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From the Editor's Desk

Medical Emergencies come without forewarning or notice. Further when it happens there can be no cutting back of expenses because of emotional reasons. Everyone wants to provide the best medical care to their loved ones. Familie's financial status has changed drastically due to sudden medical expenses. health Medical Insurance, therefore is a financial matter of paramount importance for every individual.

As the cost of medical care increases, it is increasingly important for people to obtain health insurance to maintain access to high quality preventative and emergency health care treatment. Without health insurance, a person will have constrained access to best health care services. Health Care insurance plans cover much more than just hospitalization. The plans provide an umbrella of cover to deal with nearly all medical requirements.

It is, therefore so very important that all people take medical insurance and earlier it is taken the better it is.

Best,

Team Meri Punji

Punji (*noun / Hindi*) - **Capital** *meaning, wealth in the form of money or other assets owned by a person or organization or available for a purpose such as starting a company or investing.*

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CONTENTS

Health Insurance Landscape in India

The health insurance industry in India is the fastest growing segment in the non-life insurance sector. The market witnessed a robust double-digit growth in last 10 years. This phenomenal growth may be attributed to the liberalization of the economy and growing general awareness among the public on healthcare.

Insurance in India has a long history but it took a formal leap only in 1956 when government created **Life Insurance Corporation of India** more popularly known as **LIC**.

The Govt General Insurance Companies had absolute monopoly till the late 1990s. In 1999, the Insurance Regulatory and Development Authority (IRDA) was constituted as an autonomous body to regulate and develop the insurance industry and pave way to open up the Insurance sector to private players. The key objectives of the IRDA were twofold viz.

- **INSURANCE COMPANIES & DISTRIBUTION CHANNELS**
  - o To monitor and enforce high standards of integrity, financial soundness and competence in the Sector
  - o To prevent insurance frauds and other malpractices.

- **POLICY HOLDERS**
  - o To protect the interest policyholders;
  - o To ensure speedy settlement of genuine claims,
  - o Set up grievance redressal machinery and to take action when there are lapses.;

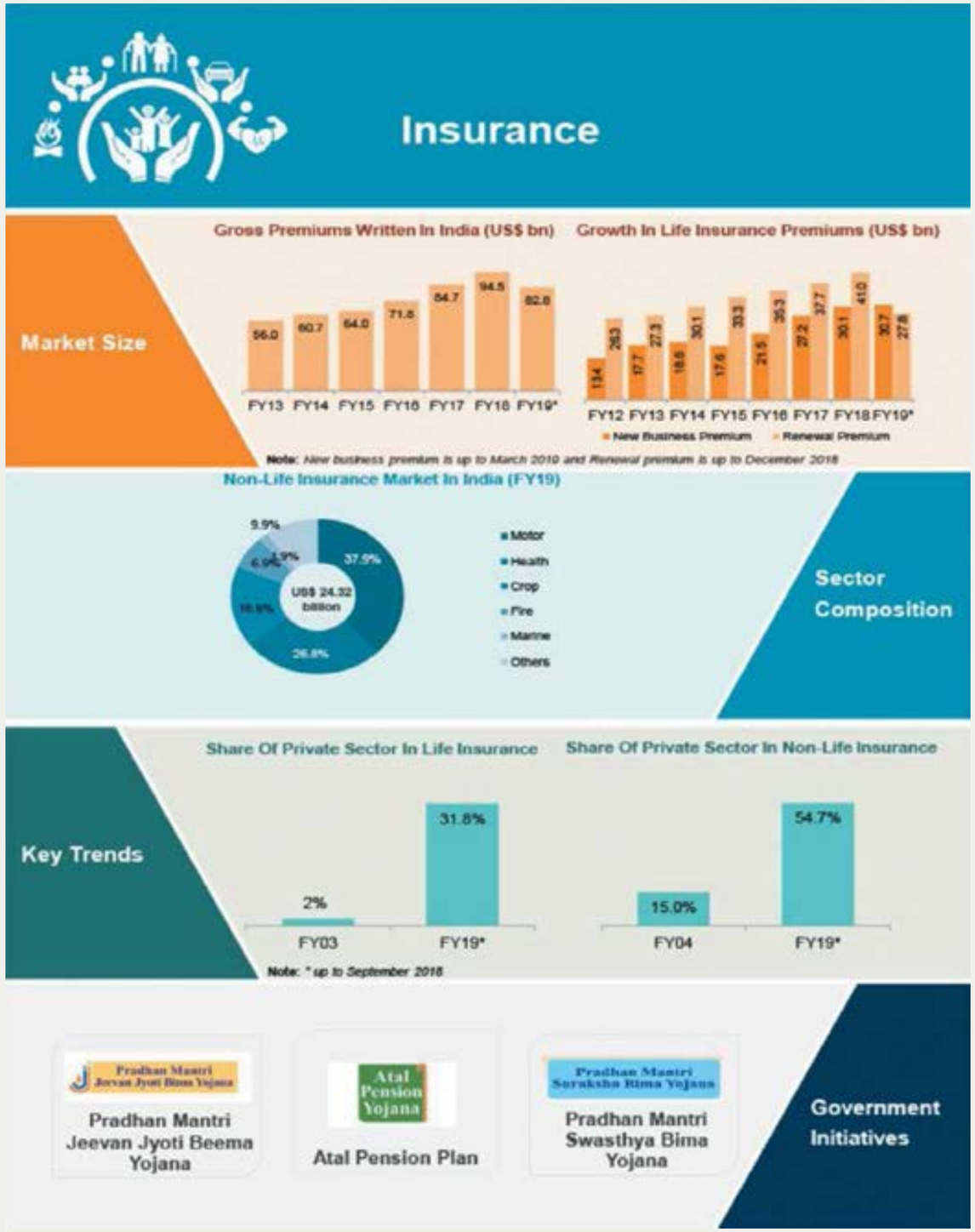
IRDA has been providing a yeoman service to this sector. It has provided an enabling environment for the industry to grow robustly. In last 20 years the Insurance sector has shown a double-digit growth. At the end of March 2018, there are 27 are general insurers, 6 are Standalone health insurers exclusively doing health insurance business.

