

# Family floaters gain as healthcare costs rise

Mayur Shetty | TNN

**Mumbai:** In a bid to cut down their health insurance bill, buyers are increasingly turning to family floater policies — covers where a single sum insured is available for all members of a family. These policies allow the customer to buy a cover with a single ‘floating’ sum insured for, say, Rs 9 lakh rather than buying individual covers of Rs 3 lakh for each person of a four-member family.

In the case of ICICI Lombard General Insurance, the largest private health insurer, sales of family floater policies have risen 6.3% in FY14 on the back of 6.4% growth in FY13. This was even as sales of individual policies dropped 15% after a sluggish 3% growth in

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➤ A family floater policy not only benefits the buyer but also diversifies the insurer's risks

➤ Sales of ICICI Lombard General's floater plans increased by over 6% in both FY13 & FY14

➤ New India Assurance sold over 5,000 of its latest family floater policy within a fortnight

➤ Max Bupa now offers a policy that covers 13 relationships, other cos may offer innovations like double cover in accidents

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the earlier year. “We are seeing a trend of policyholders shifting from individual to floater policies in health insurance. Our analysis is that in 99% of the cases, this is the right call as it is very unlikely that the entire sum insured will be utilized,” said Sanjay Datta, head (underwriting

and claims), ICICI Lombard General Insurance.

According to Datta, family floaters work well from an insurance company's perspective as well because they diversify risk. “There have been instances when individuals have bought a larger sum insured for themselves

and a lower sum insured for children to cut costs. In floater policies, they do not have to make such a call,” he said.

New India Assurance, the largest health insurer, introduced a new floater policy in March. The firm has already sold over 5,000 family plans in less than a fortnight. “I would say the market is moving towards floater plans. There is a growing awareness of the need for a high sum insured and this is possible through a floater plan,” said Segar Sampathkumar, general manager, New India Assurance.

He added that buyers are consciously making a choice when faced with the possibility that more than one person might undergo major medical expenses, but that probability is extremely low. Even

for such remote situations, there might be solutions in future. “Insurance companies might come out with solutions like a double insurance cover in case of accidents,” said Sampathkumar.

Manasije Mishra, CEO, Max Bupa Health Insurance, said, “Our research shows that consumers prioritize families' health over their own. In our experience, as people get more health-aware, they are opting for family health insurance policies and with rising cost of healthcare, more customers will choose to obtain comprehensive protection for their families.”

Max Bupa has a policy that covers the health needs of extended families and can cover up to 13 family relationships under a single policy.