

Health Insurance Becomes Costly

Health Insurance is foremost important for every one. One of our customer **Mr Rohit** has very aptly put it as "**The premium paid is the cost of living which one pays**"

With opening of the sector, there are many stand alone **Health Insurance Companies** which have set up their operation in India. **IRDA** has retariffed - meaning Insurance Company can charge the premium based on their claim experience. The Health Insurance has been so far loss making proposition for nearly all the Health Insurance Companies. Earlier due to cross subsidy, Insurance Company could absorb the losses from profit made in other area. However now it is not possible.

Apollo Munich Health Insurance company has announced **new Rates effective 1 May 2011**. We expect other companies will be shortly announce new rates. Please note that unlike Life Insurance Policy which are long term contract, Health Insurance are one year contract and hence premium can change after one year at time of renewal. With portability coming in w.e.f July 2011, we expect customer will be allowed to carry NCB (No Claim bonus), waiver of initial 30 days warm-up period and reduction of waiting period to minimum of 1 year for Pre Existing Diseases. Details guidelines are still awaited.

The positive changes announced by **Apollo** are:

1. Now person aged 65 can buy Health Insurance subject to medical underwriting. However people aged 61 to 65 can avail of health insurance for maximum of Rs 2 Lac only while people up to age 60 can take Health Insurance upto Rs 10 Lac
2. Now customer can buy policy by paying two years premium at one go and avail of 7.5% Discount
3. Earlier in case of Organ transplantation, expense of the person donating the organ was covered only if person was relative of customer. Now expense of any person donating organ in accordance with Transplantation of Human Organ Act 1994 will be covered.

eMediClaim Recommendations

- You should have your own independent (from employer provided) Health Insurance which will provide coverage even when you are in between jobs or supplement the coverage from employer, if any.
- Young couples should look for Maternity Coverage (couple of policy are available which provide limited coverage after a waiting period)