ASSIGNMENT TASK 2

Compare two insurance policies by researching their coverage, benefits, exclusions, and premiums. Identify hypothetical scenarios and assess the suitability of each policy based on affordability, coverage limits, and long-term benefits. Finally, present our findings in a comparison table or chart.

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BIKE INSURANCE



What is Bike Insurance?

**Definition:**More popularly known as motor insurance, this type of insurance provides cover for loss or damage to any vehicle like a car, two-wheeler commercial vehicle, etc  
  
**Description:**This insurance helps mitigate monetary harms due to accidents causing damage to the vehicles. The premium amounts that are payable by the person securing insurance for his vehicle depend on various factors like the insured declared value, type of vehicle, age of vehicle, fuel type, age of the insured, etc.

**Who Does Bike Insurance Coverage Protect?**

The primary beneficiary of bike insurance coverage is the owner of the motorcycle. Insurance helps protect the owner's investment in the bike by covering repair or replacement costs in case of damage or loss due to covered events like accidents, theft, vandalism, or natural disasters.

Bike insurance also protects third parties who may be affected by accidents involving the insured motorcycle. Liability coverage within the policy helps cover costs related to bodily injury or property damage to others caused by the insured motorcyclist's actions. This can include medical bills, property repair or replacement, and legal expenses if the insured is sued.

# BENEFITS OF BIKE INSURANCE

1.Financial Protection: Bike insurance provides financial protection against unforeseen events such as accidents, theft, vandalism, or natural disasters. It covers repair or replacement costs for damages to your motorcycle, as well as liability coverage for bodily injury or property damage to others.

2.Legal Compliance: In many jurisdictions, having motorcycle insurance is mandatory for riding legally on public roads. Purchasing bike insurance ensures compliance with legal requirements, helping you avoid penalties or fines for riding uninsured.

3.Peace of Mind: Knowing that you have insurance coverage for your motorcycle can provide peace of mind. You can ride with confidence, knowing that you are protected financially in case of accidents or other incidents.

4.Medical Coverage: Many bike insurance policies include medical payments coverage, which helps cover medical expenses for you and your passengers in the event of an accident, regardless of fault. This coverage can help alleviate the financial burden of medical bills resulting from injuries sustained in a motorcycle accident.

5.Protection Against Theft and Vandalism: Comprehensive coverage included in bike insurance protects against theft, vandalism, and other non-collision incidents. If your motorcycle is stolen or vandalized, your insurance policy can help cover the cost of repairs or replacement.

**1. QUICK AND HASSLE-FREE PROCESS**

When you choose to buy a bike insurance policy, you mustn't have to undergo a long and cumbersome procedure. The entire process must be simple, quick, and convenient. Furthermore, choosing an insurer that offers the additional convenience of purchasing the policy online is recommended.

**2. CUSTOMER SUPPORT**

A reliable and reputed insurance company hires trained and experienced personnel to help resolve all your queries. Insurance companies also offer live chats to ensure your issues are resolved without any delays.

Having a bike insurance policy gives you complete peace of mind. You are assured that you will face no financial difficulties in case of any loss or damage to your vehicle or to third parties.

**What Are Exclusions In A bike Insurance Policy?**

Exclusions in a bike insurance policy are specific situations or circumstances in which the insurance company will not provide coverage. These exclusions vary depending on the insurance provider and the type of policy, but common exclusions in bike insurance policies may include:

Intentional Damage: Damage caused intentionally by the policyholder or any other individual is typically not covered by bike insurance.

Racing or Stunt Riding: Many insurance policies exclude coverage for accidents that occur while the motorcycle is being used for racing, stunt riding, or any other high-risk activities.

Illegal Activities: Any accidents or damages resulting from illegal activities, such as riding under the influence of alcohol or drugs, may be excluded from coverage.

Wear and Tear: Normal wear and tear, mechanical breakdowns, and gradual deterioration of the motorcycle over time are usually not covered by insurance policies.

Unauthorized Use: If the motorcycle is being used by someone not authorized by the policy, any damages or accidents may not be covered.

Off-Road Use: Some policies exclude coverage for accidents or damages that occur while the motorcycle is being used off-road or on unpaved surfaces.