TREND IN HEALTH INSURANCE PREMIUM OVER THE PAST FIVE YEARS *(crore)*

SECTORS	2014-15	2015-16	2016-17	2017-18	2018-19
Public Sector General Insurers	12882 (64%)	15591 (64%)	19227 (63%)	21509 (58%)	23536 (52%)
Private Sector General insurers	4386 (22%)	4911 (20%)	5632 (19%)	7689 (21%)	10655 (24%)
Stand-alone Health Insurers	2828 (14%)	3946 (16%)	5532 (18%)	7831 (21%)	10681 (24%)
Industry Total	**20096**	**24448**	**30392**	**37029**	**44873**
Annual Growth Rate (In %)	**14.9%**	**21.7%**	**24.3%**	**21.8%**	**21.2%**

Over the last 5 years standalone Health Insurance company increased their market share from 14% to 24% basically on expense Public Sector General Insurance Companies.

The health insurance industry is at an embryonic stage, with roughly 25% of the population under its coverage. There exists a huge potential for growth and penetration of health insurance to a larger population. The launch of National Health Protection Scheme under Ayushman Bharat, in order to provide coverage to more than 100 million vulnerable families, holds heavy expectations, which increases penetration of health insurance in India to 50%.



FINANCIAL DATA AND SOLVENCY RATIO OF MAJOR HEALTH INSURANCE COMPANIES

Insurers	Premium FY 2018-19 (Rs in Lakhs)	Market Share	Solvency Ratio
Private General Insurance Companies Providing Health Insurance			
Bajaj Allianz General Insurance Co. Ltd	220,496	4.91%	2.55
Bharti AXA General Insurance Co. Ltd.	22,893	0.51%	1.76
Cholamandalam MS General Insurance Co. Ltd.	27,371	0.61%	1.55
Future Generali India Insurance Co. Ltd.	28,109	0.63%	1.54
HDFC ERGO Health Insurance Limited	324,176	7.22%	1.75
ICICI LOMBARD General Insurance Co. Ltd.	226,716	5.05%	2.24
IFFCO TOKIO General Insurance Co. Ltd.	79,991	1.78%	1.66
Reliance Health Insurance Ltd.	100,682	2.24%	1.6
Royal Sundaram General Insurance Co. Ltd.	35,546	0.79%	1.93
Tata AIG General Insurance Co. Ltd.	80,376	1.79%	1.63
Universal Sompo General Insurance Co. Ltd.	13,479	0.30%	2.24
Stand Alone Health Insurance Companies			
Aditya Birla Health Insurance Co. Ltd.	42,343	0.94%	1.62
Care Health Insurance Ltd(formerly Religare Health Insurance)	161,122	3.59%	1.53
Manipal Cigna Health Insurance Company Limited	46,882	1.04%	2.23
Max Bupa Health Insurance Co. Ltd	91,449	2.04%	1.73
Star Health & Allied Insurance Co.Ltd.	827,182	18.43%	2.01
Public Companies			
National Insurance Co. Ltd.	588,996	13.13%	1.04
New India Assurance Co. Ltd	524,120	11.68%	2.13
The Oriental Insurance Co. Ltd.	404,771	9.02%	1.57
United India Insurance Co. Ltd.	535,739	11.94%	1.53
Others (Minor Players)	104,837	2.34%	n/a

Inspite of low market penetration, in life insurance business, India is ranked 10th among the 88 countries, for which data is published by Swiss Re. The Indian market growing at a much faster pace then compared to Global market. This can be seen by the fact that in 2017 the insurance premium in India grew by 10.1 % (inflation adjusted) as compared to the global increase of 1.5%.

The private insurance companies are doing a good job and they have been able to maintain a good track record. IRDA Annual report 2018-19 the claim settlement ratio is 92.20 for private companies. This data is just to give comfort to the policy holders that private insurance companies are as dependable as anyone else

Different Types of Medical Insurance

1 Comprehensive/Generic Medical Insurance

It is a basic medical insurance policy which can be taken for Individuals or family. The features of the plan may vary based on the sum insured taken in a plan from insurer to insurer. The sum insured range varies between Rs. 2 Lakh to 3 Cr.

2 Top Up Medical Policy

It is a medical plan which is taken over and above the base medical insurance plan. This would increase the total medical cover with nominal increase in premium. It can either be bought as an Individual plan or Family Floater. It can be used only at the time when basic sum insured is fully exhausted due to this the premium is very low of a top up policy. The features are almost similar to the basic medical policy, in some cases the combination would be more beneficial as the top up would provide additional benefits which might not be covered in a base medical plan. If there is no base medical policy then the cost is to be borne by the insured up to which the base policy is taken.

3 Critical Illness policy

It is an insurance policy which provides financial protection to an insured against the major critical illness [Serious Medical Condition which is life threatening if proper treatment/measure is not taken] e.g. Cancer, Heart attack of specific severity, kidney failure, Coma, major burns, Major organ transplant etc. There is almost 37-40 critical illnesses which can be affect a person. These illnesses are generally not covered by basic medical plans. One can take a separate policy for this or can take it along with existing Insurance plan as a rider. A lump sum amount is paid irrespective of to the insured based onseverity of diagnosis of any of the disease which falls in the list and is covered by the insurer.

4 Heart Care Policy

This plan provides financial protection against only heart related conditions.Due to unhealthy lifestyle and increased stress in life, the chance of having heart related conditions is higher compared to any other critical disease. The plan is cheaper than a complete critical illness plan as it focuses on only one specific organ. There is also additional feature of premium waiver, additional income, no claim bonus etc. in the policy provided by few insurers.In this also the lumpsum payout is done irrespective of bill amount. The limit of amount paid depends on the severity of the ailment.

5 Cancer Care Policy

This plan provides financial protection against only cancer related ailment. As with types of cancer and the cost required for its treatment is so high that a comprehensive medical policy is not enough to cope with its expenses.There is additional feature of premium waiver, additional income, no claim bonus, Hospitalization benefit etc. Provided by some insurer. In this also the lumpsum payout is done irrespective of bill amount. The amount of payout is dependent on the severity of the ailment.

