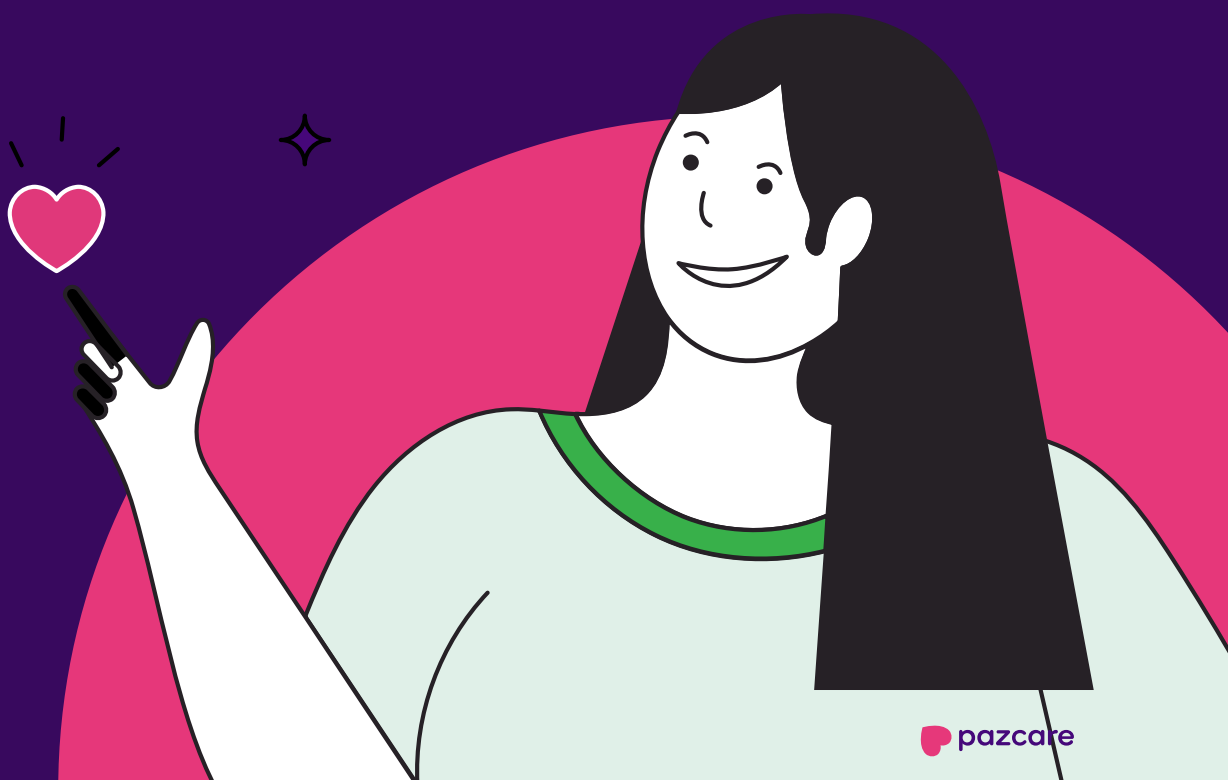


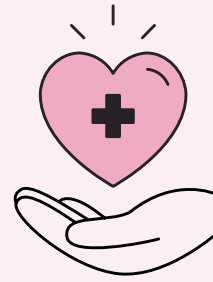


A comprehensive guide to

Group health insurance



What Is Group Health Insurance?



Group health insurance or corporate health insurance plans provide health insurance coverage to the employees of an organization. When employees undergo any medical expense, the insurance policy covers it. And the **group health insurance premiums** are generally paid by the company. Companies can also include dependents of the employees in the policy.

How does employee health insurance work?



Employee health insurance is a highly customizable and negotiable insurance policy. There are multiple things to consider while determining the policy coverage to ensure your employees have a good insurance experience.



Employers buy the group health insurance from insurers/agents/brokers. HRs talk to multiple insurers, state their requirements and get quotes. In this process, the HRs tell the insurers about the employee's strengths and what type of coverage they want. Based on that, insurers give quotations.



Employers pay the premium and buy the insurance policy that covers all their employees for 1 year.



