

BEST HEALTH PLANS FOR YOU

How do you buy a health insurance plan? If you just settle with the plan your agent sells or are happy knowing you have bought the cheapest plan, there is a bit of unlearning and a lot of learning in store for you. A health insurance policy packs in several features and caveats. To give you a ready comparison, we designed Mint Mediclaim Ratings (MMR), which was developed by SecureNow Insurance Broker Pvt. Ltd. The full ratings along with the methodology can be seen here: <http://www.livemint.com/mintmedclairatings>.

In the ratings, for family floater plans, we have considered two sum insured amounts (₹10 lakh and ₹20 lakh) and three age categories in each—eldest insured member is 35, 45 or 65 years old. For individual plans, the age categories are the same but the sum assured is ₹5 lakh. The newest edition of the ratings (July 2015) also includes individual plans of ₹5 lakh, ₹10 lakh and ₹20 lakh for a person aged 70 years.



This week, we spotlight family floater policies with sum assured ₹10 lakh, the eldest person being 45 years old and the coverage is for two adults and two children. We also explain some of the important aspects that one should look at while choosing a policy.

Let's look at pricing. While you want to bring home a policy that's competitively priced, it should also offer comprehensive cover. Many policies would appear cheaper, but may insist on co-payment or have sub-limits on expenses. In MMR, policies that have the lowest premium get the highest score, but to make sure that you don't trade off basic health insurance benefits for cheaper policies, other parameters such as co-payment, sub-limits, waiting period on ailments and pre-existing diseases, no claims bonus and claims settling ability of the insurer collectively have a weightage of 70%.

By Deepthi Bhaskaran/Mint

45 years: ₹10 LAKH (2 ADULTS + 2 CHILDREN)

Ratings and disclosures as on July 2015

Insurer	Product	Total points (in %)	Overall rating	Premium (₹)
ICI Lombard General	Health	91	A	19,839
Royal Sundaram General	Lifeline Supreme	77	A	21,910
Religare Health	Care	76	A	20,519
Reliance General	Health Gain	75	A	19,943
Apollo Munich Health	Optima Restore	75	A	21,969
Max Bupa Health	Health Companion-Family Floater	70	A	22,053
Star Health	Family Health Optima	68	A	20,007
Tata-AIG General	Medi Prime	68	A	20,552
Universal Sompoo General	Complete Health Care	67	A	21,749
Apollo Munich Health	Easy Health Exclusive	67	A	24,047
Liberty Videcon General	Health Connect-Basic	66	A	27,117
Iffco Tokio General	Family Health Protector (FHP)	65	A	26,280
Max Bupa Health	Heartbeat-Family First Silver	64	B	25,161
Future General General	Health Suraksha Platinum	63	B	34,055
Apollo Munich Health	Easy Health Premium	60	B	29,783
New India Insurance	Floater Mediclaim	58	B	24,373
Oriental Insurance	Family Floater Gold	57	B	24,213
Cigna TTK Health	Pro Health Plus	57	B	33,014
HDFC Ergo General	Health Suraksha Silver	55	B	24,537
Star Health	Star Comprehensive	53	B	26,813
Iffco Tokio General	Swasthya Kavach-Wider Plan	52	B	23,999
SBI General	Arogya Premier Policy	51	B	34,543
Max Bupa Health	Heartbeat-Family First Gold	49	B	38,126
Max Bupa Health	Heartbeat Gold	49	B	42,545
HDFC Life	Health Assure-Gold	46	B	35,196
Bajaj Allianz General	Health Guard	45	B	32,495
United India	Family Medicare 2014	44	C	22,743
Bajaj Allianz General	Health Care Supreme	43	C	42,856
Cholamandalam MS General	Enrich Healthline	38	C	47,659
L&T General	Medisure Prime	38	C	43,287
IndiaFirst Life	Easy Health	32	C	37,163
Cholamandalam MS General	Family Healthline-Advanced Plan	25	C	47,157
Reliance Life	Care for You	11	C	46,984

HDFC Life: Opt to remove room and sub-limits considered assumes family ages 45, 43, 14 and 11 years; Max Bupa, Family First Assures ₹1 lakh cover per person and floater sum assured of ₹10 lakhs; Oriental: Assumes two adults in the 40-to-49 age band and 2 children; Reliance General: Health Assures ₹9 lakhs sum assured

METHODOLOGY

Pricing: Lower pricing gets the highest weightage, but don't look at pricing in isolation. Low premium could mean that several important features are not included. So, look at all features and the overall rating.