6 Group Medical Policy

It is a medical policy for a group of people associated with any organization; for example group of employees, account holders in a bank, group of club members etc. The policy is either directly provided by an insurer or in association with an insurer. The availability of the policy and certain benefits for the group depends on the group size as per insurer. There is an option to either take a standard group medical policy or a tailor-made policy consisting only necessary benefits. This would help to get a policy which is best suited for the organization in an optimal cost.

7 Group Accidental Insurance

This policy is taken to financially aid the members of the group against an accident which can lead to death or disability of the insured. It provides lumpsum payout in case of death and in case of disability it depends on the type severity i.e. Permanent Total Disability, Permanent Partial Disability, Temporary Total Disability etc. It also provides hospitalization benefit, medical extensions to bear additional medical cost, physiotherapy, children's education etc. Additional benefits other than for death and disability can be opted as per requirement to optimize cost as per group size.It is best suited for corporates/organization where the group members are working with heavy machines/travelling for the job/work in the accident-prone area etc.

Features to be considered while taking Health Insurance Policy

Health Insurance market is flooded with loads of insurance plans. Currently there are 32 Insurance companies offering a big product basket. With lots of option available to choose just 1 health insurance plan is difficult.

While looking for a health Insurance product one should consider their requirements, features and cost i.e. premium of the policy.

The requirement depends on the life stage of a person i.e. Age + career status + marital status+ health status. It can be categorised under these groups.

- **Young +Initial career stage+ Single + Fit & Healthy**
- **Young +Mid-career stage+ unmarried + Fit & Healthy**
- **Young + Married + established career stage+ with/without children+ Fit & Healthy**
- **Married + Older children + Late career stage / Retirement stage+ Fit & Healthy**

If the person is suffering from any illness or disease he/she needs to check whether it is covered after waiting period or excluded in the policy.

Apart from above mentioned features the mandatory features which should be considered to get the best plan are as follows:-

1. **Waiting Periods -** It is the time period an insured is required to wait before all or some disease is covered in the policy. There is a mandatory waiting period of 30 days for all the disease to take a claim. For specific and all the disease the waiting period is between 1-4 yrs, which may vary from plan to plan.

2. **Exclusions -** Some of the treatments/procedures/diseases are permanently excluded in a health insurance policy.Common exclusions arecosmetic surgery, aids, weight control treatment etc. It would be better to check the list of exclusions under the plan before finalizing it.

3. **Loyalty addition/No claims bonus -** Additional benefit in the form of loyalty addition, discount in premiums, no claim bonus etc. for continuous association and no claim taken in a year. It is better to choose a policy which gives loyalty addition /no claim bonus as it increases the total cover.

4. **Restoration/Refill benefit -** This means the policywill be refilled with the sum insured in the policy year. The policy is refilled either at the time of 1st claim or after the complete sum assured plus bonus is exhausted. The number of times the policy is restored varies from plan to plan. The restored sum insured can be used for the same or different disease for which the claim has already been taken.

5. **Room rent -** The treatment cost in a hospital is associated with the type of room or boarding expenses. It is important see in the policy whetherthe room rent is covered up to a sub limit/ sum insured. For example if a policy is of Rs. 5 lakh with 1% sublimit in room rent, then one can opt a room which cost less than Rs. 5000. If the cost of room exceeds the sub limit then the total hospitalization claim would be reduced proportionately as per the limit of the plan.

6. **Maternity and Child benefit -** If the person is in family planning stage he/she should look for a plan which gives maternity and child benefits.It is mostly covered up to a sub limit after a waiting period; the limit varies from plan to plan so it should be checked before finalizing a product.

7. **Pre & Post hospitalization coverage -** This benefit provides the claim for the cost incurred for diagnostic procedure/treatment and follow up care related to the disease for which hospitalization is taken. It is covered up to the sum Insured. It is given on reimbursement basis. No. of days covered before hospitalization & after hospitalizationvary from plan to plan.

8. **Overseas medical cover -** If one is looking forward to get treated outside India, there are plan which provide coverage outside India. Mostly it covers limited no. of life threatening disease, few plans also provides emergency hospitalizations. As this benefit increases the cost, one should consider such plan only if one frequently travels out of India.

9. **Other Benefits -** Additional benefits which can also be considered are the number of Day care procedures covered, Domiciliary benefit, Regular Health check-up benefits, OPD, Ambulance cost, AYUSH treatment etc.

These features in a plan help to choose a product. Along with the best product one should also consider the services of the insurance provider. The factors which can help to choose the best company are as follows:-

1. List of Network Hospitals,
2. Market share & Reputation,
3. TPA (Third party administration) for claim settlement i.e. Claim is settled in-house or through TPA. TPA's are agents which deal with the claim settlement process; it sometimes can be very time consuming and exhaustive process. So it is better to look for insurers where claim settlement is done in house
4. Claim processing timeline and process.

A good product from a best service provider is considered the best option. As at the time of hospitalization everyone wants a hassle free service from the service provider.

Understanding between the Lines

While planning to buy a medical Insurance policy one look into different plans to find the right fit. To understand the product one needs to understand the terminologies used in it.All the insurers use almost similar terminologies in a policy bond. It helps to understand the plan better while choosing for them and utilize it to the fullest.

