Rs.5/-

# KARVY BAZAAR BAATEIN

A Weekly Investment Newsletter From KARVY
A Research Product of Karvy The Finapolis

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## The Necessary Health Insurance

The subject of health insurance has witnessed great progress since its introduction. Initiated as a mere instrument for reimbursement of the hospitalization expenses incurred for the insured person, a health insurance plan has evolved into a tool that provides comprehensive financial protection in the event of hospitalization. Today, medical insurance plans cover almost all the hospitalization expenses right from the charges of the ambulance used to transport the insured patient to the hospital to the final hospital bill. Some of these plans even provide for additional benefits such as pre and post hospitalization expenses associated with the treatment and care of the hospitalized person before and after the hospitalization period.

All these and more thoughtful features introduced in the health insurance plans are quite appreciated. However, often a large proportion of the insurable population fails to realize the necessity behind adequate health insurance cover. Moreover, as health insurance plans are not mandatory like the motor vehicle insurance cover, a number of people question the importance of these plans thinking that they will never require these as they are in good health.

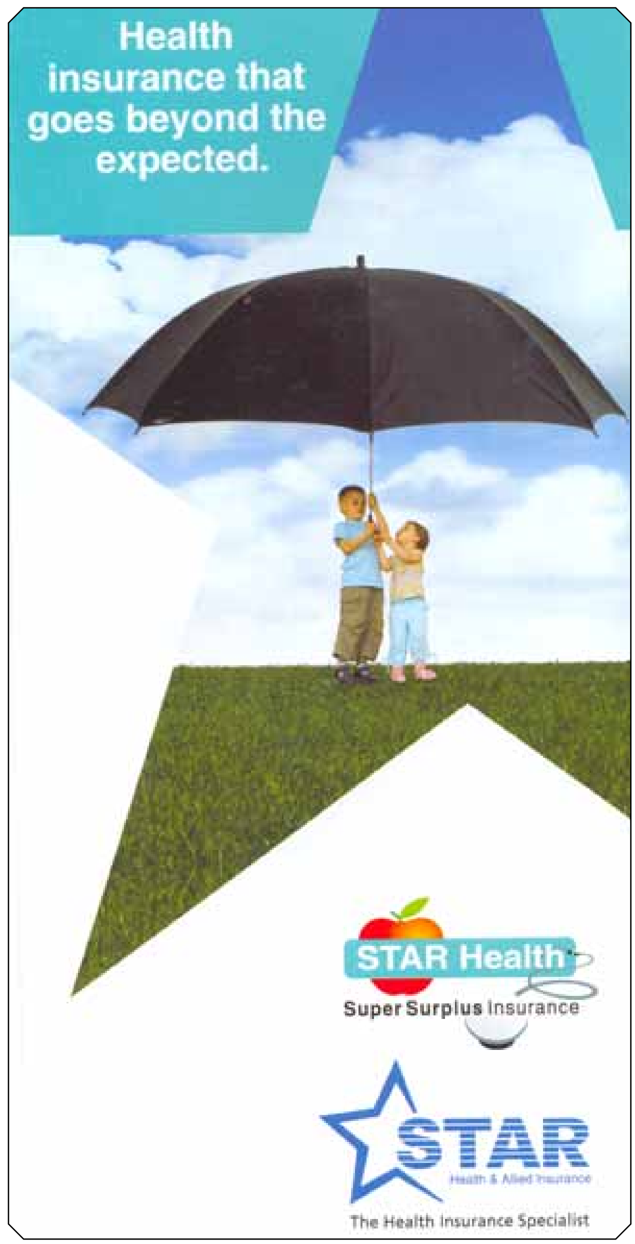
However, as someone has rightly said, ill health and misfortune do not announce and come. Most healthy persons do also face the risk of ill health, disease and accidents requiring hospitalization and medical treatment. This treatment comes at a considerable cost and the absence of an adequate health insurance cover often requires the concerned individual or / and the family members to liquidate their hard earned savings to pay for these costs. Usually these savings are looked upon as the basis for the achievement of the important financial objectives of ones life. These objectives could be in the form of the purchase of a house or the celebration of ones daughter's marriage. A drain on these savings due to the unexpected medical emergencies in turn causes the derailment of the achievement of the above financial objectives. The achievement of the objectives or goals of life could be delayed and require to be postponed to a later time. In a worse case, the goals might become unachievable and would need to be totally abandoned.

