



QUERY CORNER

INSURANCE



AMIT SURI

CFP, AUM FINANCIAL PLANNERS

► OUR EXPERT OFFERS TIPS ON THE BEST INSURANCE PRODUCTS AVAILABLE IN THE MARKET. EMAIL TO etqueryins@indiatimes.com

Q My employer provides me hospital reimbursement of 100%, and 75% for my wife and kids, subject to certain ceilings on various hospital expenses. Should I go for a family-floater policy?

KPMENON

A You must invest in a good mediclaim yourself as your current insurance is subject to your employment with the current employer and will cease with change in employer or even a change in company's policy on medical reimbursement. Any adverse happening with your health might render you incapable for that job as well as the said medical reimbursements too. Moreover, your wife and kids are not fully covered by your company. You can choose from four public sector general insurance companies and some good private sector companies like Star Health & Allied Insurance or Bajaj Allianz General Insurance.

Q Please suggest a health insurance plan for my mother, aged 49 — who has been a diabetic for the past 15 years, and my father, aged 53.

BINOD JALAN

A Star Health & Allied Insurance Company offers an exclusive plan for people who are affected by Diabetes Mellitus type II and offers insurance coverage for treating the most commonly occurring complications diabetes safe insurance policy. National Insurance Parivar (floater) plan offers pre-existing diseases like diabetes and hypertension covered from

the inception of the policy on payment of an additional premium.

You can choose between both the above plans. In case of Star Health Diabetes Safe Plan, you will have to buy a different plan for your father, since this plan will be exclusive for your mother. In National Insurance Parivar Plan, you can buy coverage for both your parents and yourself as well, and shall be required to pay an additional premium for your mother.

Q I had purchased an HDFC ULIP four years ago for a premium of Rs 40,000. I have paid the amount for three years. Should I continue with the policy?

JYOTI

A You should continue paying the premium of your ULIP plan. It is very important to understand that in ULIPs, you are paying higher charges in the initial years and much lower after the initial 2-3 years. When you keep on paying the premiums even after the minimum 3-5 years term, you are benefitting by reducing your average cost. The insurance companies have surely given you an option to stop paying the premiums after the initial three years (now five years), but this feature is for the purpose of giving you flexibility and liquidity only. The insurance plans are always to be looked at providing you dual benefits of giving you Life Insurance Coverage and saving for your long-term needs. You should not treat ULIPs as 3-5 years' plan. Even though there is an option to reduce your premium amount after the initial years, you should keep paying the same premiums throughout the period, if possible.