

What Is a Deductible?

A deductible is a fixed amount the policyholder agrees to pay every policy year before the insurer starts paying.

FEATURES	CO-PAY OPTION	DEDUCTIBLE
Definition	Insured pays a percentage of each claim	Insured pays a **fixed amount annually** before insurer starts paying
Payment Type	% of **every claim**	**Flat yearly threshold** , then insurer pays 100%
Available Co-pay Levels	0%, 20%, 30%, 40%, 50%	0% Co-pay if Deductible is opted. INR 20,000, INR 30,000 INR 50,000 & INR 1 LAKH
Deductible Amount	Not applicable	1/5th of Sum Insured (e.g., ₹2L for ₹10L SI)
Who pays first?	Shared: Insured always pays partial	Insured pays **all costs** up to deductible
After crossing limit	Still pays % of every claim	Insurer pays **100% of future claims**
Impact on small claims	Partially covered	You pay full if below deductible
Impact on large claims	Insured still pays a %	Fully covered after threshold crossed
Example (₹1.5L claim)	You pay ₹75K (50% co-pay)	You pay ₹1.5L (if deductible ₹2L not yet used)
Example (₹5L claim after ₹2L spent)	You pay ₹2.5L (50%)	You pay ₹2L total, insurer pays rest ₹3L
Best suited for	Low premium, small claims expected	Large claim coverage, no % sharing burden
Premium impact	Lower premium for higher co-pay	Premium is slightly higher due to 0% co-pay
Risk Level for Client	High (uncertain, rising with every claim)	Fixed & predictable (max out-of-pocket = deductible)
Summary Recommendation:	<p>Choose Deductible option if : Wants 0% co-pay even for large hospital bills, Can manage a fixed expense annually (₹1–2 L). Prefers complete peace of mind after that threshold</p> <p>Choose co-pay option if : Budget is tight Expect low-value claims only</p>	

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