The list of terminologies used is as follows:-

1. **Sum Insured -** Total Coverage Amount for self or Family payable by insurance company.
2. **Premium -** Cost/amount paid for the coverage.
3. **Individual policy -** Policy taken for individual.
4. **Family Floater -** When the policy is taken for a family. It consists of proposer, spouse& children; in few policies it covers parents and parents in law. The no. of children covered and the age bracket for which they are covered is different in different policies.
5. **Sub-limit -** Absolute amount or percent of sum insured up to which claim is paid.
6. **Grace period -** It is 30 days' time given to renew the policy after the given due date to pay the premium.
7. **Renewal Benefits and Loyalty/No Claim/Cumulative Bonus -** Additional benefit in the form of loyalty addition, discount in premiums, no claim bonus etc. for continuous association and no claim taken in a year.
8. **Family Discount -** When in an Individual plan more than 2 family members are added with each having individual sum insured most of the insurer gives additional discount.
9. **Restoration/Refill/Recharge Benefit -** This means the policy will be refilled with the sum insured in the policy year. The policy is refilled either at the time of 1st claim or after the complete sum assured plus bonus is exhausted. The no. of times of restoration and its usage for same or different disease varies from insurer to insurer.
10. **Co-Pay/Deductible -** It is an option to share the cost of medical expenses between insurer and insured. The ratio in which it is to be shared depends on insurer. This is an optional benefit in most of the case but after an age group it's a mandatory.
11. **Waiting period -** It is the time period an insured is required to wait before all or some disease is covered in the policy. There is a mandatory waiting period of 30 days for all the diseases except accident injury to take a claim. For specific and all the disease the waiting period is between 1-4 yrs, which may vary from plan to plan.
12. **Exclusions -** Diseases, treatments, procedures, outcome of an activity which is permanently excluded from the policy and no claim can be taken against it.
13. **In Patient / Hospitalization treatment -** It covers the expenses of medical practitioner's fees, diagnostic tests, drugs &consumables, room rent, ICU, Operation theatre charges, cost of prosthetics & other devices or equipment if implanted during the surgery. To avail the claim under this insured is hospitalized for more than 24 hrs.
14. **OPD / Outpatient treatment -** It covers the expenses which deal with treatments/consultation which is taken by simply visiting the clinic or the consultation room. It is covered up to sub limit which does not impact the total sum insured.
15. **Health Checkup -** This benefit is in addition to Sum Insured. This provides the benefit of regular annual checkup. Insurer either provides limit of amount or limit of medical tests based on the Sum Insured taken in a policy.
16. **Day Care -** It covers the expenses for the treatment/procedures for which the hospitalization is required for less than 24 hrs. Mostly all the day care procedures are covered by all the insurers.
17. **Domiciliary treatment -** In this all the hospitalization services is given at home.To avail this benefit the insured needs to be under home care for more than 3 continuous days, itshould be prescribed by the doctor confirming the insured can't be taken/moved to a hospital or no bed is available in the hospital.
18. **Pre and Post Hospitalization -** This benefit provides the claim for the cost incurred for diagnostic procedure/ treatment and follow up care related to the disease for which hospitalization is taken. It is covered up to the sum Insured. No. of days covered before hospitalization & after hospitalization vary from plan to plan.
19. **Ambulance -** It covers the cost of ambulance up to a limit.
20. **Alternative treatment (AYUSH) -** AYUSH refers to treatment other than allopathy, i.e. Ayurveda, Yoga & Naturopathy, Unani, Siddha and Homeopathy.
21. **Maternity benefits and Pre & Post Natal Hospitalization -** It is covered up to a sub limit of Sum Insured. The sub limit varies from plan to plan. Itpays the expenses related to maternity. Number of days covered before and after delivery procedure is varies for different insurers.
22. **New Born Child/Child Care Benefits -** In this it extends the existing cover to the new born child. The no. of days or months from which the child is covered varies from plan to plan. It includes the cost incurred related to vaccination of a child.
23. **Living Organ Donor Transplant -** It is covered up to a sub limit/ Sum Insured.Mostly it provides cover only for harvesting of the organ where insured is the recipient. Few plans also pay for the screening and any complication faced by the donor.
24. **Hospital Cash -** It's a fixed amount benefit apart from sum insured given during inpatient hospitalization. The amount is given daily subject to min hospitalization Hrs. The limit of amount, Maximum number of days for which it is provided varies from insurer to insurer.
25. **Optional Covers -** Other optional covers which one would find in a policy is Personal accident cover, Critical illness cover, Annual aggregate deductible amount etc. The added benefit increases the cost of the policy.

Cancer Insurance plans

Cancer Insurance plans provide cover/ indemnifies against the cost incurred towards the treatment of cancer.

With the increasing statistics of cancer cases around the world, the probability of being diagnosed with it is very high. As per World Health Organization it is the 2nd leading cause of death globally. Globally 1 in 6 deaths is due to cancer. As per report In India 1 in 10 will develop cancer during lifetime. If diagnosed once the treatment can continue for 2-3 yrs. It can make a person anxious and stressed during the whole period. As of now there is no permanent cure developed for Cancer but with advance medical treatments it is possible to beat it. The regular treatments and supervisions required are usually very expensive. These expenses can drain up the whole savings as a regular Health Insurance policy is not enough to deal with it.

To cope with this financial burden Insurance companies provide Cancer Insurance plans which is solely for this purpose. The amount then further can be utilized as per requirement. It creates a financial backup for the insured and helps them lead a worry free life.

As per study the chances of a female being diagnosed with cancer is higher than a man. So if not taken for the whole family it is advisable to take a cancer policy for the females of the house.

Features of Cancer care plans are almost similar across the industries which are as follows:-

1. **Comprehensive cover -** It provides cover for all the types and stages of cancer. The benefit structure is mostly categorized under minor and major categories.

2. **Sum Insured -** Maximum Sum Insured provided is up to Rs. 50 lakh.

3. **Policy period/Term -** The policy period of the plan is either 40-50 years or up to the age of 85 years.

4. **Payout -** Fixed Lump sum amount is paid out to the insured on diagnosis/ procedure irrespective of actual expenses. The pay-out percentage of sum assured is dependent on the level of condition diagnosed. Number of claims taken under each category for same or different organ is specified in the policy bond subject to exhaustion of applicable sum insured.

   a. Minor condition is early stage of disease - 20 to 25% of the sum insured.

   b. Major Condition - 100% of the sum insured. The list of ailments covered under each category is specified in the policy bond.

