

# 'It Is Important To Have A Fixed Benefit Health Insurance Plan To Fight Cancer'

**C**urrently, the most prevalent of the critical illnesses in the country is cancer. India is likely to have over 17.3 lakh new cases of cancer and over 8.8 lakh deaths due to cancer by 2020. Cancer requires intensive treatment which continues even after surgery. Such treatments are financially draining and have the potential to put a huge financial burden on your family. The key to receive prompt and quality treatment is to have adequate financial support. This has made having a comprehensive cancer insurance plan the need of the hour, says **Ashish Vohra**, ED & CEO, Reliance Nippon Life Insurance, in an interview with **Kumar Shankar Roy**. Learn about the visible and invisible expenses, advantages of fixed benefit health insurance plans and why it makes sense to opt for a standalone cancer plan even if you have a critical illness policy and a traditional health insurance policy. Read on.

**Can cancer be really treated? What are the costs associated for different types of cancer - early stage and major stage?**

Cancer can be treated, and the chances of cure are higher if detection and treatment commence at early stages. The cost of treatment is often a combination of visible and invisible expenses. Visible expenses of treatment include the cost incurred towards the cost of diag-

nosis, chemotherapy, radiation, surgery, medicines, hospital's fee, cost of post-treatment medication and follow-up care.

Depending on the organ affected, the stage of diagnosis and the choice of the treatment centre, the visible cost of cancer treatment today could be as much as Rs 8 lakh to Rs 10 lakh for early-stage cancer and up to Rs 20 lakh to Rs 25 lakh for late stage cancer treatment.

Apart from visible expenses, there could be significant invisible costs. Such costs include loss of pay for the patient and the attendant, cost of travel, boarding and lodging at another city if the treatment centre is located outstation.

**Does traditional health insurance fully not cover all costs associated with cancer treatments? What are the challenges with traditional health covers when it comes to cancer treatment?**

Traditional health insurance policies have sub-limits, which means that cost elements carry limitations on coverage which results in part of the claim not paid through the policy. Further, treatment cost goes way beyond just hospitalisation and the cost of treatment can be much higher than the amount that is covered by a traditional health insurance plan.

**How important is it to have a fixed benefit health insurance plan? Why have you chosen to especially launch a plan for cancer?**

Diagnosis of cancer marks the commencement of a significant financial outlay for the family. The treatment requires timely availability of requisite financial resources lest the treatment be discontinued half-way. The expenses, in many cases, commence with invisible costs. A fixed benefit plan offers financial support at diagnosis and therefore eliminates the hassle of organising financial resources and facilitates early commencement of treatment. It is, therefore, important to have a fixed benefit health insurance plan.

This plan pays the sum insured (or a part of it) on diagnosis of the covered condition (in this case, cancer) while a traditional health insurance plan (Mediclaim) reimburses the costs incurred in hospitalisation and certain other incidental expenses.

Currently, the most prevalent of the critical illnesses in the country is cancer. India is likely to have over 17.3 lakh new cases of cancer and over 8.8 lakh deaths due to cancer by 2020. Such alarming numbers along with the increasing cost of treatment make this product the need of the hour and prompted our product launch.

**What are the key benefits of your cancer plan? What are the key differentiators compared to existing plans offered by other life insurers?**

The key benefits of Reliance Nippon Life Cancer Protection Plus include:

1. Two claims for early-stage cancer whereby we pay 25 per cent of the sum insured and future premiums are waived for three years on each claim.
2. Apart from two early-stage claims, we cover relapse of cancer.
3. On diagnosis of a major stage cancer post the minor stage, we offer 100 per cent of the sum insured.
4. We also offer a monthly income pay-out in addition to this lump sum pay-out to aid the customer.
5. There is coverage for children aged five years and above.

**There are some critical illness policies available in the market that cover cancer too among more than two dozen ailments. Then, why should a customer buy only a policy for cancer?**

Critical illness (CI) policies cover multiple illnesses along with cancer. Such policies normally have a restriction on the number of claims that can be made in a policy year and most CI products cover major stages of the benefit.

Further, on diagnosis of any condition (other than cancer), the cover is reduced to the extent of the pay-out made. Also, the sum insured is linked to the sum insured of the base policy.

These restrictions may stifle the benefit required for cancer treatment.

**In your plan, future premiums are waived for three years on a valid claim of early-stage cancer. Isn't that a disadvantage compared to competing critical illness plans that waive all premiums if one is diagnosed even with a minor condition?**

The policy offers a significant benefit on diagnosis of the disease against very low premiums (Rs 1,500-1,600 per annum for a cover of Rs 10 lakh for a 30-year male for a 25-year policy). In this regard, the waiver of premium is not a very significant financial benefit after the patient survives through the policy. That said, through the course of the treatment when there is a significant expense outlay, loss of pay and busyness with the course of treatment, it is comforting to have a waiver of premium. A three-year waiver of premium is just right.

In plans where future premiums are waived, customers may actually believe/assume that the policy has lapsed and therefore may not raise a claim if the cancer relapses which will not be the case if they are paying premiums regularly. We, therefore, believe that a three-year waiver of premium is an optimum from a customers' recall perspective.

**How does the relapse benefit work? What is your benefit different from others?**

In addition to the two minor stage claims that are covered under the policy (wherein 25 per cent of the sum insured is paid each time), the policy also covers relapse of cancer. On relapse of any of the earlier minor stage cancers (post a defined remission period), an additional 25 per cent of the sum insured is payable. This is a key differentiating factor for our product that no other company currently offers.

