

FREE E-BOOK & AUDIT HANDBOOK

5 Hidden Clauses in Health Insurance Before You Buy

An Insider's Policy Audit & Protection Blueprint by BD Rathore

1. Room Rent Capping & Proportionate Deductions Trap

Most policies include a 1% sum insured room rent cap (e.g. max Rs. 10,000/day on a Rs. 10 Lakh policy). If you choose a room costing Rs. 15,000/day (50% higher), the insurer will deduct 33% from your entire hospital bill, doctor fees, and surgery charges. Solution: Always choose policies with Zero Room Rent Limit or Single Private AC Room eligibility.

2. Mandatory Co-Payment Clauses (20% to 30% Deduction)

Co-pay clauses force you to pay 20% to 30% of every approved hospital bill out-of-pocket regardless of claim validity. Often hidden in senior citizen and zone-based tier policies. Ensure your base cover has 0% co-payment across all network hospitals in India.

3. Disease-Specific Sub-Limits (Cataract, Joint Replacement, Hernia)

Even on a Rs. 25 Lakh policy, insurers often cap cataract claims at Rs. 30,000 or joint replacements at Rs. 2 Lakhs, forcing you to pay the balance Rs. 1.5 Lakhs out-of-pocket. Check policy schedule for Table of Sub-Limits before paying premium.

4. Pre-Existing Disease (PED) Waiting Period & Non-Disclosure Loophole

Under IRDAI regulations, conditions like BP, Thyroid, and Diabetes have 12 to 36 months waiting periods. Always declare medical history upfront. Section 45 grants 3-year incontestability: after 3 continuous years of premium payment, no claim can be rejected on non-fraud grounds.

5. Modern Treatment & Robotic Surgery Sub-Limits

Advanced procedures like robotic surgery, stem cell therapy, and immunotherapy are capped at 50% of sum insured in older policies. Verify that your policy covers all 12 IRDAI-mandated modern treatments at 100% of sum insured.

KEY ACTION CHECKLIST:

- [x] Confirm Zero Room-Rent Capping on your policy schedule document
- [x] Verify No Co-Pay clause (0% mandatory co-payment)
- [x] Check that Restoration / Refill benefit works for same illness
- [x] Ensure Pre-Hospitalization (60 Days) and Post-Hospitalization (180 Days) are included
- [x] Verify Day-1 coverage for all day-care surgical procedures

NEED A COMPLIMENTARY 1-ON-1 POLICY AUDIT?

Get BD Rathore's unbiased IRDAI fine-print audit of your existing or new family insurance plans.

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