

GROUP HEALTH INSURANCE

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Introduction

- With the increasing cost of health services and medical bills which a common man can not afford, this class of insurance has a growing market.
- It is estimated that a family spends an average of 10% of its monthly income on health care.
- In India where there is no Social Insurance for the public the individual has to take care of himself and his family.
- A prolonged illness or disability can spell havoc for the family budget and upset all the planning.
- While the importance of Health Insurance cannot be denied, it is unfortunate that so far in India the Health Insurance policy is being purchased by families and individuals who can afford to pay the medical bills.
- But the Govt. of India is putting all its efforts to encourage people to buy health insurance and specialized insurance companies are promoted which are exclusively dealing in health insurance.
- The life insurance companies are also permitted to issue the health insurance policy.

TYPES OF HEALTH INSURANCE POLICY

- **Floater Health Insurance Policy:**
- **Critical Illness Insurance Policy:**
- **Group Health Insurance Policy:**

Group Health Insurance Policy:

- The Group Health Insurance Policy is available to any Group / Association / Institution / Corporate body of more provided it has a central administration point and subject to a minimum number of persons to be covered.
- The group policy is issued in the name of the Group / Association / Institution / Corporate Body (called insured) with a schedule of names of the members including his/her eligible family members (called insured persons) forming part of the policy.

- The details of insured person is required to furnish a complete list of Insured Persons in the prescribed format according to sum insured.
- Any additions and deletions during the currency of the policy should be intimated to the company in the same format.
- However, such additions and deletions will be incorporated in the policy from the first day of the following month subject to pro-rata premium adjustment.
- No change of sum insured for any insured person will be permitted during the currency of the policy.
- No refund of premium is allowed for deletion of insured person if he or she has recovered a claim under the policy.
- The coverage under the policy is the same as under Individual Mediclaim Policy with the following differences:-

- a) Cumulative bonus and Health Check up expense are not payable.**
- b) Group discount in the premium is available**
- c) Renewal premium is subject to claims made during the previous policy .**
- d) Maternity benefit extension is available at extra premium.**
 - Option for maternity benefits has to be exercised at the inception of the policy period and no refund is allowable in case of insured cancellation of this option during currency of the policy.
 - A waiting period of 9 months is applicable for payment of any claim relating to normal delivery or caesarean section or abdominal operation for extra uterine pregnancy.
 - The waiting period may be relaxed only in case of delivery , miscarriage, or abortion induced by accident or other medical emergency.
 - Claim in respect of delivery for only first two children will be considered in respect of any one insured person. Those insured persons who already have two or more living children will not be eligible for this benefit.
 - Expenses incurred in connection with voluntary medical termination of pregnancy during the first 12 weeks from the date of conception are not covered.

Re-Insurance and Double Insurance

- every insurer has a limit to the risk he can undertake. If a profitable proposal comes his way he may insure it even if the risk involved is beyond his capacity.
- Then, in order to safeguard his own interest, he may insure the same risk, either wholly or partially, with other insurers, thereby spreading the risk.
- This is called -re-insurance. Re-insurance can be resorted to in all kinds of insurance and a contract of re-insurance is also a contract of indemnity.
- The re-insurers are liable to pay the amount to the original insurer only if the latter has paid to the insured.
- Re-insurance is subject to all the conditions in the original policy and the re-insurer is entitled to all the benefits, which the original insurer enjoys under the policy.

- When the insured insures the same risk with two or more independent insurers, and the total sum insured exceeds the value of the subject matter, the insured is, said to be over insured by double insurance.
- Both double insurance and over-insurance are perfectly lawful, unless the policy otherwise provides. A man may insure with as many insurers as he pleases and up to the full value of his interest with each one of them. If a loss occurs, he may claim payment from the insurers in such order as he thinks fit; but in no case he shall be entitled to recover more than his loss, because a contract of insurance is a contract of indemnity only.