

# Give Your Financial Portfolio the Health Booster Shot

## Expert Take



**S Narayanan**

**MD & CEO**

*Iffco Tokio General Insurance*

It is that time of the year when personal finance is at the top of our minds. We plan our savings, major expenditure, and, of course, tax calculations for the entire year. Financial planning is our way of protecting ourselves from the proverbial rainy day. We plan because we want to manage our money in such a way that even as we fulfill our daily needs, we have a corpus built up for buying a house or a car, children's education and then marriage, a comfortable post-retirement life, taking care of ageing parents, and so on. So the planning should be comprehensive. In this process, health insurance has

become a critical component.

**UNLOCK YOUR HEALTH FUND:** Given the stresses and increasing unpredictability of modern life, health is one of the biggest concerns that we face today. Add to that the burgeoning health treatment costs and the complexities of medical care. These two make it imperative for health insurance to be part of our financial plan. It goes a long way in offering protection from the financial implications of a health emergency. By paying a premium at the rate of just 2-4% of the chosen protection amount, we can unlock our health fund to make more productive and handsome investments.

**REASONS FOR INSURANCE:** While many of us may get health insurance as part of the package extended by our employers, an increasing number of people seek an additional insurance policy or top-up cover, to take care of unforeseen health emergencies during, say, the time of switching from one job to another, or when laid off. People also take these policies if they are not covered for critical illnesses by their group insurance plan. This is also done to overcome the stipulations of different waiting periods prescribed for various diseases and pre-existing disease requirements. Those nearing retirement too need to have a personal health cover that helps them tide over the transition. Of course, for the

self-employed and people with seasonal income, the standard health insurance, or mediclaim, is an absolute must.

**START SMALL:** So what are the parameters on which you base your health insurance requirements? The three important factors are your age, family dependents and spatial location. You can avail tax benefits for your spouse and kids for up to Rs 15,000. And you get additional benefits for policies taken for parents. You can start small and scale up your sum insured as well as the premium as you go along.

**AN EYE ON THE FUTURE:** Just like in the other components of financial planning, in health insurance too, you need to keep a sharp eye on the future even as you remember that diseases and accidents are unpredictable. Faced with an eventuality, we should be dealing with the treatment and not getting hassled with trying to piece together the payment. In any case, with hospitalisation and surgery charges getting prohibitively high, it helps if there is a financial support for you and your dependents. It also makes sure that that you don't need to dip into your carefully-conserved savings that you have earmarked for other expenditure. Ultimately, financial planning is about securing our future and health insurance is an inalienable part of this future security.