of hospitalization. That cost will be additional. We have computed premiums on this basis," said Adarsh Agarwal, appointed actuary, Go Digit.

"I think the target audience for Corona Kavach is the bottom rung of the population who cannot afford a health insurance plan. In most cases, the policy will be cheaper than comprehensive or flagship plans of insurance companies. In most cases, it'll also be lower than Arogya Sanjeevani," said Amit Chhabra, health business head, Policybazaar.com.

Some insurers may keep the premiums high if they don't want to attract buyers towards a covid-specific policy, said experts. Further, with co-morbidities, people over 50 years of age are more likely to get infected and, therefore, the premiums are more. Also, the premiums for the tenure of 3.5 months are higher compared to 9.5 months because insurers expect the infection rate may reduce in the long term, said Chhabra.

## **Compare the premiums**

Bondia said premium rates of some PSU insurers are significantly competitive as compared to those of select private insurers. "With benefits being identical, premiums are an important factor to choose an insurer. Most insurers have a wide network of cashless hospitals," he said.

While the policy could work well for the uninsured, if you already have adequate health cover, you could give this product a miss. "If you have a ₹10 lakh-plus coverage, then you don't have to supplement your policy with Corona Kavach. In case you're under-covered, then going for a covid policy that isn't very expensive will help," said Bondia.

If you are on a lower sum insured, it may make sense to buy this policy, especially if you're dealing with a cash crunch.