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Know the basics before buying a health cover

GENERALLY, while buying a health cover, insurance seekers tend to rely on their agents to understand the nuances of the policy. Many policyholders get acquainted with what their policy doesn't cover, only if their claims are rejected. Consequently, while the awareness of health insurance is growing, so is the number of disputes on claim settlement. Here are a few tips to ensure a relatively hassle-free claim settlement procedure.

Scrutinise your policy document

Before signing up for the policy, you need to ascertain the terms and conditions specified. If you are aware of exactly what your policy covers, that would nip many potential disputes in the bud. "What usually happens is, individuals are dependent on their agents or brokers and take their views at face value. The intermediaries are mainly concerned about their commission. Therefore, neither the insured nor the broker adequately analyses the policy's content," informs Raksha TPA chief executive Pawan Bhalla.

Declare pre-existing illness

Some policyholders tend to avoid declaring pre-existing illnesses while buying a health cover, which is an unwise approach to adopt. Individual policies typically exclude pre-existing illnesses. After all, you will have to reveal the same to the doctor who is attending you, in order to ensure appropriate diagnosis and treatment. If the third party administrator (TPA) stumbles upon this fact while studying your medical history, your claim could be rejected, leaving you with a huge burden of cash outgo to deal with.

Know the exclusions

While getting a health cover, you should focus on the exclusions — illnesses and ancillary expenses that are not covered. Usually, insurers do not agree to pay expenses incurred for piles, cataract, etc., in the first year. Pregnancy too is not covered under standalone mediclaim policies. "The same goes for dental treatment, crutches, etc. Some other insurers exclude the cost of external aids like pacemaker and wheelchair, or tonics and vitamins prescribed by the doctor," informs Meena Nair of India Insure Risk Management & Insurance Broking Services. This apart, claims pertaining to outpatient department and diagnostic costs are also not entertained in India.

Reasonability clause

Keep an eye for the reasonability clause in your policy, which states that only those expenses that are 'reasonably and necessarily' incurred will be reimbursed. Insurance companies are using this clause to restrict payments, wherever they feel that the hospital has overcharged under a particular head. For instance, you could have received a treatment from a doctor who has charged a fee of Rs 1 lakh. Now, if it so happens that other hospitals or doctors provide the same treatment for a lower amount — say Rs 50,000 — the TPA will sanction a claim of only Rs 50,000.

Get a grip on documentation

Make sure you collect the discharge summary, diagnostic reports, medical advice for the post-hospitalisation period and a copy of bill and cash receipts from the hospital. "You should verify the duly completed bill from the hospital and sign the same. Any erroneous entry in the bill could eat away your precious sum insured for the rest of the policy period," adds Mr Kedia. It also makes immense sense to submit all the documents at one go, to avoid any possible delay in claims processing.