Employees get their health insurance cards with the policy number. They can use that to claim their medical expenses when they undergo any treatment or hospitalization.

Types of group health insurance

This is one of the common questions we answer especially when it is a first-time policy buyer. **There are 3 types of policies in group health insurance.** They are,

1. Employee-only policy

In this, the employer only covers the employee and has no involvement in the employee's family. The employer can cover all employees including contractual employees.

3. Employee, spouse, children, parents policy

In this case, the employer covers the employee, their spouse, children and two parents or in-laws. The employee can choose between in-laws and parents.

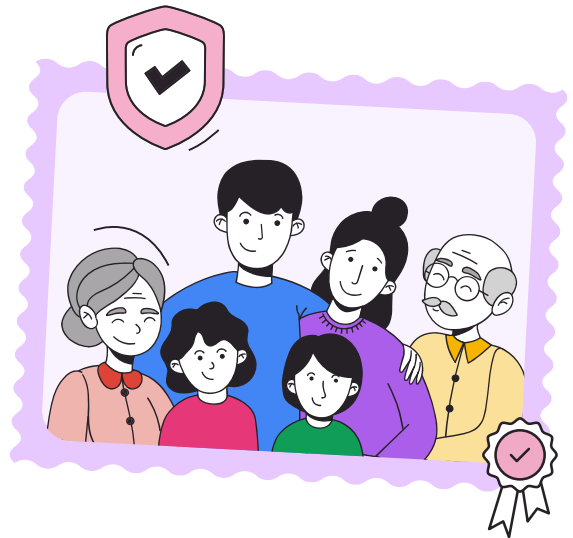
2. Employee, spouse and children policy

In this case, the employer covers the employee, their spouse and their two children are covered. Anything more than two children, if added to the policy naturally increases the cost of the policy.

With new laws coming into the picture by the Indian Government, the definition of spouse is now changing to the term partner. There are a lot of companies that are friendly toward the LGBTQ+ community and want to provide insurance to their partner, which can also be included in this policy.



What is covered in group health insurance?



The coverage of group health insurance depends on the terms and conditions of your policy. Some of the common inclusions are -



Coverage for pre-existing diseases from day 1

Right from day 1, all your pre-existing diseases are covered under your group health insurance policy.



Ambulance charges

With respect to the insurance policy, ambulance charges are also covered.



Maternity coverage

Maternity coverage includes expenses for normal and cesarean deliveries up to the sum insured as per the policy.



Pre and post-hospitalization

Pre and post-hospitalization expenses are covered which include various tests and Diagnosis carried out pre and post-treatment.



Domiciliary and daycare expenses

Domiciliary expenses rise when the patient undergoes treatment at home. Daycare on the other hand includes the expenses that arise on hospitalization for less than 24 hours. These two expenses are covered under the group health insurance policy.



In-patient department expenses

These are all the in-patient expenses that are covered under the group health insurance policy. For eg: childbirth, a serious illness that needs constant monitoring, major surgery, etc.



Covid-19 coverage

All hospitalization expenses related to covid-19 are covered by your group health insurance policy.



Difference between group health insurance and individual health insurance coverage

Here is a comparison table between a group health insurance policy and an individual health insurance policy based on certain key factors.

Factor	Group Insurance	Individual Insurance
Policy buyer	Employer	Individual
Waiting period	Covered from Day 1	15 days to 4 years (for specific medical conditions)
Premium deduction	From the employee's salary	Policyholder makes payment on a monthly or annual basis as per policy terms and conditions
Cost	Comparatively cheaper as the risk is spread among the employees	Higher premium
Coverage	Customizable and decided by the employer	Customizable and decided by the policyholder
Duration	1 year but only valid until the employee stays in the company	The policyholder can decide the duration of the policy.
Bonus Claims	No bonus claims	If you don't make claims in a year, you are eligible for a claim bonus. Can get discounted price during renewal.
Medical checkups	No need for a medical check-up before buying	A medical checkup is mandatory before buying.
Tax deductions	Available under 80D	Available under 80D
Covid cover	Covered from Day 1	15 days waiting period

How are premiums calculated for group health insurance?