5. **Additional Benefits -** Additional or optional benefits which is provided in the plans are as follows :-

   a. Waiver of Premium - In case of diagnosis under minor condition the future premium are waived off for a period 3 to 5 year or rest of the Policy term.

   b. Increased Sum Insured/ Indexation benefit - Some policies provide the benefit of increasing the sum insured wherein it grows by certain percentage to max 200% of the sum insured. It ceases if any claim is taken and the future claims would be based on Increased Sum Insured.

   c. Income benefit - In case of diagnosis under sever condition a percent of Sum insured is paid for a period of 5 yrs. It is in addition to the base benefit.

   d. Reset or restore benefit - In case of claim under minor condition, after a specific timeline as per policy the full sum assured is restored.

6. **Death Benefit -** There is no death benefit.

7. **Surrender Benefit -** There is no surrender value unless return of premium is opted in a plan.

8. **Maturity Benefit -** There is no maturity value unless return of premium is opted in a plan.

9. **Waiting period -** There is a waiting period of 180 days to avail claim is 1st policy year.

10. **Survival period -** In these policies the claim is only provided when the insured survives for a certain period which may vary between 0-30 days.

11. **Premium Guarantee -** The premium amount is guaranteed for a period of 3 yrs or 5 yrs depending on the insurer. The premium may get revised as per IRDA guidelines after the block period.

12. **Tax Benefit -** The tax benefit for this policy can be taken under Section 80 D of Income tax act.

The policy terminates on the exhaustion of sum insured or death or completion of policy period. It should be taken along with a medical insurance policy.

Heart Insurance plans

Heart Insurance plans provide cover/ indemnifies against the cost incurred for the treatment of conditions related to heart.

It's a very generic fact that healthy heart means healthy life. Heart is at the center ofover all good health of a person. As per WHO data "Cardiovascular diseases (CVDs) are the number 1 cause of death globally, taking an estimated 17.9 million lives each year representing 31% of global deaths and of these 85% are due to heart attack and stroke."

If the diagnosis is at early stage, it can be prevented by changing lifestyle & drugs use if necessary but due to daily hustle bustle many people are unaware of the risks hence it is not treated at an early stage. Researches have shown that men are more prone to heart ailments.

The cost of treatment for these ailments isalways on the rise. If any of the ailment is detected it would drain most of the savings for its treatment as a normal medical policy of would not be adequate.

It is provided by both Life Insurance and Health Insurance providers. The difference is on the treatment of claim. The Life Insurance providers give a lump sum payout on diagnosis irrespective of the amount of actual cost incurred. The Health Insurance providers give claims against actual cost of the treatment.

Features of Heart care plans provided by Life Insurance Providers almost similar across the industry which are as follows:-

1. **Comprehensive cover -** It provides cover for an extensive list of cardiac conditions categorized as i.e. mild, moderate and Sever condition. It can be taken in both individual and floater basis.

2. **Sum Insured -** Maximum Sum Insured provided is up to Rs. 50 lakh.

3. **Policy Period/Term -** The policy period of the plan is either 30-40 years or up to the age of 75 years.

4. **Payout -** Fixed Lump sum amount is paid out to the insured on diagnosis irrespective of actual expenses. The pay-out percentage of sum assured is dependent on the level of condition diagnosed. Number of claims taken under each category for same or different condition is specified in the policy bond.

   a. Mild condition i.e. early stage of disease - 25% of the sum insured.

   b. Moderate condition - 50% of the sum insured.

   c. Severe Condition - 100% of the sum insured.

   The categorization of conditions under mild, moderate and severe conditions may vary from insurer to insurer. The list of ailments covered under each category is specified in the policy bond.

5. **Additional Benefits -** Additional or optional benefits which is provided in the plans are as follows :-

   a. Waiver of Premium - In case of diagnosis under mild/moderate condition the future premium are waived off for a period 5 yrs or rest of the Policy term.

   b. Hospitalization Benefit - It covers the expenses of medical practitioner's fees, diagnostic tests, drugs & consumables, room rent, ICU, Operation theatre charges, cost of prosthetics & other devices or equipment if implanted during the surgery. To avail the claim under this insured is hospitalized for more than 24 hrs.

   c. Increased Sum Insured/ Indexation benefit - Some policies provide the benefit of increasing the sum insured wherein it grows by certain percentage to max 200% of the sum insured if no claim is taken in between.

   d. Income benefit - In case of diagnosis under sever condition a percent of Sum insured is paid for a period of 5 yrs. It is in addition to the base benefit.

   e. Return of Premium benefit - This option provides return of premium, In case no condition is diagnosed in the policy term total premium paid less taxes would be returned back.

   f. Death Benefit - There is no death benefit.

6. **Surrender Benefit -** There is no surrender value unless return of premium is opted in a plan.

7. **Maturity Benefit -** There is no maturity value unless return of premium is opted in a plan.

8. **Waiting period -** There is a waiting period of 180 days to avail claim is 1st policy year.

9. **Survival period -** In these policies the claim is only provided when the insured survives for a certain period which may vary between 0-30 days.

10. **Discount -** Some policies give family discount if a floater policy is opted in 1st year premium and loyalty discount if the policy is renewed in 2nd year.

11. **Tax benefit -** Tax benefit can be availed under sec 80 D of Income tax act.

12. **Premium Guarantee -** The premium amount is guaranteed for a period of 3 yrs or 5 yrs depending on the insurer.

The policy terminates on the exhaustion of sum insured or death or completion of policy period. It should be taken along with a medical insurance policy.

Disability Health Insurance Plans

Disability health insurance plans are plans specifically for differentially abled person.

Disability is in the context of the environment a person is in.It is based on the level of limitation or difficulty faced to do a task and participation in the society. Two person with same health concern may not be similarly disabled or share same perception towards it. Depending on the environmental adaptations it may different for the person. Disability can either in inborn or due to some accident.

There are two ways to approach the situation.

One is future disability due to an unexpected event or medical condition. A person is always concerned about his/her future loss of income, life style, dependency on others etc.

To be prepared for this one can take **personal accidental insurance policy**; along with providing death benefit due to accident, the policy provides benefit for Disability at different levels i.e. permanent total disability, permanent partial disability, temporary total disability etc. It provides hospitalization benefit, income benefit etc.