Commercial Use: If the motorcycle is being used for commercial purposes, such as delivery services or ridesharing, coverage may be excluded unless specifically included in the policy.

Nuclear Hazard or War: Damage caused by nuclear hazard or war-related events may be excluded from coverage in some policies.

**Average Cost of bike Insurance by Company**

The average cost of bike insurance can vary significantly depending on various factors, including the type of motorcycle, the rider's age and driving record, the coverage options selected, the location, and the insurance company itself. Additionally, the average cost can differ based on the specific region or country where the insurance is being purchased.

As of my last update in January 2022, here are some approximate average annual costs for motorcycle insurance from a few major insurance companies in the United States:

Progressive: Progressive offers motorcycle insurance with average annual premiums ranging from around $200 to $2,000 or more, depending on factors such as the type of motorcycle, coverage options, and the rider's profile.

GEICO: GEICO provides motorcycle insurance with average annual premiums ranging from approximately $200 to $1,500 or more, depending on similar factors as mentioned above

State Farm: State Farm offers motorcycle insurance with average annual premiums typically falling between $150 and $1,000 or more,depending on various factors.

Allstate: Allstate's motorcycle insurance policies have average annual premiums ranging from around $200 to $1,500 or more, depending on similar factors as mentioned earlier.

It's important to note that these are just rough estimates, and actual premiums can vary significantly based on individual circumstances. Factors such as the type and value of the motorcycle, the rider's driving history, age, location, and desired coverage levels all play a significant role in determining the final cost of bike insurance.

**Factors Affecting Average Bike Insurance Cost in India**

The bike insurance price list is a listing of prices for various bike insurance plans. It can be found online. The price list is usually a one-page document that allows people to compare different plans and their costs. Bike insurance price lists are typically created by the insurers themselves so they can be updated as often as needed.

Bike insurance is a mandatory requirement in India. Insurance companies offer different policies for different bikes and riders. Bike insurance prices vary based on the bike’s value, features, and usage. It is important to note that your bike's age plays an important role in the cost of your insurance policy. The older your bike is, the more expensive it will be to insure it.

Bike insurance price list in India is a very common question asked by most people. People want to know what they should pay for bike insurance in India. Bike insurance price list in India is the cost of the policy based on your bike's make and model, its usage, and the number of years you want it to stay with you. The price also varies from state to state.

**THIRD PARTY BIKE INUSRANCE POLICY LIST :**

The prices of third party bike insurance vary according to the type of cover you choose. Third party bike insurance is not compulsory like bike insurance, but it is still important to have one if you want to reduce your chances of having any financial losses in the event of an accident.

Third party bike insurance premium or cost is decided by factoring in the engine capacity of the insured vehicle and it is decided by the IRDA only depending on the condition relating to the engine capacity of the vehicle. However, it keeps changing by 10-20% every year. However, a big relief for bike owners is that the premiums will not rise by this year, as per the latest announcement released by IRDA.

|  |  |
| --- | --- |
| Engine capacity | Third-party Bike Insurance Premium rates |
| UP to 75cc | Rs. 482 |
|  |  |
| Between 75 to 150cc | Rs. 752 |
|  |  |
| Between 150 to 350cc | Rs. 1193 |
|  |  |

**HYPOTHETICAL SCENARIO’S**

Certainly! Here are some hypothetical scenarios involving bike insurance:

1.Accident Coverage:

Scenario: John is riding his motorcycle when he collides with a car at an intersection. Both vehicles suffer significant damage, and John sustains minor injuries.

Insurance Response: John's bike insurance policy covers the cost of repairing his motorcycle and pays for his medical expenses due to the accident, up to the limits of his coverage.

2.Theft Protection:

Scenario: Sarah's motorcycle is stolen from her apartment building's parking lot overnight.

Insurance Response: Sarah's comprehensive bike insurance policy covers theft, so she files a claim with her insurance company. The insurer reimburses her for the value of the stolen motorcycle, minus any deductible.

3.Natural Disaster Damage:

Scenario: A severe thunderstorm damages Tom's motorcycle, parked outside, with hail and strong winds causing dents and scratches.

Insurance Response: Tom's comprehensive bike insurance policy covers damage caused by natural disasters. He files a claim, and the insurance company pays for the repairs after assessing the damage.