The above would be a consequence of not having a health insurance cover in case an individual has resources, though limited, to shoulder the costs of a proper medical treatment required for self or the dependants. Not to mention are lakhs of people in our own country who die every year not because of inadequacy of medical facilities but because these people are not able to afford the costly medical treatment.

As such, it is the negative financial consequences of the absence of a health insurance cover that require an adequate amount of insurance cover to be taken by an individual. Health insurance promises the financial basis for recovering from an illness or an accident with the required medical attention and care. A health insurance cover with an adequate sum insured thus ensures that the savings of a person remain intact even in case of the need for a costly hospitalization. These 'saved' savings then contribute towards the required amount of wealth which forms the basis for timely achievement of financial objectives of the person.

The importance of the health insurance plans further gets strengthened in case of the requirement for a very expensive medical treatment. Here, even when the contribution of the health insurance cover is limited to the extent of the chosen sum insured, it goes a great way in ensuring that the financial solvency of the person is maintained.

In this issue of Karvy Bazaar Baatein, we will be looking at the product features of three health insurance plans and a travel insurance plan from Star Health & Allied Insurance Company Limited. The company is the first stand alone health insurance company in India.



# Product showcase :: Star Health Super Surplus Insurance

Star Health Super Surplus Insurance is a health insurance policy providing an insurance cover much more in value than the traditional health insurance policies. The policy has been introduced by Star Health & Allied Insurance Company Limited.

## Unique features

The policy provides a wider health insurance coverage option of Rs.7 lacs and Rs.10 lacs at comparably low premium.

Policy can be taken as an individual cover policy or a family floater policy. In case of family floater policy, the whole family is covered under one single policy and the entire insurance cover value (sum insured) can be utilized by any of the insured family members.

Here, family would mean as comprising of the proposer, spouse and 2 dependant children.

**Policy can be taken as top-up policy, when the sum insured of the other existing policy(s) is Rs. 3,00,000 or more.**

## Policy Benefits

Details of the benefit provided by the policy are:

- Hospitalization cover: Policy provides for the in-patient expenses of the insured person, subject to a hospitalization of minimum 24 hours. The expenses covered include room rent up to a maximum of Rs.4,000/- per day
- There is no ceiling on ICU, medicine, diagnostic charges or consultation fee.
- Boarding and nursing expenses
- Surgeon's fees, Consultant's fees and Anaesthetist's fees
- Cost of blood, oxygen, diagnostic expenses, cost of pacemakers etc.
- Cost of medicines and drugs

Policy provides the cashless hospitalization facility in the network of more than 3,600 hospitals that have a tie-up with the insurance company for this purpose. In case of hospitalization in a non-network hospital, the hospital bills will be required to be paid upfront by the insured and shall be reimbursement on submission of requisite documents.

## Exclusions

The policy does not cover:

- Expenses on treatment of pre-existing diseases/ conditions
- Expenses incurred during the first 30 day period from the date of commencement of the policy (other than accident cases)
- Naturopathy treatment / Cosmetic treatments
- Expenses that are purely diagnostic
- Non-Allopathic treatments

Treatment of congenital defects/anomalies

## Eligibility parameters

**Age at entry:** minimum – 5 months; maximum – 65 years

**Sum insured options:** Rs.7,00,000 and Rs.10,00,000. There is a compulsory deductible of Rs.3,00,000 applicable for both the sum insured options.

Annual premium payable under the policy is as per the below table

| Option | Sum Insured (in Rs.) | Premium for Individual Cover (in Rs.) | Premium for Family Floater Cover (in Rs.) |
|---|---|---|---|
| I | 7,00,000 | 3,000 | 4,500 |
| II | 10,00,000 | 4,000 | 6,000 |

## Tax benefits

Premium payable under this policy is eligible for deduction under the provisions of Section 80D of the Income Tax Act, 1961.

# Product showcase :: STAR Family Health Optima Insurance Plan

STAR Family Health Optima Insurance Plan is a health insurance policy from Star Health and Allied Insurance Company Limited.

## Unique features of the policy

The policy provides the family floater benefit. Here, the entire sum assured can be utilized by any of the insured family member.

Here, family means the proposer, spouse and children who are aged less than 25 years and are economic dependant on the parents.

A discount of 10% is allowed on the renewal premium if there is no claim in the immediately preceding year of the policy. This discount is not cumulative.