Second is inborn/inherited condition which led to disability in a person. In this condition it is difficult to get a regular medical insurance policy. The regular medical expenses required to monitor and maintain the health can be very expensive. For a family with disabled person, the financial dependency is for lifetime.

As per 2011 Census, 2.21% of total population is disabled. As per The Rights of Persons with Disabilities Act, 2016 (RPWD, 2016), A person is disabled only if he/she is not less than 40% disabled of the specified disability. There is a list of 21 disability covered and identified by the government to provide the benefits under RPWD Act.

The government of India has provided 2 health Insurance policies with association of New India Assurance Companyand The National Trust.

Disability Health Insurance Plans

1 SWAVALAMBAN HEALTH INSURANCE POLICY

It is a tailor made group/Family Floater health Insurance policy by New India Assurance Company and The trust fund for empowerment of person with disabilities. It provides health Insurance to person with blindness, Low vision, Leprosy – cured, Hearing Impairment, Loco motor disability, mental retardation and Mental illness. The person should have proper document of certification from the authority for said disability. Features of this policy are as follows:-

- It is for Person with disability (PwD) and their family with an annual income less than Rs. 3 lakh.
- Entry age limit is 18 yrs – 65 yrs.
- Sum Insured is Rs. 2 lakh for individual or family.
- Premium is subsidized by central government i.e. Rs. 356 per PwD/ family; with 90% subsidy. (Total premium approx. Rs. 3500 p.a.) This is standard across the age group.
- All the diseases are covered from 1st year without any waiting period.
- OPD benefit is provided for corrective therapy up to Rs. 10,000 p.a. for PwD and for person with mental illness & retardation is limited to Rs. 3,000 p.a.
- AYSUH care is provided. Naturopathy is not covered.
- No Pre-Insurance Medical Insurance is required to avail this.

2 NIRMAYA HEALTH INSURANCE SCHEME

This plan is launched by the National Trust for individuals suffering from cerebral palsy, Autism, Mental retardation, multiple disabilities (sclerosis) andother similar disease. This insurance policy is only available for people who are registered with National Trust. The coverage is provided up to Rs. 1 lakh in reimbursement basis.

Features of this policy are as follows:-

- There is no age limit (Valid certificate and Enrollment with National trust is mandatory)
- Single premium amount across age group.
- All the benefit is covered up to a sub limit as defined in the policy.
- Corrective surgery and surgery to prevent further aggravation of disability.
- OPD services are provided for regular medical checkups, dental preventive dentistry, diagnostic tests etc.
- AYUSH care is provided.
- Treatment can be taken in any of the hospital.
- No pre medical test is required to avail the policy.

The sub limits may change annually based on the agreement between the National Trust and the Insurance provider. The change would be updated in the National trust website i.e. http://www.thenationaltrust.gov.in/content/scheme/niramaya.php.

Medical Tourism and Overseas Medical Plan

A person wants the best medical treatment in affordable cost. With advanced medical science and development of alternative medicines most of the countries have better medical facility & services to offer to the patient. This provides an opportunity to the people to travel beyond borders to get the best treatment.

Trip to foreign countries for medical treatment is called medical tourism. India is among top 3 destinations, as one of the most credible and cost effective country for curative treatments like cardiology & heart surgery, Orthopedics, transplant and Ophthalmology. With Development in AYUSH and other Wellness & preventive care it is attracting a lot of medical tourists.

Other Asian countries like Singapore, Thailand, Malaysia are other preferred destination for High end Care at lower cost. Even though most of the tourists are from USA, it is still preferred by the affluent class of people from emerging economies.

For the patients travelling to other countries for treatment the major factor is their ability to pay. Even though most of the people may afford to pay for these expenses, they would not want a dent in their savings. In this scenario Insurance plays a major role to cope with this financial burden. As the medical insurance plans can be bought only from the home country, it is important to see whether the Insurance providers provide claims for medical expenses done outside geographical boundaries or not.

In India the only category of Insurance plans which provide confirmed medical benefits outside geographical boundaries is Travel Insurance plans. It provides medical claim only in case of emergency hospitalization and accident.

There are a handful of 7-8 comprehensive medical Insurance plans which provide overseas medical cover. This benefit is a part of a medical plan and not sold separately. The benefit is either provided up to Sum Insured or up to a sub limit. With these plans one can get treatment and medical services within India and also outside India.

The features of the benefit of cover outside geographical boundarieswhich is provided in these plans are as follows:-

1. Worldwide emergency hospitalization is covered for all the disease.
2. Claim for Pre-planned treatment outside India is given for specific diseases. The list of the diseases is given in the policy bond. Majorly there are 10-12 disease i.e. Cancer, Coma, stroke, Coronary Artery Bypass Graft, Benign Brain tumor.
3. For the planned treatment outside India should be referred by an Indian Doctor.
4. The global coverage is mostly excluding US and Canada. To Include US and Canada additional amount is required to be paid.
5. The benefit of travel insurance may be included in the plan.
6. It is provided only when higher sum insured is opted or high end category of the plan is opted.
7. The waiting period to use this benefit varies from plan to plan which may be up to 4 yrs.
8. Compassionate visit is provided for a family member by air if the insured is alone in the foreign land.
9. The claims are paid mostly in reimbursement basis. The cashless claim benefit is also available with few providers where separate claim service works 24*7 only for claims outside India.
10. In some plans each claim is subject to co-pay or deductible up to certain limit.
11. The policy can be issued only to Indian Citizens residing in India.

There is only one plan which provides insurance cover only outside India, i.e. New India Assurance Global Medical policy. In this the hospitalization claim is not given if hospitalized within India. If diagnosed with the covered illness, the insurer will collect all the diagnosis report and treating doctor certificate and provide list of world leading medical center (WLMC) and the reports would be shared with the WLCM. If the WLCM accepts the case and insured wants to go ahead with the opinion/ treatment to be offered by the WLCM the Insurer will arrange and provide all the services to go to the designated country and Medical center and come back to India. All the assistance like Visa, travel, accommodation, language translator Hospital admission etc. are provided to the insured for smooth and easy process and services.

