

Buying Health Insurance – Broker or Direct?

Edmund Hillary was the first human to have touched the summit of Mount Everest on 29 May 1953. But there was another man standing with him on the summit that day – Tenzing Norgay – his Sherpa - without whom Hillary's feat would have been impossible. The Sherpa are a Nepalese community who serve as guides to mountaineers during Himalayan expeditions. They are expert climbers themselves, and know the terrain like the back of their hands. Without them, the mountaineer can never hope to reach their destination, or come back.

Buying Health Insurance – Who is your guide?

Buying health insurance is also a bit like mountaineering. Well, not exactly. But it's no mean task either. You need a Sherpa – an expert guide to help you navigate through the countless policies and features and riders. In insurance parlance these guides are called brokers.

But you do have a choice. You can be the climber who trains themselves, uses navigation tools and sets out on a journey themselves. There is a lot of health insurance-related literature available online – you can choose to sift through them and then make an informed choice yourself.

First, let's look at the benefits of buying from an agent/ broker -

1. **Expertise:** Insurance brokers are licensed and qualified professionals who know more about insurance than most others. They are trained, equipped, they know the job. They know which product would be right for you, where can you get it cheapest, which insurance provider you should choose etc. Like the Sherpa knows every crevice, every cavern and every cave in the whole mountain range.
2. **Assistance in choosing the right solution:** Say you have a checklist, and you know which policy to buy by ticking the right boxes. But what if the right box is just not there? There are a plethora of health insurance solutions that cover/ offer a wide number of things. What if your condition is not covered? Or the right rider that could benefit you is non-existent in the policy? A broker can help you choose just the right product for your needs.
3. **Guidance and hand-holding:** Devil is in the details – we have all heard the old saying. It's definitely true for health insurance policies. You overlook one small phrase at the corner of one page and it can make a world of difference. When you go through the policy document – it can be confusing. Unlike life insurance, it is possible to make multiple claims on a health insurance policy. The broker's job is to help you traverse through all the provisions, terms and conditions and guide you on what all of it entails. They are supposed to patiently resolve all your queries.
4. **Convenience:** Paperwork is often a hassle, when it comes to health insurance. So are procedures, especially if you want to be careful what you are signing up for. This is where the agent/ broker comes in – they will handhold you through all the processes and paperwork, while ensuring that there's nothing in the contract that may prove detrimental later on.

5. Service: Most brokers offer after-sales services like claim assistance, liaising with the insurance company, query redressal, so on and so forth. In unpleasant situations where you do end up in a dispute with your insurance provider, your broker can also help you through resolving such disputes.

Here are a few more pointers about brokers and intermediaries –

- Insurance intermediaries serve as a bridge between consumers and the insurance service providers
- Insurance brokers are licensed by Insurance Regulatory and Development Authority (IRDA), and regulated by the Insurance Regulatory and Development Authority (Insurance Brokers) Regulations, 2002.
- According to IRDA, an intermediary shall provide all material information with respect to a proposed cover to enable the prospect to decide on the best one. The intermediary is expected to advise the prospect with complete disclosures and transparency... after the sale is effected, the intermediary must coordinate effectively between the customer and the insurer for policy servicing as well as claim servicing.
- IRDA ensures your interests are protected not only with the insurer but with the broker/ intermediary as well.

But, choosing the right broker is almost as important, if not more, than choosing the right policy. What should you keep in mind while deciding to associate with a broker? Here goes –

Picking the right partner

When you are looking for a partner to help you buy insurance, these are the things you should keep in mind –

- ✓ Whether the broker holds a valid license and is authorized for the particular business
- ✓ Ask around, ensure they have sound knowledge of the products and services
- ✓ Ask for brochures and sales literature that spell out their services
- ✓ Check for service standards. Enquire whether and to what extent after-sales service is provided
- ✓ Ensure accessibility – check their branch network, whether individual attention is provided etc.

Going Solo

But despite all this, should you choose to go the direct route, that is fine too. After all, who knows you better than you? There are many options available to buy health insurance policies on your own.

Let's look at what are things you need to keep in mind to be able to do that –

- a. Extensive research: You will need to research products pretty extensively and thoroughly. But do avoid over-researching, you will be boggled by so many criteria that you may end up choosing the wrong product.
- b. Be meticulous: Go through all the terms and conditions, riders carefully. Read every word and comprehend them. As mentioned before, missing out on one small point could cost you a claim rejection.
- c. Choose wisely: Check out all the features, all riders. Make sure the coverage is adequate. Find out if all the features and facilities you require are on offer.
- d. Know the regulations: It's important to know the IRDA regulations as well as compliance and other regulations binding the insurance contract. That way, you will be sure what you are getting into and what will it take to resolve a dispute, should you end up in one.
- e. Be patient: You have to hold your own through the procedures and formalities, while ensuring that you do not miss out on the smallest of prints anywhere in the pages. Whatever documentation and formalities are needed, it is important that you find time from your schedule to do them
- f. Claim settlement: Before you go in for a product, be sure that the claim settlement procedure is smooth and hassle-free. If you have had such a settlement recently, you know what you are in for. Otherwise, keep your fingers crossed.