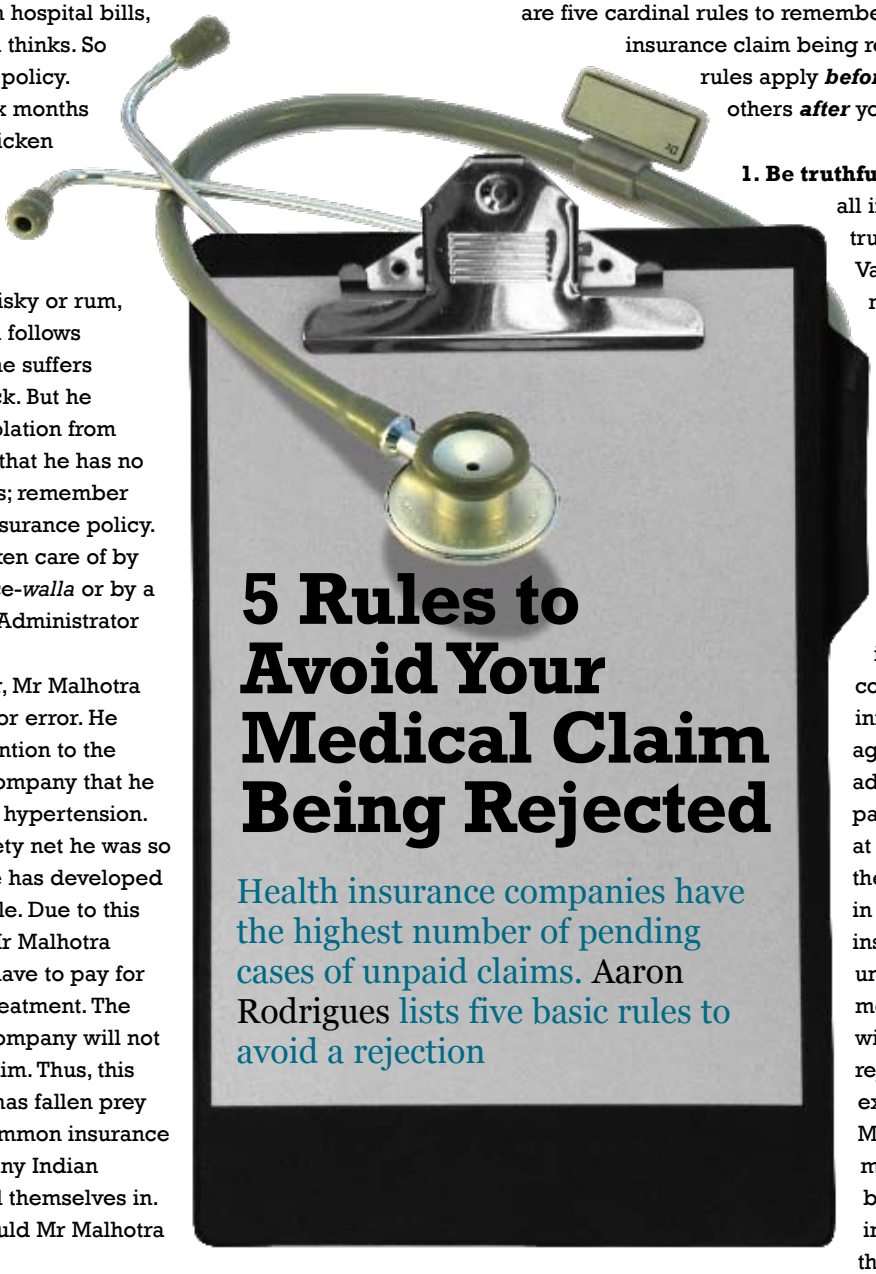

# 5 Rules to Avoid Your Medical Claim Being Rejected

Health insurance companies have the highest number of pending cases of unpaid claims. Aaron Rodrigues lists five basic rules to avoid a rejection

Rajeev Malhotra is a very common name in India. He works as a clerk in a State-run bank and has decided to buy a health insurance policy for his family. The decision to buy an insurance cover comes after his uncle suffered a heart attack. Better buy it or regret spending on hospital bills, Mr Malhotra thinks. So he buys the policy. And after six months of eating chicken *biryani* along with some liberal doses of whisky or rum, Mr Malhotra follows his uncle—he suffers a heart attack. But he draws consolation from the thought that he has no cash worries; remember he has an insurance policy. It will be taken care of by the insurance-*walla* or by a Third Party Administrator (TPA).

However, Mr Malhotra made a minor error. He failed to mention to the insurance company that he suffers from hypertension. And the safety net he was so glad to have has developed a gaping hole. Due to this one error, Mr Malhotra might now have to pay for the whole treatment. The insurance company will not reimburse him. Thus, this *aam aadmi* has fallen prey to a very common insurance problem many Indian families find themselves in. So what should Mr Malhotra have done?