If one is travelling outside India once in while they should take travel Insurance policy rather than taking a comprehensive medical plan giving overseas medical insurance cover. As the cost would be cheaper and it would be sufficient enough to deal with any medical emergency happened outside India.

If one frequently travels outside India and intends to get treatment outside India only should look for a comprehensive plan which provides insurance cover for emergency medical hospitalization along with specified illness/disease. If features of travel insurance are also there then it's the best plan for them. It would provide Insurance cover within as well as outside India.

Section 80D

Deduction in Respect of Health Insurance Premium

(Mediclaim/Medical Expenditure)

WHAT IS MEDICAL INSURANCE OR MEDICLAIM POLICY?

Mediclaim, often referred to as Mediclaim insurance, is a form of health cover that mitigates your risk in monetary terms. It covers your hospitalization expenses along, with any specific ailments and treatments that you incur during hospitalization. One can avail a Mediclaim heath cover for a pre-specified sum along with tax benefits under section 80D of the Income Tax Act.

ELIGIBILITY:

Deduction under section 80D is available if the following conditions are satisfied –

1. Taxpayer is an (a) individual (Resident/Non-Resident) or (b) Hindu Undivided Family (Resident or Non-Resident)
2. Payment should be made out of income chargeable to tax.
3. Payment should be made by any mode other than Cash. However, payment on account of preventive health checkup upto Rs. 5,000 can be made by any mode (including cash).
4. Amount can be paid (a) to effect or to keep in force an insurance on the health of the assessee or family, (b) any contribution made to CGHS (Central Government Health Scheme) or other notified scheme and (c) on account of preventive health check-up.
5. Deduction is also available under the said section for medical expenditure incurred on the health of a person who is senior citizen and no Mediclaim insurance policy is undertaken by him.

MAXIMUM DEDUCTIBLE AMOUNT:

1. You are eligible to available a maximum deduction of INR 25,000 per annum for premiums on a health insurance policy/ eligible expenses, where such premium is paid for yourself or members of your family. However, if you are a senior citizen, the quantum of the deduction is INR 50,000. Members of the family include spouse and dependent children.
2. If you are paying the health insurance premium for a policy for your parents, you are eligible to claim a tax deduction of INR 25,000 per year on such insurance premiums. In the event your parents are senior citizens, the amount of deduction is INR 50,000.
3. Section 80D also provides certain additional deductions if you incur expenses for health check-ups for yourself, parents, and other members of your family, including your kids. The amount of deduction in such cases will be INR 5000
4. Non-residents are also eligible to claim deduction under Section 80D. The limit of deduction is INR 25,000 for premiums paid for themselves/members of the family and INR 25,000 for policies for parents.

The same is summarized as under:

Investment	Eligibility			Mode of Payment
	Self and Family	Parents	Any Member of HUF	
Health Insurance	Eligible	Eligible	Eligible	Any mode other than Cash
Contribution to CGHS Scheme	Eligible	-	-	Any mode other than Cash
Preventive Health Check-up*	Eligible	Eligible	-	Any mode
Medical Expenditure (If senior citizen and no Mediclaim)	Eligible	Eligible	Eligible	Any mode other than Cash

*Maximum deduction for Preventive Health Check-up is Rs. 5,000 (including parents share)

LIMIT FOR 1,2 AND 3	Age Below 60 years (Both Family and Parents)	Family below 60 years and Parents above age 60 years	Both above 60 years
Self, Spouse, Dependent Children (Family)	25,000	25,000	50,000
Parents	25,000	50,000	50,000
Total Deduction Available (TOTAL A)	**50,000**	**75,000**	**1,00,000**
LIMIT FOR 4			
Self, Spouse, Dependent Children (Family)	NA	NA	50,000
Parents	NA	50,000	50,000
Total Deduction Available (TOTAL B)	**NA**	**50,000**	**1,00,000**

Note

- With regards to single premium health insurance policies,deduction can be claimed proportionately over the relevant previous years for which the policy is applicable.
- Senior citizen: Senior citizen means an individual resident in India who is of the age of 60 years or more during the relevant financial year.
- In the case of part payment by you and a parent, both of you can claim a deduction to the extent paid by each.
- Group Health Insurance premium provided by the company is not eligible for deduction.
- Deduction shall be available only on payment basis (not due basis). Also, such payment should be made out of income chargeable to tax.
- Parents include Father and Mother (dependent or otherwise). Father inlaw and mother in law are not included.
- If an individual/HUF opts for the alternative tax regime under section 115BAC (i.e.lower tax rates), deduction under section 80D is not available from the Financial Year 2020-21.

TAX BENEFITS FOR MEDICAL EXPENDITURE

The Income Tax Act, 1961 provides various tax benefits to reduce the tax burden in case expenses are incurred towards medical expenses for medical treatment/ maintenance of self/dependent. These tax deduction benefits are specified in Section 80DD, Section 80DDB and Section 80U of the Income tax Act.

While the benefits offered by these sections seem similar, there are a few key differences which are mentioned herein below:-

