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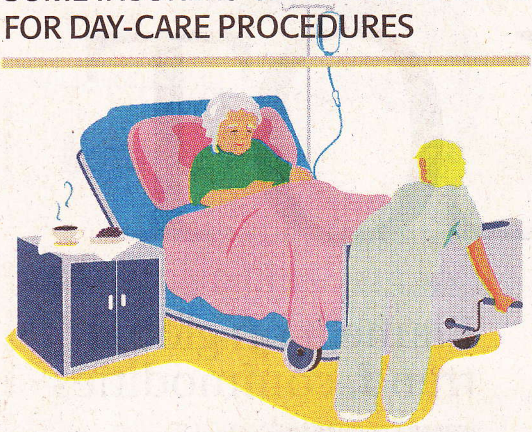
Q&A | QUERY CORNER
INSURANCE

SOME INSURERS OFFER MEDICLAIMS FOR DAY-CARE PROCEDURES



HOSPITALISATION FOR 24-HOURS NOT ESSENTIAL

Is there a minimum time period for which a patient has to be admitted in hospital to make a claim under the mediclaim policy?

Generally, one will have to be admitted for at least 24 hours for claims to be settled in health insurance. However, with the advance of medicine, many procedures can be done in a day. Insurance companies have realised this and they do cover day-care procedures depending on their list.

LIC'S JEEVAN MITRA IS NOT TERM INSURANCE

I took LIC's triple cover insurance (Jeevan Mitra) policy for a sum assured of ₹5,00,000 in January 2004 for a 16-year term and am paying an annual premium of ₹35,657. I also have term insurance (from Aegon Religare) for ₹1 crore and am also investing ₹40,000 per month in SIPs. Should I surrender this expensive policy or continue with it?

The triple coverage variant of LIC's Jeevan Mitra gives coverage of three times the sum assured plus the bonus accrued. The premium under this policy cannot be compared with any term plan as Jeevan Mitra is a combination of high cover and maturity benefits whereas a term plan offers plain-vanilla life cover.

COVER AGAINST DEATH, NATURAL DISASTER

I availed of a ₹18-lakh IDBI home loan. I also have an LIC policy of ₹8 lakh and plan to take United India's ₹20-Lakh 'Uni Home Care Policy' which will protect my home loan liability against fire, earthquake and death. What should I do? – ANONYMOUS

Home assurance plans offer protection to your family from the out-standing liability of your housing loan in case of your demise and damage to property due to fire or earthquake. These plans are reducing mortgage plans that provide coverage that reduces with the reduction in outstanding loans. But it does not extend its coverage beyond money for your family, in case of your demise. You can buy a term-insurance plan to cover your family in case of such mishaps.

DON'T AVOID TERM INSURANCE

My son, working in a software company proposes to buy term insurance for ₹50 lakh. The term available is generally for 30 years. So, what is the right time to take a term policy? Should we take a five-year policy now and a 30-year policy later? How can we select the insurer given the wide premium difference? Is accident covered by default? Is it advantageous to cover critical illness in the term policy? What are the pros and cons of individual and joint policy. What will happen if my son becomes an NRI? – BARATHIDASON R

The maximum term available for a term insurance is 35 years under Amulya Jeevan from LIC. Your son should take his term insurance policy now rather than later. One of the important choices in deciding term insurance is the cost of premium. Accident and disability benefits are generally not covered by default but can be added as rider with extra premium. Generally, no other riders like critical illness are offered along with term-insurance plans. They are available under individual policies alone and not joint policy. There will be no change in the terms of an insurance policy even if one becomes an NRI.

UNDERSTANDING SUPER TOP-UP POLICIES

My wife and I have two policies with United India. A ₹50,000 per head and a ₹20,000 bonus per head policy for the 15th year running with thyroid and heart ailments excluded. Second, a 'super top-up policy' of ₹5 lakh (there is mention of a threshold limit of ₹2 lakh) for the third year running. My wife has to undergo a knee replacement surgery for ₹1.9 lakh. Will her claim be covered by the super top-up policy? What is the meaning of threshold figure of ₹2 lakh? – DHARMENDRA RATILAL NAGDA

Your claim of ₹1.9 lakh for knee replacement will not be settled by your super top-up policy, if the threshold limit of ₹2 lakh has not been used for medical treatments in this policy year. The threshold limit in a super top-up plan is the amount up to which the cost incurred in illness during the policy year shall not be reimbursed and the insurer shall reimburse only expenditure incurred above the threshold limit.

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