

Family Floater Plan (Health Insurance)

What does this mean?

A **Family Floater Plan** is a health insurance policy that provides **a single sum insured shared among all insured family members** under one policy.

Instead of buying separate policies for each person, the entire family is covered under one plan, and the total coverage “floats” among members.

Why is this Important?

Cost-effective

Premium is lower compared to buying individual policies for each family member.

Single policy management

One renewal date, one premium, and one set of documents.

Flexible usage

Any insured family member can use the full sum insured if needed.

Convenient coverage

Covers spouse, children, and sometimes dependent parents under one policy.

How does it Work in Insurance?

1. A single sum insured is chosen (e.g., ₹10 lakh).
2. All listed family members are covered under the same policy.
3. If one member is hospitalized, expenses are paid from the shared sum insured.
4. The remaining balance is available for other members during the policy year.

If the entire sum insured is used, no further claims are payable unless the policy has a restore benefit.

Who Can Be Covered?

Typically includes:

- Self
- Spouse
- Dependent children
- Dependent parents (optional in some plans)

The age of the eldest member often affects the premium.

Where is it Useful?

Family floater plans are ideal for:

- Young families
- Families with low claim frequency
- Households looking for affordable coverage
- Families wanting simplified insurance management

Which Expenses Are Covered?

Usually includes:

- Hospitalization expenses
- Pre- and post-hospitalization costs
- Daycare procedures
- Ambulance charges
- AYUSH treatments (if included in policy)

Coverage depends on policy terms and limits.

When Should You Consider It?

Best suited when:

- Family members are relatively young and healthy
- You want cost-effective coverage

- You prefer managing a single policy

If one family member has serious health issues, separate individual policies may sometimes be more suitable.

Simple Example

Raj purchases a family floater plan with ₹8 lakh coverage for himself, his wife, and two children.

- His wife's surgery costs ₹3 lakh → Remaining coverage: ₹5 lakh
- Later, his child's treatment costs ₹2 lakh → Remaining coverage: ₹3 lakh

All claims are paid from the same shared sum insured.

Key Points to Remember

- One shared sum insured for entire family
- More affordable than multiple individual plans
- Premium depends on oldest member's age
- Suitable for nuclear families
- Restore benefit can enhance protection

Simple Summary

A Family Floater Plan provides **one insurance cover shared by the entire family**, making it convenient and cost-effective.