4.Third-Party Liability:

Scenario: Emily accidentally hits a pedestrian while riding her motorcycle, resulting in the pedestrian's injury and damage to their property.Insurance Response: Emily's bike insurance includes third-party liability coverage. Her insurance company handles the injured pedestrian's medical bills and compensates for the property damage caused by the accident.

5.No-Claim Bonus:

Scenario: David has been riding safely for several years without any accidents or claims.

Insurance Response: David's bike insurance policy rewards him with a no-claim bonus (NCB) for each claim-free year. As a result, his insurance premiums decrease annually, providing him with cost savings on his insurance policy.

6.Optional Coverage for Accessories:

Scenario: Maria's motorcycle is equipped with expensive custom accessories, including a premium audio system and custom paint job.

Insurance Response: Maria opts for additional coverage for accessories when purchasing her bike insurance policy. In the event of damage or theft, her insurance company reimburses her for the value of the accessories, ensuring she's fully compensated for any loss.

These hypothetical scenarios illustrate various situations where bike insurance can provide financial protection and peace of mind to motorcycle owners in different circumstances.

# **HEALTH INSURANCE:**





Health insurance covers cost of an insured individual's medical and surgical expenses. Subject to the terms of insurance coverage, either the insured pays costs out-of-pocket and is subsequently reimbursed or the insurance company reimburses costs directly.

**What is Health Insurance?**

Health insurance is an insurance product that covers the medical and surgical expenses of an insured individual. It reimburses the expenses incurred due to illness or injury or pays the care provider of the insured individual directly.

**Types of Health Insurance**

Every individual is different and has a unique set of needs. A single health insurance product is not enough to cover every person's individual requirements. This is precisely where there are a number of different types of health insurance plans available. Let's take a look at what they are:

1. **Individual Health Insurance**

You can purchase an individual health insurance policy to provide cover for yourself, your spouse, your children and your parents. These policies typically cover all kinds of medical expenses, including hospitalisation, daycare procedures, hospital room rent and more. Under an individual health insurance plan, each member has their own sum insured amount. So, let's say you've taken an individual plan for yourself, your spouse and both your parents with a sum insured of INR 8 lakhs. Each of you will be able to claim a maximum amount of 8 lakhs per policy year against your health insurance.

1. **Family Floater Health Insurance**

A family floater plan allows you to cover your family members under a single policy and everybody shares the sum insured amount. These plans are typically more affordable than individual plans since the sum insured is shared. Let's say you purchase a family floater plan for you and your spouse with a sum insured of INR 8 lakhs. In a single policy year, you can make claims worth only INR 8 lakhs. Your spouse may make claims worth INR 6 lakhs and you could make claims worth INR 2 lakhs or vice-versa. Typically, family floater plans are ideal for young nuclear families.

1. **Senior Citizens Health Insurance**

These health plans have been designed specifically keeping the medical needs and requirements of senior citizens in mind. Most senior citizens policies offer additional cover, such as domiciliary hospitalization and even some psychiatric benefits. Since older citizens are more likely to have health issues, these policies may require a full medical check-up beforehand and could be more expensive than regular insurance policies.

1. **Critical Illness Insurance**

There are a number of lifestyle-related diseases that are on the rise. Health issues such as cancer, stroke, kidney failure and cardiac diseases can be very expensive to deal with and manage long-term. This is precisely why critical illness insurance policies have been created. They can either be purchased as a rider or add-on with your regular health insurance plan or separately as their own plan. These policies offer cover for very specific issues and often provide claim payouts as a single lump sum payment after the diagnosis of a critical illness.

1. **Group Health Insurance**

Unlike individual and [family floater policies](https://www.hdfclife.com/insurance-knowledge-centre/secure-your-health/points-to-know-before-buying-family-floater-health-plan), group health insurance plans can be purchased by a group manager for a large number of individuals. For example, an employer can purchase group insurance for all their employees or a building secretary may purchase such a plan for all the residents of the building. These plans are fairly affordable, but they often only provide cover for basic health issues. Employers often purchase these plans as an additional benefit for employees.