Among service providers, health insurance providers have the highest number of consumer cases pending against them. However, most insurance companies and Certified Financial Planners (CFPs) say that it isn't always the companies' fault. It is rather the failure of the policyholder to understand the policy presented to him. For instance, there are some polices that offer protection against only one disease, such as cancer. What else should you know? To start with, you must know that the business model of an insurance company is to get a higher premium collection and lower claims. Beyond that, here are five cardinal rules to remember to avoid your health insurance claim being rejected. Some of these rules apply ***before*** you make a claim; others ***after*** you make a claim.

**1. Be truthful to the 'T':** "Disclose all information asked, truthfully," says Sumeet Vaid, founder and managing director, Ffreedom Financial Planners. Remember, insurance is a contract between the insurance company and a policyholder. So, if you want them to keep their end of the bargain, you must keep yours. Provide the insurance company with complete and accurate information (name, age, gender, complete address, contact number, past medical history, etc) at the time of filling up the proposal form. This, in turn, would help the insurance company in underwriting the risk more accurately and will help in eliminating rejections due to pre-existing conditions. Mr Vaid also warns that most policyholders believe that whatever information is given to the insurance company will be accepted. This is not the case. At the time of claiming insurance, the companies will do their own checking. "They will not just look at your report but will sneak around and find out past problems. They will get your history from your family doctors or even from your neighbours." Take note.

**2. Read the document carefully:** Be very clear about what you are being covered for. So read the document presented to you very carefully. Understand the benefits offered, and be clear about the exclusions. If the plan is on an individual basis, the sum insured can be utilised only by the insured person. If it's a family-floater, then generally it will be a Rs2-lakh plan for a household comprising two adults and two children; in case of illness of any member, the maximum of Rs2 lakh will be available. However, during the policy period, for all members put together, the coverage amount is only Rs2 lakh. "People should be aware about the basic difference between a hospitalisation policy, hospital cash plan and a critical illness policy, and when each policy is relevant. Instead, most people assume that all health policies cover all kinds of medical expenses—out-patient and in-patient," says Tapan Singhel, chief marketing officer, Bajaj Allianz General Insurance. Some policies have limits on hospital room rent and on specified surgeries like cataract operations. Some policies have waiting periods for certain specified surgeries or treatment which are not covered for a particular duration of the policy. So read the offer document clearly and thoroughly. "The policy document should be checked for correctness of personal details. In case of any change, it should be intimated at the earliest to avoid any inconvenience later," says Krishnamoorthy Rao, CEO & MD, Future Generali India Insurance Co Ltd.

## Right Prescription

- Provide complete and accurate information
- Read the policy document carefully
- Clarify technical/legal language
- Renew your policy before the due date
- Intimate your TPA before hospitalisation

**3. Understand the fine print:** Be careful about the technical or legal language presented to you. Often, insurances companies will provide you with a document and explain the contract to you. However, read the document presented to you and seek to understand the legal clauses stated in the document. Here is an example. An earthquake hits the city and you are taken to a hospital. At this time, the insurance company is not reachable. So you tell them later. However, they will not pay you the required sum, citing a 'force majeure' clause. It means that during a natural disaster, the policy does not apply. "Whenever you are buying any insurance contract, the whole contract depends on the wording. The wordings define what to cover and what not to cover (in the insurance policy)," Mr Vaid states. Read the technical language—if you don't understand, ask. It's the insurance seller's job to tell you. Also, always ask for a sample contract. Again. the seller has to show you. If he doesn't, it's not worth securing your future with that company.

**4. Pay your premiums on time:** Renew your policy every time before the due date. But while doing that, also read the policy wording so that you do not miss out on new inclusions and exclusions. "Ensure you pay premiums on due dates before expiry of the grace period, as diagnosis of critical illness beyond the grace period is not covered. A revival of policy subsequent to its lapse will make the waiting period operative from the date of revival," cautions Mr Singhel. Also try and renew your policy a month before the due date to prevent a lapse so that the waiting period does not start afresh. There is also the advantage that after four years of consecutively using the same insurance policy, the pre-existing disease in your cover will be included.

**5. Complete all the required paperwork:** The insurance company will not pay your claim if it isn't in line with its agreed terms and conditions. Remember, it's a contract. "Keep the doctor's prescription or admission note recommending the procedure or surgery (in case of health claims) and other investigation reports handy," says Mr Singhel. Understand the claims process. The process for cashless hospitalisation claims is that you provide the complete document and details from the onset of the ailment along with diagnosis and planned treatment. Also, send advance intimation to the TPAs and insurance companies at least 48 hours before in case of planned hospitalisation, and at the earliest in case of emergency hospitalisation. Also, be aware of the claims being made at the hospital. "At the time of hospitalisation, be very clear about what is being created in your file. You must be very careful about your case history. One must be very conscious of the things written on one's file," Mr Vaid warns. Ensure that the form bears the signature of the insured (if he is in a position to do so), the treating doctor and the hospital where the admission is sought. In a family-floater type of health plan, verify the details (name, age, address, etc) on receiving the health cards. This should be printed correctly so that in case of a cashless claim, there are no issues relating to identity. ■