	Section 80 DD	Section 80 DDB	Section 80 U
Who can claim Benefits?	Resident Individual/Hindu Undivided Family (HUF)	Resident Individual/ HUF	Resident Individual
Types of Expenses covered	• Maintenance including medical treatment, training and rehabilitation of disabled dependant • Amount paid or deposited under a scheme by the LIC or any other insurer/ specified company of UTI and approved by CBDT.	• Medical treatment of Self/ Dependant (for specified illnesses as mentioned under rule 11DD of income tax rule such as Neurological Diseases (with 40% disability), Cancer, AIDS, and Chronic renal failure)	• Maintenance including medical treatment of disabled assessee (self)
Deduction	Rs. 75,000 (in case of severe disability- Rs. 1,25,000)	Rs. 40000 (in case of senior citizen- Rs. 1,00,000) or actual expenses whichever is lower.	Rs. 75,000 (in case of severe disability- Rs. 1,25,000)
Certification	Certificate from a competent medical authority such asneurologist, civil surgeon or Chief Medical Officer in government hospital,is required to be furnished along with income tax return.	Prescription for medical treatment from specialist such as neurologist, urologist, oncologist, haematologist etc is sufficient for claiming deduction. Certificate is not required.	Certificate from a competent medical authority such asneurologist, civil surgeon or chief medical officer in government hospital, is required to be furnished along with income tax return.
Other conditions	• Disability needs to be at least 40% as per certifying authority. • The taxpayer cannot claim this deduction if the dependant has already claimed deduction under Section 80U • Deduction in respect of amount deposited under a scheme of LIC/ other insurer shall be allowed only if the schemeprovides for payment of annuity or lump sum amount for the benefit of disabled dependant in case of death of individual and assessee nominates either the disabled dependant, or any other personto receive the payment on his behalf, for the benefit of the dependant. • Person suffering from Autism, Cerebral Palsy or any multiple disabilities, would require form No. 10-IA to be filled and submitted.	• The prescription shall contain the name and age of the patient, name of the disease along with the name, address, registration number and the qualification of the specialist issuing the prescription (in case of government hospital, prescription shall also contain the name and address of the Government hospital) • Deduction claimed shall be reduced by the amount received under an insurance from an insurer or reimbursed by an employer, for the medical treatment of the person.	• Disability needs to be at least 40% as per certifying authority. • Person suffering from Autism, Cerebral Palsy or any multiple disabilities, would require form No. 10-IA to be filled and submitted.

Definition of various terms:

Dependent:

The following person wholly or mainly dependant on such individual or Hindu undivided family for his support and maintenance:

- **In case of individual:** the spouse, children, parents, brothers and sisters of the individual
- **In the case of a Hindu undivided family:** a member of the Hindu undivided family

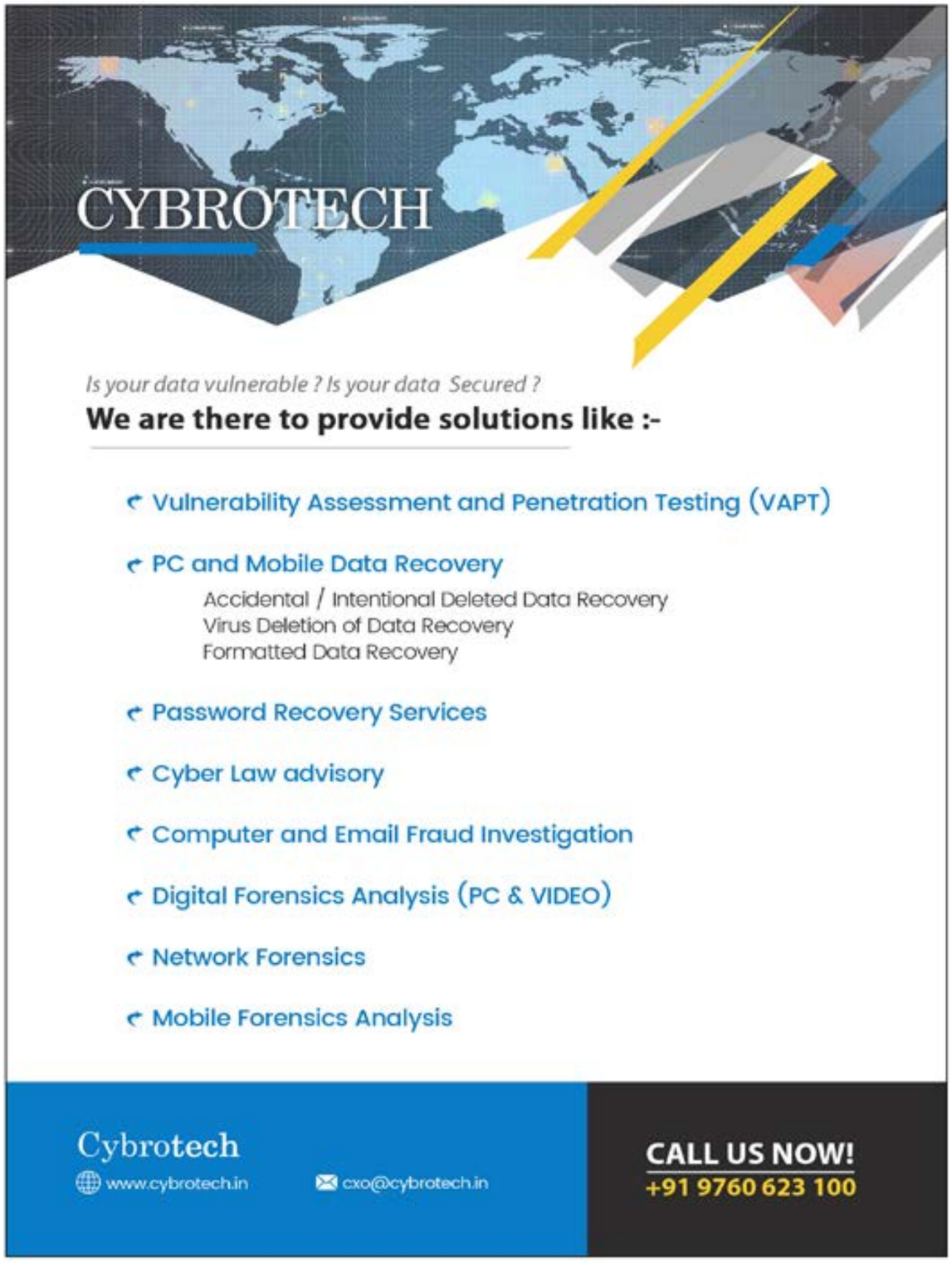
Senior Citizen:

An individual resident in India who is of the age of 60 years or more at any time during the relevant previous year

Disability: Disability means-

1. Blindness
2. Low vision
3. Leprosy-cured
4. Hearing impairment
5. Loco motor disability
6. Mental retardation
7. Mental illness
8. Autism
9. Cerebral palsy

Severe Disability means disability with 80% or more of one or more multiple disabilities.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