**Benefits of Health Insurance**

Purchasing health insurance is crucial for a number of reasons. Let's take a look at the most important benefits of our health insurance policies:

1. **Helps Deal with Rising Medical Costs**

People purchase [health insurance policies](https://www.hdfclife.com/health-insurance-plans) to safeguard their finances against ever-rising medical costs. An accident or medical emergency could end up costing you more than a few thousand rupees. With a medical insurance plan, you enjoy cover for everything from ambulance charges to daycare procedures, making it easier for you to get the care you need to recover.

1. **Critical Illness Cover**

Many health insurance policies will also offer cover for critical illnesses at an additional cost. Given the rising incidence of lifestyle-related diseases today, this is another crucial cover to have. You will be provided with a lump sum payout in case you are diagnosed with any of the covered critical illnesses. These issues are often very expensive to deal with and manage, so critical illness cover is another vital benefit of having health insurance.

1. **Easy Cashless Claims**

Every health insurance provider will tie-up with a number of network hospitals where you can enjoy cashless claims. This makes the entire process of receiving emergency medical care much easier. At a network hospital, you aren't really required to pay for any of the covered treatments. For all valid claims, we'll take care of the medical costs, without you having to pay for anything, except non-covered expenses and the mandatory deductibles.

1. **Added Protection**

If you enjoy cover under a group health insurance plan, you may wonder why you should purchase your own health insurance policy. Well, individual health insurance plans offer provider more and better cover than group plans. Additionally, if you happen to leave the group at any time, you risk losing the cover, which could make you and your finances vulnerable.

1. **Tax Savings**

Under Section 80D of the Income Tax Act, 1961, premiums paid towards the upkeep of health insurance policies are eligible for tax deductions. For a policy for yourself, your spouse, your children and parents below the age of 60, you can claim a deduction of up to INR 25,000 per year from your taxable income. If you've also purchased a policy for a parent who is over the age of 60, you can claim an additional deduction of INR 50,000.

**How Health Insurance Works?**

Like every kind of insurance policy, health insurance also helps you deal with the financial repercussions of an accident or emergency. Let's take a look at how health insurance actually works. The process starts when you apply to purchase a plan. Depending on your age, medical background, sum insured required and the type of plan youve selected, you will be provided with premium quotes. In some cases, you might be asked to do a few medical tests before the insurance provider decides whether they'd like to provide you with the required cover. Once the terms and conditions are finalised, you will be provided with a policy. Each policy comes with a few waiting periods. The initial waiting period is only for a few weeks or a month. During this time, you will not be able to make any non-emergency claims. Let's say that you require some kind of surgery after the waiting period. If you're able to get the treatment in a network hospital, you can let us know about the surgery, and we'll get in touch with the hospital directly to settle all the payments. When you're discharged from the hospital, you will only have to pay for additional expenses that are not covered and the voluntary co-pay amount, if any. If you're getting treatment in a non-network hospital, you can make all the payments and then file for a reimbursement claim. Either way, you can get the treatment you require without fretting about burning a hole through your pocket.

**Need for Health Insurance**

Medicare or medical costs are rising year on year. As a matter of fact, inflation in medicare is higher than inflation in food and other articles. While inflation in food and clothing is in single digits, medicare costs usually escalate in double digits.

For an individual who hasn't saved that much money, arranging for funds at the eleventh hour can be a task. This is particularly daunting for seniors, given that most ailments strike at an advanced age.

One way to provide for health-related / medical emergencies is by taking health insurance. Health insurance offers considerable flexibility in terms of disease / ailment coverage. For instance, certain health insurance plans cover as many as 30 critical illnesses and over 80 surgical procedures. The insurance plan disburses the payment towards surgery/illness regardless of actual medical expenses. The policy continues even after the benefit payment on selected illnesses.

With health insurance, you are assured of a more secure future both health-wise and money-wise. This makes health insurance policies critical for individuals, especially if they are responsible for the financial well-being of the family.

**How to Choose Health Insurance Plan?**

There are several health insurance policies available in the market. To enjoy cover without any hassles, you need to find the policy that best looks after your unique needs. Here are some important factors to consider while choosing a health insurance policy:

1. **Check the Sum Insured**

Many insurance providers have a limit on the maximum sum insured you can choose. If you'd like a high sum insured, you need to find a health policy that offers you what you're looking for. A good rule of thumb is to get cover that is a minimum of six times your salary. If you earn INR 1 lakh per month, look for a policy that offers at least INR 6 lakhs as the sum insured. You should also look for other benefits. If you're planning on starting a family in a few years, make sure maternity costs are covered. Of course, you will have to check the waiting period as maternity benefits are subject to slightly longer waiting periods.