## Policy Benefits

The policy covers:

- Hospitalization benefit provides the in-patient hospitalization expenses, subject to hospitalization for a minimum 24 hours.

  These expenses include room & boarding expenses upto a maximum of Rs.1,500 per day (in Class A cities); Rs.750 per day (in Class B cities) or Rs.500 per day (in all other places).
- Nursing expenses
- Surgeon's fee, consultant's fee, anesthetist's and specialist's fee.
- Cost of blood, oxygen, diagnostic expenses, cost of pace maker, etc.
- Cost of medicines and drugs
- Emergency ambulance charges for transporting the insured patient to the hospital up-to a sum of Rs.750 per hospitalization and overall limit of Rs.1,500 per policy period.

The policy also provides for pre-hospitalisation medical expenses of upto 30 days prior to the date of hospitalization or post hospitalization calculated at the rate of 7% of the hospitalization expenses (including room rent) subject to maximum of Rs.5,000

## Eligibility parameters

### Age at entry (for the insured):

minimum – 5 months; maximum – 60 years

The insured persons should be residing in India. The premium under the policy will be calculated based on the age of the oldest insured member of the family.

### Sum insured options:

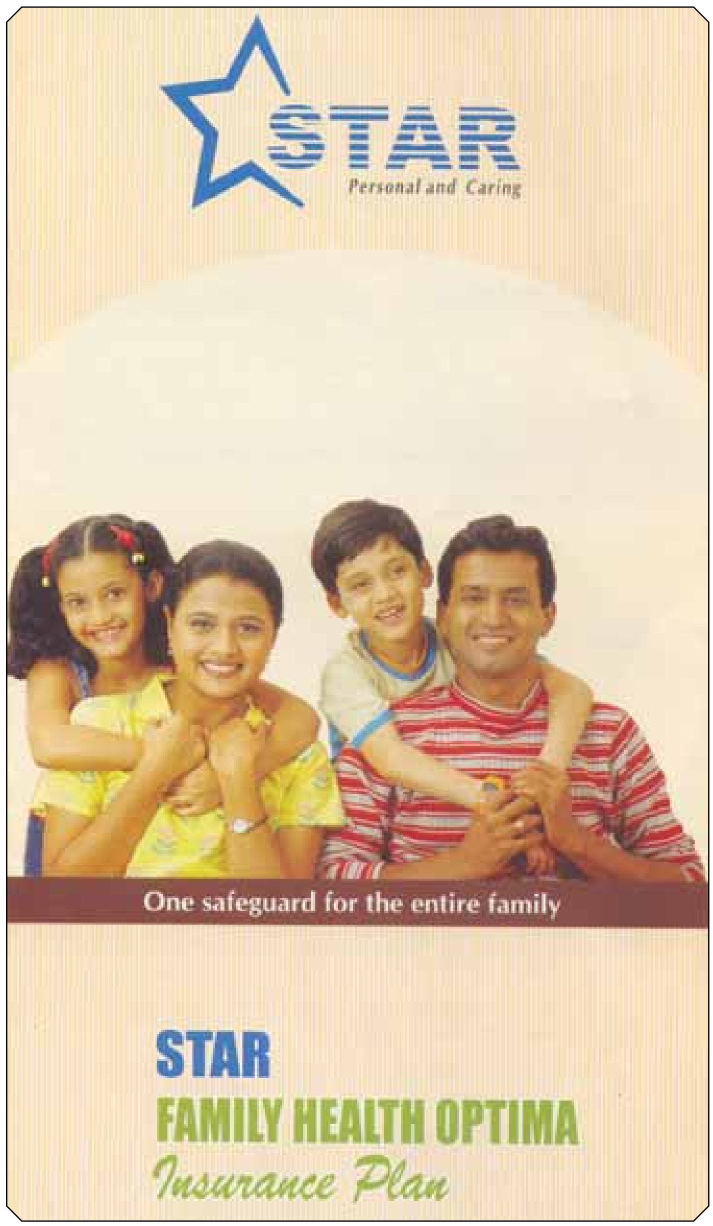
Rs.1,00,000; Rs.2,00,000; Rs.3,00,000; Rs.4,00,000 and Rs.5,00,000

## Non insurance benefits

- Free General Physician's advice
- Insurance company's web-enabled services give health tips to the customers
- 24 hour help-line number
- Cashless treatment in the network of hospitals

## Tax benefits

Premium payable under this policy is eligible for deduction under the provisions of Section 80D of the Income Tax Act, 1961.



