

Health Insurance

What is Health Insurance?

Health insurance is like a safety net for your money when you fall sick. Imagine you have a piggy bank that you fill regularly with small amounts. When you need expensive medical treatment, this piggy bank (managed by an insurance company) pays your hospital bills instead of you paying from your own pocket.

Simple Example: You pay ₹500 every month to an insurance company. If you get sick and need treatment costing ₹50,000, the insurance company pays this amount instead of you.

Why Do You Need Health Insurance?

1. Medical Costs Are Rising

- A simple appendix operation can cost ₹1-3 lakhs
- Heart surgery can cost ₹5-15 lakhs
- Cancer treatment can cost ₹10-50 lakhs

2. Protects Your Savings

Without insurance, you might have to:

- Sell your gold/jewelry
- Take loans at high interest
- Borrow money from relatives
- Use up your children's education fund

3. Peace of Mind

You can focus on getting better instead of worrying about money.

How Does Health Insurance Work?

1. **You Pay Premium:** Like a monthly/yearly subscription fee
2. **You Get Coverage:** The insurance company promises to pay your medical bills
3. **You Fall Sick:** You go to hospital for treatment
4. **Insurance Pays:** The company pays the hospital directly or reimburses you

Key Terms You Should Know

Premium: The money you pay regularly (monthly/yearly) to keep your insurance active.

Sum Insured: The maximum amount insurance will pay in one year. If you choose ₹5 lakh cover, they'll pay up to ₹5 lakh for your treatment.

Deductible: The amount you pay first before insurance starts paying. If deductible is ₹10,000, you pay first ₹10,000, then insurance pays the rest.

Cashless Treatment: You show your insurance card at network hospitals, and they directly settle bills with insurance company. You don't pay anything upfront.

Reimbursement: You pay hospital bills first, then insurance company returns your money later.

Waiting Period: Time you must wait before claiming certain treatments. Usually 2-4 years for pre-existing diseases.

Pre-existing Disease: Health problems you already have before buying insurance (diabetes, blood pressure, etc.).

Types of Health Insurance in India

1. Individual Health Insurance

- Covers only one person
- Good if you're young and single
- Premium is lower

2. Family Floater

- Covers entire family under one policy
- All family members share the total sum insured
- More economical for families

3. Senior Citizen Plans

- Specially designed for people above 60
- Covers age-related diseases
- Higher premium but better coverage

4. Government Schemes

- **Ayushman Bharat:** Free coverage up to ₹5 lakh for poor families

- **CGHS:** For government employees
- **ESIC:** For private company employees

What Does Health Insurance Cover?

Usually Covered:

- Hospitalization expenses
- Room charges
- Doctor's fees
- Medicines during hospital stay
- Surgery costs
- Ambulance charges
- Pre and post hospitalization expenses

Usually NOT Covered:

- Cosmetic surgery
 - Dental treatment (unless due to accident)
 - Normal pregnancy expenses
 - Alternative treatments (Ayurveda, Homeopathy) - some policies do cover
 - Self-inflicted injuries
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How to Choose the Right Health Insurance?

1. Decide Sum Insured

- Minimum ₹5 lakh in cities
- Consider ₹10 lakh or more for better protection
- Factor in inflation and rising medical costs

2. Check Network Hospitals

- Ensure good hospitals near your home are in the network
- More network hospitals = more convenient cashless treatment

3. Compare Premiums

- Don't just choose the cheapest
- Check what's covered and excluded
- Look for lifetime renewability

4. Read the Fine Print

- Understand waiting periods
- Check room rent limits
- Know about co-payment (if you have to pay a percentage)

Tips for Buying Health Insurance

Do's:

- Buy early (premiums are lower when young)
- Disclose all pre-existing conditions honestly
- Keep all medical records
- Read policy documents carefully
- Compare multiple insurers

Don'ts:

- Don't hide medical history
- Don't buy just based on premium amount
- Don't wait until you fall sick
- Don't forget to renew on time

Common Mistakes to Avoid

1. **Buying Too Late:** Premiums increase with age, and waiting periods apply
2. **Insufficient Coverage:** ₹1-2 lakh coverage is not enough in today's time
3. **Not Reading Policy:** Many people don't understand what's covered
4. **Hiding Medical History:** This can lead to claim rejection
5. **Choosing Based on Premium Only:** Cheapest is not always the best

How to Make a Claim?

Cashless Claim:

1. Go to network hospital
2. Show insurance card
3. Hospital contacts insurance company
4. Get approval
5. Receive treatment
6. Hospital settles directly with insurer

Reimbursement Claim:

1. Pay hospital bills
2. Collect all receipts and documents
3. Fill claim form
4. Submit to insurance company
5. Wait for processing
6. Receive money in bank account

Important Documents Needed

- Policy document
- ID proof (Aadhaar, PAN)
- Medical reports
- Hospital bills and receipts
- Discharge summary
- Doctor's prescription

Final Word

Health insurance is not an expense, it's an investment in your family's future. Like you wouldn't drive a car without insurance, don't live life without health insurance. The peace of mind it provides is priceless.

Remember: It's better to have insurance and not need it, than to need it and not have it.

Start small if budget is tight, but start today. You can always increase coverage later as your income grows.
