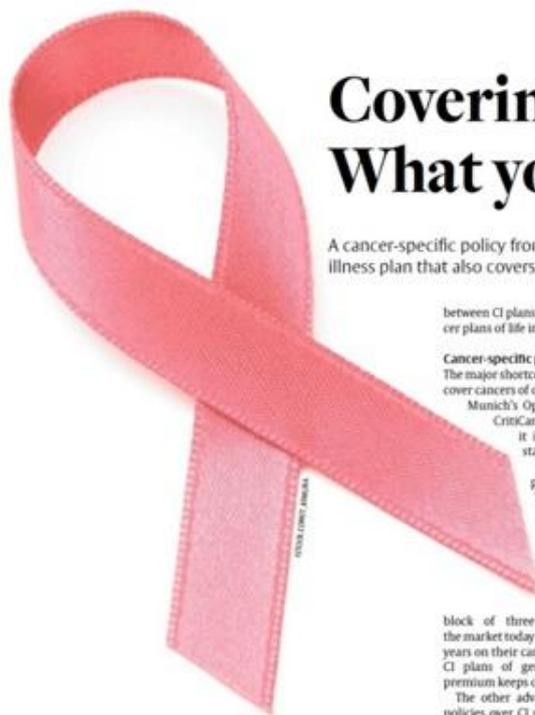


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## Covering the Big C: What you should know

A cancer-specific policy from a life insurer is more comprehensive than a critical illness plan that also covers for the disease

between CI plans of general insurers and cancer plans of life insurance companies.

### Cancer-specific plans score

The major shortcoming of CI plans is that they cover cancers of only specified severity. Apollo Munich's Optima Vital and Max Bupa's CritiCare, for instance, do not pay if it is carcinoma in situ (early-stage cancer).

Many life insurance companies offer cancer policies. These are more comprehensive and relatively cheaper compared to CI plans.

IRDAI regulation allows life insurance companies to revise the premium on health policies — here, cancer products — in a

block of three years. But most players in the market today give a fixed premium for five years on their cancer policy. This is unlike the CI plans of general insurers, where the premium keeps changing every year.

The other advantage with cancer-specific policies over CI plans is that they waive the premium once cancer is diagnosed. In Max Life and ICICI Pru Life's cancer policies, for instance, the premium on the policy is waived for the rest of the term if the policyholder is diagnosed with early-stage cancer.

When it comes to the time period of coverage under insurance, in CI plans, you get life-long renewability — which is a key benefit. In cancer policies of life insurers, the policy term is fixed. But these plans too are trying to match up with CI plans by offering a longer-term coverage. HDFC Life's Cancer Care, which was the first cancer plan in the market launched two years ago,

is the only product with a shorter 20-year term now. Most other cancer-specific policies now give a 40-year term till a maximum age of 75 years. For example, ICICI Pru Life's Cancer Protect and Max Life's Cancer Insurance Plan offer a 40-year term (maturity at 75 years). In Future General's Cancer Protect Plan, maturity is at age 80 years, and

anyone of age 35 years can get a cover for a term of 45 years under the plan.

As far as payouts are concerned, in cancer plans of life insurance companies, the payment is event-based: for early-stage cancer, about 20/25 per cent (of sum assured) is paid (some policies pay for more than one early-stage cancer) and the rest when there is a claim for advanced-stage cancer. But if the policy term finishes after the first claim without any other early-stage (cancer of different organ) or advanced-stage cancer, there will be no payout, and the policy terminates.

In CI plans, the settlement is made at one go. The sum assured is paid in one lumpsum at the very first instance of diagnosis of cancer. Most plans require that the policyholder survives at least 28 days from the time of claim to settle the sum assured. In cancer policies of life insurance companies, the minimum survival period is only 5-7 days. Some policies such as PNB Met Life's Mera Heart and Cancer Care, do not have the 'survival' clause.

### The best plans

Among cancer policies issued by life insurers, Max Life's Cancer Insurance Plan or ICICI Pru Cancer Protect are the best options now. Both of them are similar on most parameters. For a 40-year female, a policy under Max Life's Cancer Insurance Plan, where the no-claim bonus benefit (goes up to 150 per cent of sum assured) is in-built in the policy, the premium works out to ₹20,307 for a ₹30-lakh policy for a 30-year term. If she wishes to take ICICI Pru Cancer Protect for the same amount and term, assuming she also opts for the no-claim benefit, the premium comes to ₹22,683.

Given that cancer treatment costs run to a few lakh rupees, you do need insurance cover. But choosing a policy for you needs an understanding of how the plans work.

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You may have seen ad campaigns on television and on social media platforms claiming to provide cancer insurance for as low as ₹95,400 a month. They sure sound like attractive propositions, particularly given the increasing incidence of cancer today even among the young. But are these the policies you should be going for? Your need for an insurance policy is not in question: cancer treatment costs run to a few lakh rupees. But choosing one for you needs a bit of an understanding of how the policies work. We survey the options in the market — the critical illness policies and cancer-specific plans — to find out the best ones of the lot.

### The options

To cover medical costs for cancer treatment (assuming you are not already affected), you can buy a cancer-specific policy from a life insurance company; you can also buy a critical illness (CI) policy where cancer is one of the 20-plus diseases that will be covered. The cost of treatment for cancer will be covered under hospitalisation (medi-claim) policies too, but the premium will be significantly higher if you want a cover for higher sums, say, ₹20-25 lakh. Also, these may not cover chemotherapy and other procedures, which do not require a day's hospitalisation. So the choice is actually