Benefit: Health insurance you buy the assurance that your hospital bills will be paid for. But there are some important caveats and features. We pick out six such features and rate them.

Co-pay: When you make a claim, the insurer will ask you to bear a certain portion of that claim amount. We prefer no co-pay plans.

No-claim bonus: Some insurers increase sum insured by 5% and some by 10%. Policies that give at least 10% gets full marks and others zero.

Pre-existing exclusion: The insurer will not pay for any claims arising out of a pre-existing ailment for up to four years. Some insurers have a lower waiting period. The lower, the better.

Disease waiting period: You sometimes need to wait for specific ailments to be covered. Insurers that have waived the waiting period get full score.

Disease-wise capping: Insurers restrict the amount of money they will pay on specified ailments. So, even if the sum insured is ₹3 lakh, it may cap its liability to ₹1 lakh for some ailments. Policies that don't cap, get full marks.

Sub-limits on rooms: Insurers also tend to cap expenses for lodging. Policies with no sub-limits get full marks.

Claims: Claims settled is calculated as claims settled (claims settled + claims rejected + claims closed). Insurers with settlement ratio of at least 99% gets the highest score. Higher the number of claims pending for more than 6 months, lower the score.

Claims settled: Segregated data related to health insurance complaints is not available for non-life insurance companies. We have looked at overall claim complaints through claim complaints per 10,000 claims registered as on 31 December 2014. Insurers with lesser than 30 complaints gets the highest score.

Rating scale	Weightage	Points
Pricing		
Premium	30.0%	30.00
Top quartile	0.75	22.50
2nd quartile	0.50	15.00
3rd quartile	0.25	7.50
4th quartile	0.00	0.00
Product Structure		
Co-pay	5.0%	5.00
Yes	1.00	5.00
No	0.00	0.00
No-claim bonus*	5.0%	5.00
If no-claim bonus is =10%	1.00	5.00
If no-claim bonus is <10%	0.00	0.00
Pre-existing exclusion (years)	3%	3.00
1 year or less	1.00	3.00
2 years	0.75	2.25
3 years	0.50	1.50
4 years	0.25	0.75
4 or more years	0.00	0.00
Disease waiting period	5.0%	5.00
No	1.00	5.00
Yes	0.00	0.00
Disease-wise capping	5.0%	5.00
Yes	1.00	5.00
No	0.00	0.00
Sub-limits on room	8.0%	8.00
No	1.00	8.00
Yes	0.00	0.00
Claims	15.0%	15.00
Claims pending for over 6 months	5.0%	5.00
<5%	1.00	5.00
5%-15%	0.50	2.50
>15%	0.00	0.00
Claims settled	15.0%	15.00
95% and higher	1.00	15.00
85%-95%	0.50	7.50
<85%	0.00	0.00
Claims complaints per 10,000 claims	5.0%	5.00
<30	1.00	5.00
30%-60%	0.50	2.50
>60%	0.00	0.00
Total	100.0%	100.00

Graphics by Subrata Jana/Mint

*10% taken as benchmark to reflect inflation

UNDER THE LENS

We look at five family floater policies and see how they score on various parameters.

FAMILY FLOATER: ₹10 LAKH (2 ADULTS + 2 CHILDREN) Person's age: 45 years

MAXIMUM POSSIBLE WHEN TOTAL SCORE IS 100

Premium	Co-pay	No-claim bonus	Pre-existing disease exclusion	Disease waiting periods	Disease-wise capping	Room sub-limits	Claims settled	Claims pending for over 6 months	Claims complaints /10,000 claims
30	5.5	5.5	15	5.5	5.5	8	15	6 months	5

Max Bupa Health

Product	Premium (₹ including service tax)	Total points	Overall rating
Heartbeat Gold	42,545	49%	B

Score

Premium	Co-pay	No-claim bonus	Pre-existing disease exclusion	Disease waiting periods	Disease-wise capping	Room sub-limits	Claims settled	Claims pending for over 6 months	Claims complaints /10,000 claims
0	6	6	11	6	6	8	0	5	3