The premium paid towards the group health insurance policy directly depends on the risks covered. Higher the risks, the higher the annual premium. Apart from this, there are several other factors that determine the premium for group health insurance.

Below mentioned is a list of major factors that can influence the premium paid by the employer to the insurance company.

The type of plan you choose

In a group health insurance plan, you have the option of choosing

- 1 E - Employee only
- 2 ESC - Employee, spouse and children
- 3 ESC - Employee, spouse, children, parents or in-laws

The premium increases according to the increase in the dependent members.

For instance, the premium paid towards the ESCP plan will be higher than the E-only plan as there are fewer lives covered.

The sum insured

The **sum insured** is the maximum amount the insurer will pay the policyholder in case of any unforeseen events. You can choose this based on the type of hospital your employees choose, the number of dependents covered, etc. You can choose the sum insured from as low as **Rs 10,00,000** or more.

Nature of job

The type of job also influences the premium for your **corporate health insurance policy**. If the health risk associated with your job is high, then the premiums you pay towards the plan may also increase.

Add-ons opted

The concept of health insurance is changing dynamically. Today companies want to offer something that not only pays your medical bills but also covers other health-related expenses. Now, these benefits are add-ons in an insurance policy.

You can choose additions to your group health insurance plan like **maternity insurance, health and wellness programs, dental insurance, doctor consultations, room rent capping**, and many more. Your premiums increase based on the add-ons you choose.

Claim history

If you are purchasing group health insurance for the first time for your organization, then you need not worry about this. However, if you are not new to purchasing a group health insurance plan for your team, then your insurer may look at the claim history you had in the past to decide your premium.

In case, you have a higher number of claims raised in the previous financial year, then it may lead to slightly higher premiums for the next financial year.

Average age of employees

According to the insurer, as the age increases, the medical risks associated with the employees go up.

So your insurance company raises the premium to compensate for the risks.

According to this, a company with a younger workforce where the average age of employees is between 20 to 30 may pay lesser premiums than the ones with an average age of 45.

Compare group health insurance

How to choose the best group health insurance for employees?



There are more than 20 health insurance companies in India and all of them offer varied types of group mediclaim insurance. So it becomes difficult to compare and select one.



Comparing policies can help you understand what is possible in your budget



Comparing allows you to be aware of the benchmark policy



When you are aware, you will be able to negotiate and get the best coverage and pricing

Our insurance experts say that pricing shouldn't be the only deciding factor when it comes to group medical cover. The ultimate focus should be on providing the best employee insurance experience

Here are a few factors you can use to compare group medical policies. These 6 are the significant parameters you would need to compare two group health insurance policies.

Coverage and sum-insured

Health insurance costs are inflating at the rate of 17-20% annually. You have to consider the coverage and sum insured that is offered in the market and match it. Offering a sum insured of 1 to 2 lakhs won't make the cut these days. The average is 3 to 5 lakhs.

You have to offer extensive coverage with reasonable sub-limits or no sub-limits, no copay, maternity cover, and also free doctor consultations.

Claim settlement ratio

Claim settlement ratio determines how many claims are settled by the insurer yearly. Always go for a company that has a good claim settlement ratio. A claim settlement ratio above 80% is good.

The claim settlement ratio directly impacts your claim experience. So, a good claim settlement ratio indicates a high chance of your group mediclaim policy claim being settled.

$$\text{Claim Settlement Ratio (CSR)} = \text{Claims settled in a year} / \text{Claims received in a year} * 100$$

TPA associated

Group health Insurance Third Party Administrator or TPA are the ones who will help you with the claims during the time of hospitalization. They are the middlemen between you and the insurer. They help you with filing, tracking claims and getting the right information regarding your policy.

In some cases, insurers don't work with TPA and instead have an in-house claim settlement department. So, always check if the plan has an external TPA or an in-house TPA for claim settlements

Network hospitals

Network hospitals are the hospitals that are tied up with the insurer for cashless claims. The more the number of hospitals, the better for your employees. Cashless claims enable a seamless and time-efficient claims process. And cashless claims are only possible in network hospitals.