1. **Scout the Network Hospitals**

Different insurance providers may have different hospitals in their network. Ideally, look for a policy that offers cashless claims at all the top hospitals in your city. You should also make sure that your preferred hospital is on the list. This will make the entire process of getting the treatment you want much easier.

1. **Check the Fine Print**

Every health insurance policy has various limits and sub-limits. You need to check the policy documents thoroughly to understand exactly how much coverage you will get per treatment or hospitalisation. For example, some policies may help cover the per day room cost, but only up to INR 2,000 per day. If you happen to be in a hospital where the room rent is INR 4,000, you'd have to pay for half the cost of the room. You should also check the limits of pre- and post-hospitalisation expenses. Some plans offer cover for only 30 days pre-hospitalisation and 60 days post-hospitalisation. Others offer 60 and 90 days respectively.

1. **Look for Additional Benefits**

Given that the insurance market is fairly competitive, different policies offer various benefits. No-claim bonuses and the restoration of your sum insured are some of the most popular ones. You should always check whether your chosen insurance policy will provide these benefits. Always look for policies that offer you additional benefits.

1. **Examine the Exclusions and Other Clauses**

Every policy has its own exclusions or medical procedures and situations that it will not cover. Make sure you check what's covered and what isn't before you purchase a plan. You should also check if there's a co-pay clause, how much you will have to co-pay and what the waiting periods are. Shorter waiting periods and voluntary co-pay are ideal.

**EXCLUSIONS OF HEALTH INSURANCE**

Common Exclusions of Health Insurance

Check out some of the most common exclusions of health insurance plans**:**

1**. Pre-Existing Diseases**

Pre-existing diseases or medical conditions you already suffer from while buying the policy are excluded under health insurance. These diseases are covered after a waiting period of 2-4 years, depending on the policy. However, some plans now cover pre-existing diseases from day 1 too.

**2. Pregnancy and Related Conditions**

Medical expenses incurred due to pregnancy and childbirth, such as delivery charges, newborn baby expenses, pre & post-natal expenses, abortion, baby vaccination costs, miscarriage, etc., are not covered under your policy. You can opt for the maternity benefit as a rider or an add-on cover to get your pregnancy costs covered.

**3. Non-Medical Expenses**

Non-medical expenses incurred during hospitalization, such as needles, syringes, cotton, bandages, gloves, sanitizers, masks, gowns, PPE kits, etc., are excluded under medical insurance. You can opt for a consumable add-on to get your non-medical expenses covered.

**4. OPD Treatment**

Most mediclaim insurance plans do not cover the cost of medical consultations taken at the outpatient department (OPD). You can opt for an OPD benefit rider or add-on to get your OPD expenses covered.

**5. Cosmetic Surgery**

The cost of cosmetic surgery or plastic surgery is not payable by insurance companies unless resulting from an accident.

**6. External Congenital Diseases**

Any medical expenses or treatments arising from external congenital diseases, such as Down syndrome, cleft lip, club foot, etc., are not covered under insurance plans**.**

**7. Dental Treatment**

Dental treatment costs is also not payable under [health insurance](https://www.policybazaar.com/health-insurance/health-insurance-india/) unless necessitated due to an accident.

**8. Self-Inflicted Injuries**

Any medical expenses arising out of injuries made deliberately, such as suicide or a suicide attempt, will not be covered by health plans.

**9. War & Related Perils**

Medical insurance also does not cover the medical expenses incurred to treat injuries or diseases resulting from war or related perils.

**10. Waiting Period Clause**

All health insurance plans in India come with a waiting period clause. As per this clause, all health plans come with an initial waiting period of 30 days and specific diseases waiting period of 1-2 years. During the waiting period, your insurance company will not honour your claims and reject them, except for accidental claims.

Over to You!

