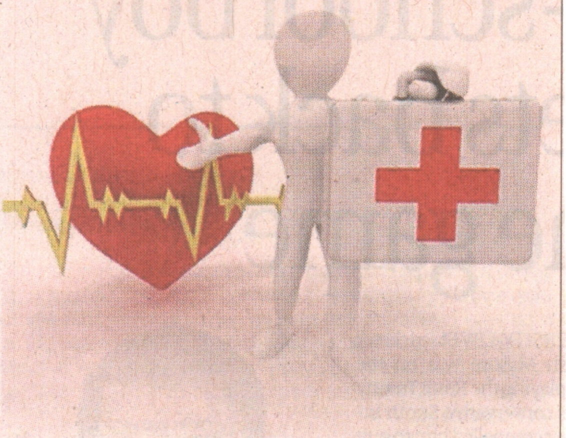
Q&A | QUERY CORNER
INSURANCE

YOU CAN OPT FOR A HIGHER HEALTH COVER BY PAYING THE SAME PREMIUM



DISCONTINUING YOUR HEALTH POLICY

Last year, I took a health insurance plan from ICICI Prudential called Health Saver. I paid an annual premium of ₹25,000 for the ₹2-lakh policy for myself, my wife and son. I have come to know that there are a few other health insurance companies which offer the same cover for very cheap premiums. What be will the consequences of discontinuing the policy if I do not pay the next premium due in December? – DP MANDLIK

The policy that you have bought is not just a health insurance plan but a unit-linked health plan. The premium that you pay for ICICI Prudential Health Saver will give you health insurance and also create a corpus to be used for other health-related expenditure which may not be covered in a health insurance policy. This policy offers options of ₹2 lakh, ₹3 lakh, ₹5 lakh, ₹7 lakh and ₹10 lakh. You could have opted for a higher coverage for the same premium which can be increased even now. However, if this policy is discontinued before paying three yearly premiums the policy shall lapse and the amount paid till then shall be forfeited. If the premiums are paid for three or more years, then the cover can be continued without paying further premiums by requesting a cover continuation option. This cover will, however, continue till the corpus is enough to fund the morbidity (health premium) cost.

INACCURATE MEDICAL REPORT

I underwent medical tests for buying a ₹50-lakh term plan from a reputed company. Though I do not consume tobacco in any form, the reports showed that my nicotine levels were high. The company has offered me a tobacco-user premium rate, which is very high. I strongly believe that my medical test samples were mishandled by the hospital. What options do I have now? A policy-free look-in period starts from the date on whicha person applies for the policy or does it start from the day he receives the policy documents? If the policy is offered to me by the company after reconsidering the situation, will it hamper my record? Also, will it be difficult for my family to make a claim if anything happens to me? Is it an example of malpractice for charging higher premium? – P RAJESH

In such a scenario, you should immediately ask the insurance company to reconsider the medical test based on your tobacco habits. If possible, also provide a medical test report from a reputed pathology lab of your area along with the reconsideration request. On the basis of that, the company can get another test done and will take a revised decision based on the fresh test reports. The policy thus issued after reconsidering your request shall not have any adverse affect on your policy records and your dependants should not face any difficulty in case of an eventuality because of the reconsideration. This is not a case of malpractice till the time it is established that the insurance company is repeating the same tactic with many more clients. The 15-day free look period starts from the date of the receipt of the policy document and not from the date of policy logged.

RENEWING MULTIPLE HEALTH COVERS

I am covered under group mediclaim policy and am likely to retire in March 2011. Around 10 years ago, I took a family mediclaim policy of United India Insurance covering my wife, my son and daughter, both of whom were studying at that time. However, the policy was not a floating one. In 2007, I took a Reliance mediclaim - floating policy cover for myself, my wife and daughter. The insurance company did not offer any cover for my son. Both policies are in force. My wife, who's working, has a free hospital treatment that covers all family members. My son who is also working is covered under his employer's group mediclaim policy. I want your advice on the renewal of these policies. —RL SHETTY

If you and your dependants are covered by CGHS, which gives you health coverage in government-owned hospitals, then you may not need to buy an additional health insurance as under the scheme you can be referred to private hospitals too which are under the CGHS panel. However, if you wish to take treatment at a private hospital which is not under a CGHS panel, then you will have to pay from your own resources and CGHS will be of no help to you. However, if your government health coverage is not exhaustive and limited in scope, then you must invest into a good mediclaim for yourself and your family. Further, your children should also have adequate coverage for themselves exclusive of their employer's coverage. For employees working in private firms, employer's health insurance is linked to the continuation of your job. Any adverse and prolonged problem with your health may also render you incapable for that job as well as the said health insurance coverage in the company.

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