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Protect your health after retirement

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When 62-year-old Manju Bedi returned to India after a three-year stay in the UK, she realised that her old health plan had lapsed a few years ago. But this was the age she needed it the most. "I enjoy good health but who knows what the future brings? I do not want to compromise my independence at this stage," says the Mumbai-based housewife.

Till a few years ago, there was no solution for Bedi's problem. Most health insurance plans expired at the age of 60 and no insurer was ready to issue a fresh policy to a retiree. Not anymore. Insurance companies have devised innovative plans for senior citizens and have extended the age limit for renewing health policies to 100 years.

So whether you are young or old, there is no reason why you can't shield yourself against scorching hospital bills in your non-income years.

Special plans for late starters

According to a survey by Celent, a financial research and consultancy firm, 52% of those who have a health cover get it from their employers. Obviously, the policies lapse with their jobs. If you are one of those who didn't supplement that cover with a separate plan, a huge chunk of your nest egg could be exhausted by a couple of expensive medical treatments.

The solution — pick up one of the special plans with a minimum entry age of 60 years. "Senior citizens are at a higher risk of health problems. So we thought it fit to cover them under a separate health plan which would address their requirements," says D Rama, AVP-product cell of Star Health Insurance, which has designed the Red Carpet plan exclusively for people over 60. Bajaj Allianz, New India Assurance, United India, Oriental Insurance and National Insurance also offer such plans.

To sign up for these policies, you have to first undergo a battery of tests including echocardiogram, ultrasonography and cholesterol check-ups. Insurers reimburse only a part of this expense, that too, only if your application is accepted. These plans cover hospitalisation charges for something as minor as fever to critical illnesses. However, carelessness has its cost. The later you sign up, the higher is the premium.

Therefore, you can choose from plans such as Bajaj Allianz's Health Guard (80 yrs), National Insurance's Mediclaim (80 yrs) and ICICI Lombard's Health Advantage (70 yrs) that take care of your needs well into the twilight years. You can also opt for top-up plans after retirement to boost the cover of your base plan. Max Bupa has raised the bar for the industry by allowing people to enter its Heartbeat Plans at any age. "As the majority of healthcare costs are incurred during the later years of one's life, we have not put any cap on the entry age of this plan," says Damien Marmion, CEO, Max Bupa Health Insurance.

The Best Combo

If only these plans were active even after retirement. However, you can still enjoy their benefits through your child's group insurance policy. To include dependent parents within the health plan, companies charge a small premium from their employees. But the benefits far outweigh the extra cost. To begin with, there is no restriction of age or cover. Neither are medical tests mandatory.

Also, unlike any other plan, pre-existing diseases are covered from day one. "It's a win-win situation for everybody. The only catch is that these plans are flexible. Most of what you get depends on what the employer manages to negotiate with the insurer. It is possible that the employee is covered for a larger amount than his parent," says, V Ramakrishna, MD, India Insure Risk Management.

Another way of covering a dependent parent's medical expenses is through a family floater policy. Unfortunately, these plans do not offer the same benefits as group plans. For instance, there is a cap on the entry age of the family members and pre-existing diseases may not be covered. But remember, in health insurance, something is always better than nothing at all.