Incurred claim ratio

Incurred Claim Ratio or ICR is one of the factors that determine the credibility of an insurance company and is also an important factor to check before comparing two health insurance companies.

While taking Incurred Claim Ratio into account, check for the average Incurred Claim Ratio of all health insurance companies and go for the one that is closest to this average.

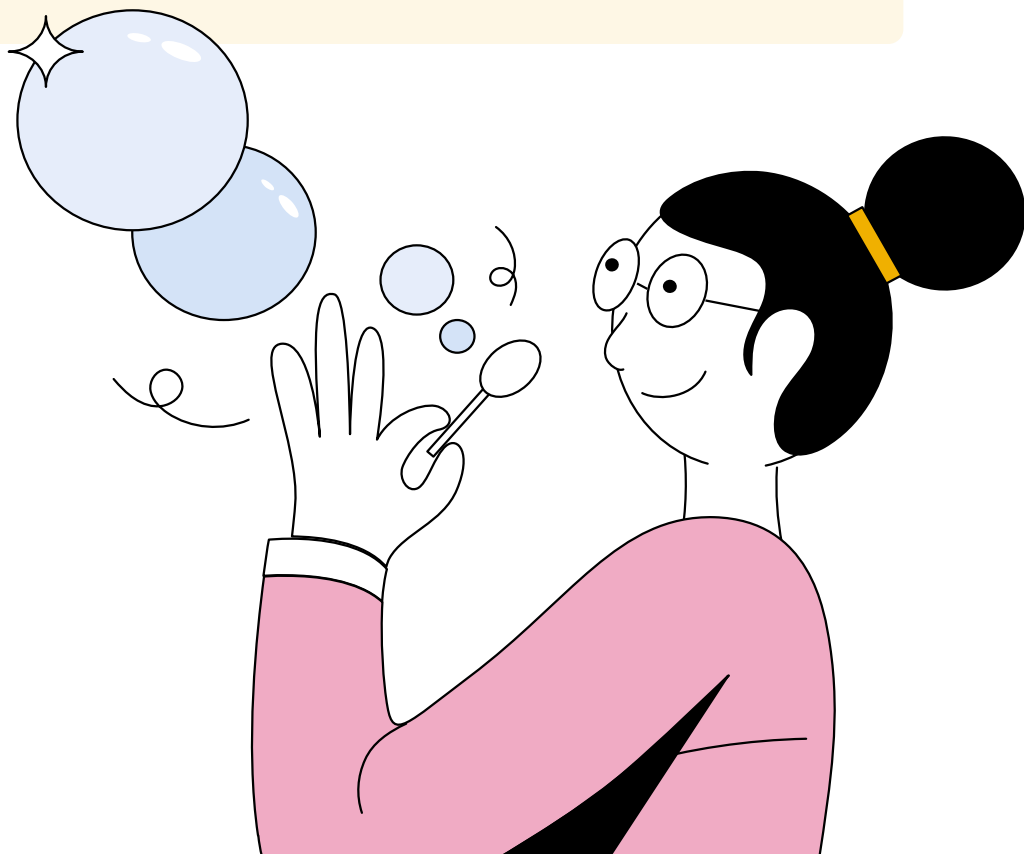
Incurred claim ratio is calculated as

Incurred claim ratio or ICR = Amount settled as claims/Amount collected as premiums

Customer experience

Last but not least, while doing group health insurance plan comparisons always check customer experience and reviews online. This determines how the company will respond to your queries and future claims.

Also, check for the reviews because if the customers are not happy then the insurance service or customer support is not up to the mark.



Consult, compare and insure



✦ **At Pazcare, we offer you a consulting approach** for your group health insurance policy. Our insurance experts get in touch with you to better understand your requirements for the employee insurance policy.

✦ **Compare the quotes from the top 10+ insurers and choose the plan which best suits your requirements.** You don't have to contact insurers and wait for their quote and offerings. We will get it for you within 24 hours after you tell us your requirements. You can make an informed decision for your team.



✦ Once your group health insurance plan is active, **the policy coverage starts from day 1 with 0 waiting period.**

Switch to Pazcare for a seamless insurance experience!