# Product showcase :: Senior Citizen's Red Carpet Plan

Introduced by Star Health and Allied Insurance Company Limited, Senior Citizen's Red Carpet is a health insurance policy specifically meant for senior citizens. It provides cover for anyone over the age of 60 and permits entry right up to the age of 69 with continuing cover after that age.

## Unique features of the policy

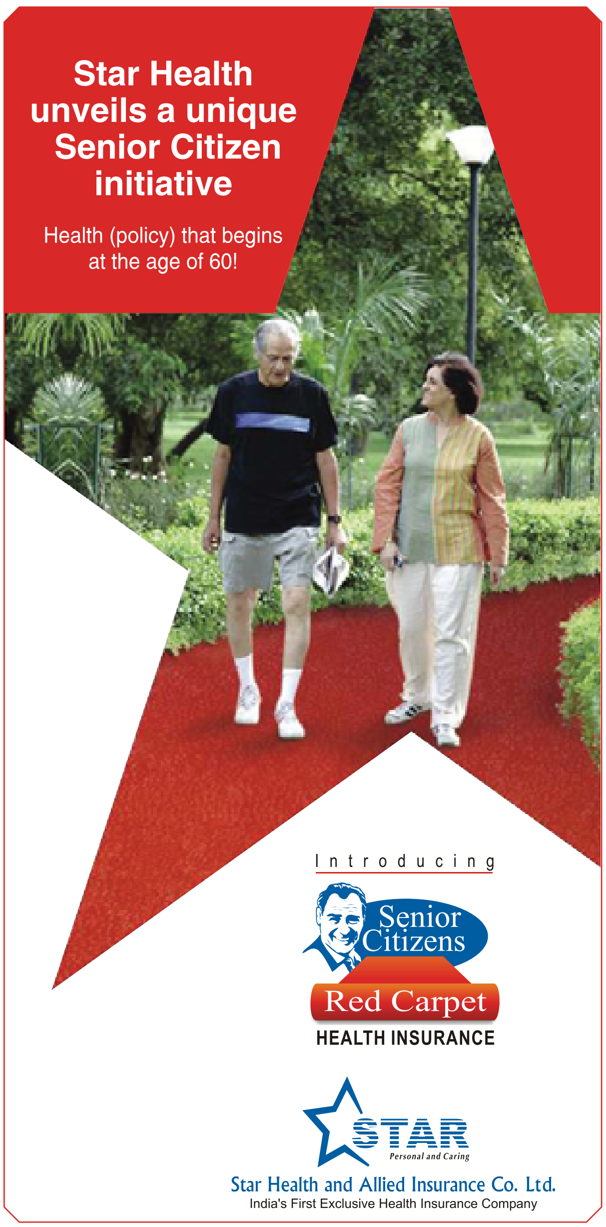
The policy is specially meant for people aged between 60 and 69 years.

There is requirement for a medical test to take the policy.

Renewals are guaranteed beyond 69 years of age.

The policy covers treatment at its network hospitals only.

All pre-existing diseases are covered, except those for which treatment or advice was recommended by or received during the immediately preceding 12 months from the date of proposal. The coverage is subject to policy conditions.




The policy provides for a discount of 10% on the premium payable if the proposer produces the following documents to the satisfaction of the company:

- ❖ Stress Thallium Report
- ❖ BP report
- ❖ Sugar (blood & urine)
- ❖ Blood urea & Creatinine
- ❖ Self-declaration or certification that surgeries related to Heart / Brain / Cancer has / have not been done in the past

The above test report should have been taken not before 45 days from the date of proposal.