HDFC Life

Product	Premium (₹ including service tax)	Total points	Overall rating
Health Assure-Gold	35,196	46%	B

Score

Premium	Co-pay	No-claim bonus	Pre-existing disease exclusion	Disease waiting periods	Disease-wise capping	Room sub-limits	Claims settled	Claims pending for over 6 months	Claims complaints /10,000 claims
15	0	6	8	0	0	8	0	5	5

Bajaj Allianz General

Product	Premium (₹ including service tax)	Total points	Overall rating
Health Guard	32,495	45%	B

Score

Premium	Co-pay	No-claim bonus	Pre-existing disease exclusion	Disease waiting periods	Disease-wise capping	Room sub-limits	Claims settled	Claims pending for over 6 months	Claims complaints /10,000 claims
15	0	6	4	0	6	8	0	3	5

United India

Product	Premium (₹ including service tax)	Total points	Overall rating
Family Medicare 2014	22,743	44%	C

Score

Premium	Co-pay	No-claim bonus	Pre-existing disease exclusion	Disease waiting periods	Disease-wise capping	Room sub-limits	Claims settled	Claims pending for over 6 months	Claims complaints /10,000 claims
23	6	0	4	0	0	0	8	0	5

Bajaj Allianz General

Product	Premium (₹ including service tax)	Total points	Overall rating
Health Care Supreme	42,856	43%	C

Score

Premium	Co-pay	No-claim bonus	Pre-existing disease exclusion	Disease waiting periods	Disease-wise capping	Room sub-limits	Claims settled	Claims pending for over 6 months	Claims complaints /10,000 claims
0	6	6	11	0	4	8	0	3	5

Some figures have been rounded off. * Products published on the website of insurers or available through the company call-centres have been considered. * Premium includes service tax at 18%. * Information drawn from public sources unless specifically mentioned. * Products as on 15 June 2015. * Where location determines premium, Delhi has been selected. * Where products have a third party administrator (TPA) and non-TPA rates, the TPA rates have been taken. * Where a maternity and a non-maternity option are available, the non-maternity option has been selected. * If an option is not available, then the maternity product has been selected. * In the criterion of disease-wise capping, we have only considered capping on non-cancer treatment. * Sub-limit on room type is classified as "No" if a single or higher category room is allowed without any price restrictions. * Co-pay has been marked "Yes" if it is required for all claims, claims in hospital outside the network hospital or in claims from select diseases. * Co-pay is considered assuming a person pays the insurance at the age segment being considered. * Where co-pay options are voluntarily available, we have not considered it. * For scoring no-claim bonus, we have considered only sum insured increases and not premium discounts. * For no-claim bonus, we have considered the default option to increase sum assured. Plans that can increase sum assured increases at a cost are not considered. * Where insurers have multiple similar products, we have generally selected the higher rated product. * Claims complaints: * We have considered claim complaints per 10,000 claims registered as on 31 December 2014. * Overall claim complaints considered and not just health insurance specific ones since these are not disclosed publicly. * Overall Insurance Co. Ltd. National Insurance Co. Ltd. United India Insurance Co. Ltd. and New India Assurance Ltd report absolute number of claim complaints. So we have used the absolute claims reported in Q3 2015 to convert this into the common format of per 10,000 claims. * Claim settled (%) is claims settled/claims decision taken. (ie. claims settled/claims settled + claims rejected + claims closed). * Claims parameters: * Considered for April 2014 to December 2014 unless otherwise mentioned. * Overall Insurance: Public disclosures for Q2 FY2015 are not available on the website so we have considered data for only two quarters, Q1 and Q3 of FY2015. * HDFC Standard Life Insurance Co. Ltd. Reliance Life Insurance Co. Ltd. and India First Life: Claims data is taken from these insurers because life insurers do not publicly disclose this information. * Bajaj Allianz General Insurance Co. Ltd. has disclosures in the published claims data. So, company-provided corrections have been factored in. * SBI General Insurance Co. Ltd. Minor corrections made based on company feedback. * Future General India Life Insurance Co. Ltd. Company information used because public disclosures do not capture claim repudiation.

Source: SecureNow

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