

Health Insurance in India

Be Responsible.....

Be Secure.....

About Health Insurance In India.....

Need for Health Insurance.....

Health treatment nowadays is very costly. More than the disease it is the cost of treatment that takes its toll. To get rid of health worries health / medical insurance is the answer. But over 70 per cent of these spends are out of pocket which leads to lot of hardships. According to a survey by NSSO (National Sample Survey Organization), 40 per cent of the people hospitalized have either had to borrow money or sell assets to cover their medical expenses.

It takes just one visit to a hospital to make us realize how vulnerable we are.

It is a tough ordeal if you are diagnosed with an illness and need to be hospitalized, no matter if you are rich or poor, male or female, young or old. The list of lifestyle diseases like heart problems, diabetes, stroke, renal failure, some cancers just seems to get longer and more common these days. Thankfully there are more specialty hospitals and specialist doctors – but all that comes at a cost. The super rich can afford such costs, but what about an average middle class person? For an illness that requires hospitalization / surgery, costs can easily run into 5 figures.

A Health Insurance Policy can cover such expenses to a large extent. Health insurance policy not only covers expenses incurred during hospitalization but also during the pre as well as post hospitalization stages like money spent for conducting medical tests and buying medicines. The cover will be to the extent of the sum insured.

The interesting find about health insurance in India was how people perceived health insurance in India. It is seen as an instrument to protect savings. It is not aimed at protecting the asset that is health. This is probably common to developing markets, where people tend to place wealth ahead of health. On a macro level, very few households in India have contingency plans to meet their health expenses. Health risks in India are perceived differently than the western population. Prior planning in health issues is yet to be a major priority.

Current Scenario in India.....

Health insurance has emerged as one of the fastest growing segments in the non-life insurance industry with 30 per cent growth in 2010-11. For the purpose of regulation, health insurance companies are classified as non-life

companies. Health insurance's annual premium collections are over Rs 6,000 crores. Despite the high growth, the business is a huge challenge for insurers because of the high losses over soaring medical expenses.

With a reach of just about 2% of the country's 1.2 billion population, India offers a huge potential in health insurance market. There are over 30 health insurance products in the category offered by both life and non-life insurers. While ICICI Lombard, Bajaj Allianz and Reliance General are some of the prominent general insurers in the health insurance space, Apollo DKV, Star Health & Allied Insurance are the standalone players.

The term **Health Insurance** is used to describe a form of insurance that pays for medical expenses. It is used more broadly to include insurance that covers disability or long-term nursing or custodial care needs. In simple words, if you are covered under Health Insurance, you pay some amount of premium every year to an insurance company and if you have an accident or if you have to undergo an operation or a surgery, the insurance company will pay for the medical expenses.

Types of Health Insurance.....

There are mainly 3 types of Health Insurance covers which are as follows.

1. Individual Mediclaim

The simplest form of health insurance is the Individual Mediclaim policy. It covers the hospitalization expenses for an individual for upto the sum assured limit. The premium is dependent on the sum assured. It is a cover which takes care of medical expenses following Hospitalization / Domiciliary Hospitalization of the insured in case of sudden illness, accident and any surgery which is required in respect of any disease which has arisen during the policy period.

This cover is a hospitalization cover and reimburses the medical expenses incurred in respect of covered disease / surgery while the insured was admitted in the hospital as an inpatient. The cover also extends to pre-hospitalization and post-hospitalization for periods of 30 days and 60 days respectively.

Example: If a family has 4 members you can take an individual cover of Rs. 2

lakhs each for each member. Each member is now covered for 2 lakhs. If all the 4 members are hospitalized, all 4 of them can get expenses recovered upto Rs 2 lakhs each. All the 4 policies are independent.

2. Family Floater Policy

Family Floater Policy is an enhanced version of the mediclaim policy. The policy covers each family member and the entire family's expenses are covered up to the sum assured limit. The family floater plan's premium is less than the separate insurance cover for each family member.

Example: If a family of 4 takes a family floater policy of Rs. 8 lakhs, they can claim medical expenses upto Rs. 8 lakhs in that policy year. If one person is hospitalized and claims Rs. 3 lakhs, it will be paid, but they will be left with only Rs. 5 lakh worth of medical expenses that can be reimbursed in that year. The next year, the policy will start with a fresh Rs. 8 lakhs. So, in many ways the family floater plan offers flexibility in terms of utilizing the overall insurance coverage among the group.

3. Unit Linked Health Plans

Health Insurance Companies have introduced Unit Linked Health Plans which combine health insurance with investment and pay back an amount at the end of the insurance term. The returns are dependent on market performance. These plans are new and still in development phase. People who can handle market linked products like ULIP and ULPP are only recommended to take this plan.

For a number of reasons, it is advisable to stay clear of unit linked health plans. Treat insurance purely as an expense. Opt for an Individual Mediclaim policy if you are single and opt for a Family Floater policy if you have family. Health insurance premiums come under tax exemption under section 80D for a maximum of Rs.15,000/-.

About Star Health Insurance.....

As the country's first stand-alone health insurance company in India, Star Health And Allied Insurance, is a specialist in Health Insurance. Star Health has a capital base of Rs.303 crores, and deals in Personal Accident, Mediclaim and Overseas Travel Insurance. Its main promoters include Oman Insurance Company (one of the leading insurance companies in the Middle East), ETA Group (ETA ASCON and ETA Star groups) and Mr. Essa Abdullah Al Ghurair of the prominent Al Ghurair family (ranked as one of the world's richest by the Forbes Magazine). With approximately 200 plus branches and 4980 plus hospitals under the jurisdiction of Star Health and Allied Insurance Company Ltd., this insurance company is one of the major players in the health insurance arena. Led by stalwarts of the insurance industry, the Star Health team blends vast industry expertise with high service standards to provide its customers the best of healthcare options.

Star Health Products.....

With medical expenses soaring up by the minute, it takes just one major ailment to wipe out years of savings. Star Health brings you this insurance policy that gives protection for the entire family and provides reimbursement of hospitalization expenses incurred as a result of illness/disease/sickness and/or accidental injuries and also provides for a lump sum in case the insured person is diagnosed with a major illness covered by the policy. With unique policies tailor-made for senior citizens and those created specifically for Diabetes patients, the policies that come under Star Health are designed keeping the unique needs of everyone in mind.

- Star Unique Health
- Star Wedding Gift
- Medi Classic
- Diabetes Safe
- Family Health Optima
- Senior Citizen Red Carpet
- Super Surplus
- Star Netplus
- Star Health Gain
- Star Criticare Plus

Corporate Solutions.....

India's first Health insurer, Star Health offers customized solutions to meet your Company's requirements in this Corporate Solutions Policy. It provides the facilities of in-house doctors and other major medical reimbursements.

Rural Micro Health Insurance.....

With the major population of India living in the rural areas, Star's Micro Health insurance policy is designed to address the problem of limited healthcare facilities and financial liquidity of the common man. Providing protection at affordable rates is the motto of this insurance policy.

Government Projects.....

Star Health has been undertaking many revolutionary and far-reaching social programmes to bring a vast majority of people into the fold of Health Insurance. It has effectively worked in collaboration with Government and other public agencies to guarantee medical coverage for a large number of illnesses that trouble Government/Public sector employees, farmers, artisans, members of Welfare board and several other low income groups for whom insurance, till now, was a farfetched dream. This initiative entails the following plans:

- Aarogyasri Scheme in Rural Andhra Pradesh
- Tamil Nadu Government Employee's New Health
- Kalaingar Insurance Scheme

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"Big enough to Serve, Small enough to Care"