Every health insurance policy has its own exclusions. Choosing the one that covers your requirements is an art. Going over the policy exclusions before buying is the first step in that direction. Make sure to choose a policy that fulfils all your requirements with

**PREMIUMS OF HEALTH INSURANCE**

The premium costs for health insurance policies can vary widely depending on several factors, including the type of health insurance plan, coverage levels, location, age, tobacco use, and any pre-existing conditions. Here's a general overview of different types of health insurance and factors that may influence premium costs:

1. Health Maintenance Organization (HMO) Plans: HMO plans typically have lower premiums compared to other types of plans but require you to choose a primary care physician (PCP) and get referrals to see specialists.

2. Preferred Provider Organization (PPO) Plans: PPO plans offer more flexibility in choosing healthcare providers without needing referrals, but premiums may be higher compared to HMO plans.

3. Exclusive Provider Organization (EPO) Plans: EPO plans are similar to PPO plans but usually have a narrower network of healthcare providers. Premiums can vary but may be lower than PPO plans.

4. Point of Service (POS) Plans: POS plans combine features of HMO and PPO plans, offering lower premiums for in-network care but with the option to see out-of-network providers for higher costs.

5. High Deductible Health Plans (HDHPs) with Health Savings Accounts (HSAs): HDHPs typically have lower premiums but higher deductibles. HSAs allow you to save money tax-free to pay for qualified medical expenses.

Factors that can affect premium costs include:

-Age: Older individuals generally pay higher premiums due to higher healthcare utilization.

- Location: Health insurance premiums can vary by geographic location due to differences in healthcare costs and regulations.

- Tobacco Use: Tobacco users may face higher premiums due to increased health risks associated with smoking.

- Coverage Level: Plans with more comprehensive coverage often have higher premiums.

- Pre-existing Conditions: Before the Affordable Care Act (ACA), pre-existing conditions could lead to higher premiums or denial of coverage. However, the ACA prohibits insurers from denying coverage or charging higher premiums based on pre-existing conditions.

It's essential to shop around and compare plans to find one that fits your healthcare needs and budget. Additionally, many factors contribute to the final premium cost, so it's best to consult with insurance providers or use online tools to get personalized quotes.

**HYPOTHETICAL SCENARIO’S**

**Certainly! Here are a few hypothetical scenarios illustrating how different factors can influence health insurance premiums:**

**1. Age and Smoking Habits:**

\*Scenario\*: John is a 25-year-old non-smoker, and his friend Sarah is also 25 but smokes a pack of cigarettes a day.

\*Outcome\*: John will likely have lower health insurance premiums compared to Sarah due to her smoking habit. Insurers often charge higher premiums for tobacco users because of the increased health risks associated with smoking.

**2. Coverage Level and Pre-existing Conditions:**

\*Scenario\*: Emily has asthma and requires regular medication and doctor visits. She is comparing two health insurance plans: Plan A with comprehensive coverage and a higher premium, and Plan B with basic coverage and a lower premium.

\*Outcome\*: Emily may opt for Plan A despite its higher premium because it provides better coverage for her pre-existing condition. While Plan B has a lower premium, it may not cover Emily's asthma-related expenses adequately, resulting in higher out-of-pocket costs.

**3. Geographic Location:**

\*Scenario\*: Mark lives in a rural area, while Lisa lives in a major city. They are both 35 years old and non-smokers.

\*Outcome\*: Lisa may face higher health insurance premiums compared to Mark due to the higher healthcare costs associated with living in a major city. Insurers often adjust premiums based on factors like healthcare provider fees, cost of living, and regional healthcare utilization rates.

**4. Family Size and Coverage Needs:**

\*Scenario\*: The Smith family consists of Tom, Sarah, and their two children. They are comparing family health insurance plans with different coverage levels.

\*Outcome\*: The Smiths may choose a plan with comprehensive coverage despite its higher premium to ensure their family's healthcare needs are adequately met. While a plan with a lower premium may seem attractive, it may not provide sufficient coverage for their children's healthcare expenses, leading to higher out-of-pocket costs in the long run.

**5. Employer-sponsored Insurance vs. Individual Market:**

\*Scenario\*: David has the option to enroll in his employer's health insurance plan or purchase coverage through the individual market.

\*Outcome\*: David may find that his employer-sponsored plan offers more affordable premiums compared to individual market plans due to employer contributions and group purchasing power. However, he should carefully compare coverage options and consider factors like network coverage, deductibles, and out-of-pocket costs before making a decision.

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