## Policy Benefits

The policy covers:

- ❖ Hospitalization benefit which provides the in-patient hospitalization expenses for a minimum of 24 hours. These expenses include room rent & boarding expenses a the rate of 1% of the sum insured.
- ❖ ICU expenses at the rate of 2% of the sum insured.
- ❖ Nursing expenses
- ❖ Surgeon's fee, consultant's fee, anesthetist's and specialist's fee per illness at the rate of 25% of the sum insured.
- ❖ Cost of blood, oxygen, cost of pace maker, etc.
- ❖ Cost of medicines and drugs and diagnostic tests at the rate of 50% of the sum insured per hospitalization.
- ❖ Treatments for Cardiovascular Diseases / Cerebrovascular Accident / Cancer and Breakage of Bones: upto Rs.75,000 where the sum insured is Rs.1,00,000 and upto Rs.1,50,000 where the sum insured is Rs.2,00,000.
- ❖ Cataract (both eyes included), up to Rs.15,000.
- ❖ Renal Complications: upto Rs.75,000 where the sum insured is Rs.1,00,000 and upto Rs.1,50,000 where the sum insured is Rs.2,00,000.
- ❖ All other major surgeries: upto Rs.60,000 where the sum insured is Rs.1,00,000 and upto Rs.1,20,000 where the sum insured is Rs.2,00,000.
- ❖ Emergency ambulance charges for transporting the insured patient to the hospital up-to a sum of Rs.600 per hospitalization and overall limit of Rs.1,200 per policy period.
- ❖ A lump sum benefit calculated at the rate of 7% of the hospitalization expenses paid towards post hospitalization, subject to maximum of Rs.5,000 per occurrence as per the policy.

## Eligibility parameters

**Age at entry (for the insured):** minimum – 60 years; maximum – 69 years

**Sum insured options:** Rs.1,00,000 and Rs.2,00,000

**Premium amount:** A flat premium of Rs.5,000 p.a. for a sum insured of Rs.1,00,000 and Rs.9,500 p.a. for a sum insured of Rs.2,00,000 is applicable irrespective of age. The above premium is inclusive of Service Tax.

## Tax benefits

Premium payable under this policy is eligible for deduction under the provisions of Section 80D of the Income Tax Act, 1961.

# Product showcase :: Star Travel Protect Plan

Star Travel Protect Plan is a foreign travel insurance policy introduced by Star Health & Allied Insurance Company Limited.

## Unique features

Policy provides comprehensive travel insurance cover options for travel worldwide including or excluding USA and Canada.

The policy is available for individual, family, student and corporate.

## Policy Benefits

The policy provides the following covers to the insured person who is traveling abroad on business or leisure (holiday):

- ❖ Emergency medical expenses
- ❖ Repatriation in case of medical emergency
- ❖ Repatriation of mortal remains
- ❖ Any dental emergency expenses following an accident
- ❖ Compensation following accidental injuries
- ❖ Cost of loss of the checked in baggage of the insured person
- ❖ Reasonable expenses incurred for obtaining new passport
- ❖ Flight delay
- ❖ Missed departure/connection
- ❖ Expenses on emergency purchases of consumables due to any delay in handing over of the checked in baggage of the insured person by the carrier for more than 12 hours
- ❖ Pecuniary loss on cancellation of insured person's trip due to any accidental bodily injury/death of a family member
- ❖ Any Legal Liability that maybe fastened upon the insured person, in case of he /she causes any bodily injury or property damage to any third party
- ❖ Hijack distress

## Eligibility parameters

Any person residing in India aged between 6 months to 70 years and traveling outside India on business or holiday can take this insurance policy. Persons aged above 70 years can be insured subject to loading of the applicable premium and restrictions on the sum insured available.

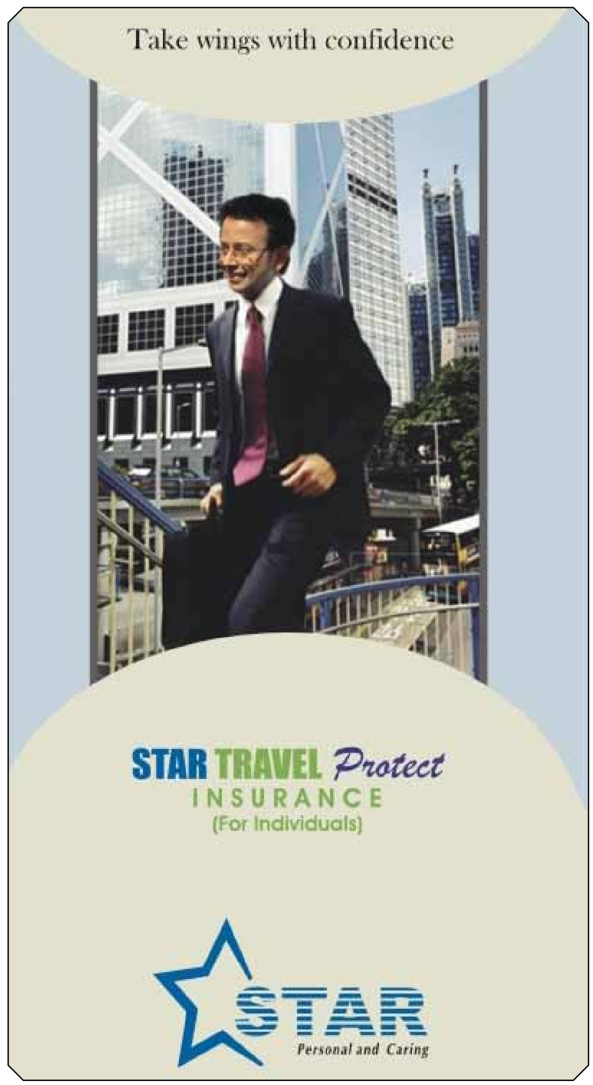
Sum insured options available (subject to deductibles): USD 50,000, USD 1,00,000, USD 2,50,000 and USD 5,00,000

Medical tests are not required for taking this policy. However, if the medical history as revealed in the proposal is adverse and for persons who are above 60 years - ECG, Fasting & Postprandial Blood Sugar, Cholesterol Profile and Urine Strip Test Plan reports are required to be submitted along with the proposal.

## Exclusions

The policy does not provide for a claim in case if:

- ❖ Travel is against medical advice
- ❖ Treatment is for any pre-existing condition
- ❖ Travel is undertaken with the intention of receiving medical treatment
- ❖ Insured is engaged in any professional or organized sports, rock climbing or mountaineering
- ❖ Insured participates in winter or uses dry ski slopes
- ❖ Insured is engaged in manual work of any kind
- ❖ Insured directly participates in riot or civil commotion
- ❖ Suicide or intentional self-injury or illness, mental disorder, anxiety or depression
- ❖ Claims arising out of pregnancy
- ❖ Deliberate exposure to exceptional danger (except in an attempt to save a human life)
- ❖ Congenital anomalies or any complications or conditions arising there from




**Important:** Please carefully read the policy document for each of the above mentioned policies for the details on the policy benefits, exclusions, services and claim procedures etc. for the respective policies before purchasing the specific policy.

## Briefly about Star Health & Allied Insurance Company Limited

Star Health and Allied Insurance Company is a joint venture between Oman Insurance Company, ETA Ascon Group and a host of Insurance veterans from India. The company endeavours to provide dedicated, affordable and quality health insurance that preserves and values human lives. It aims to be the most favoured brand in the health insurance segment. The company offers a wide range of health insurance services and related products at affordable prices.

Star Health has chosen to be in the field of health and is the only stand-alone health insurance company as on date in India and deals in personal accident, mediclaim and overseas travel insurance.

## Current IPOs

| Issue | Opening on | Closing on | Price band |
|---|---|---|---|
| ARCHIDPLY INDUSTRIES LTD | 11-June-2008 | 17-June-2008 | Rs.70 to Rs.80 |
| LOTUS EYE CARE HOSPITAL LTD | 12-June-2008 | 17-June-2008 | Rs.38 to Rs.42 |

## Forthcoming IPOs

| |
|---|
| RITES LIMITED |
| KSK ENERGY VENTURES LIMITED |

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|---|---|---|---|
| **Name** | | | |
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| | | **Pin** | |
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| **Tel (O)** | | **E-mail** | |

**Your interest in Financial Products & Services**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Mutual Funds Schemes** | ☐ | **Stock Trading** | ☐ | **Insurance Products (Life/Nonlife)** | ☐ | **Financial Planning** | ☐ |
| **Initial Public Offers of Shares (IPOs)** | ☐ | **Commodity Trading** | ☐ | **Debt Products** | ☐ | **Real Estate Services** | ☐ |

| Rate the newsletter | Excellent | Good | Satisfactory | Could be better |
|---|---|---|---|---|
| **Content & information** | ☐ | ☐ | ☐ | ☐ |
| **Value addition** | ☐ | ☐ | ☐ | ☐ |
| **Language** | ☐ | ☐ | ☐ | ☐ |
| **Presentation** | ☐ | ☐ | ☐ | ☐ |

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**You could also give us your feedback at www.thefinapolis.com/kbbfeedback.asp**

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