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Avoid These 4 Mistakes While Buying Group Health Insurance

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The healthcare industry in India has grown at an exponential rate over the last decade. With the latest advancements in the field of healthcare, you can now access prompt medical assistance in case of emergencies and opt for a host of advanced treatments for various diseases.



At the same time, the cost of medical treatments has too increased and is expected to rise further. The whole context boils down to one thing – health insurance is a necessity in today's times.

If you run a business or a firm, it is practically essential for you to provide financial security to your employees under a group health insurance policy. Instead of buying individual health insurance policies, you can save money by providing health coverage to your employees under one group health insurance policy. Furthermore, it is in your hands to decide the sum assured per employee or other voluntary terms of the group health plan.

As an employer, it is also crucial that you assess your employees' needs for a group health insurance coverage and avoid common insurance buying mistakes.

Common Mistakes to Avoid While Buying Group Health Insurance

- **Choosing Inadequate Coverage**

Insuring your employees financially against medical emergencies with the help of a group health insurance policy is a wise decision. But this benefit won't make much of a difference in their lives if the coverage limit is inadequate. Whether any of your employees have an individual health insurance plan or not, the treatment costs can reach a few lakhs, especially in case of life-threatening ailments such as cardiovascular failures and cancer.

If the group health insurance policy in place, only offers sub-par coverage, the chances are that your employees may have to dig deep into their savings to pay the treatment costs – adding to their worries. So make sure you opt for a group health insurance cover that offers adequate coverage to your employees.

- **Selecting Low Room Rent Capping**

Most group health insurance policies have room rent limits. To better understand this aspect, consider the following example –

Mr. Verma faced a medical emergency for which he got hospitalized for five days to get the necessary treatment. His health was covered under a group plan offered by his employer, and the room rent was covered but only up to Rs. 10,000 under the policy. Since the total room rent was above this amount, he had to pay for it out from his pocket.

It implies that if you purchase a group health insurance plan that provides low room rent, your employees may get the insurance reimbursement for hospitalization expenses based on the room rent limits. Selecting a very low room rent capping won't help. Instead, it is advisable that you customize the capping as per your budget.

- **Buying the Plan Based on Low Premium Only**

Group health insurance policies usually offer a low rate of premium. However, the rate varies as per the sum assured selected. Instead of choosing a group health insurance plan entirely based on the low rate of premium, you must know about different factors that determine the premium amount, before buying the policy.

These factors include the number of people covered in the plan, average age, the benefits opted and sum assured for each member covered. Overall, it is advisable that you purchase a low-cost group health insurance policy that is good for your

employees, and not just for your company. Make sure you know and understand what determines the premium of a group health insurance policy before you buy one.

- **Not Doing Required Research Before Buying the Policy**

Group health insurance domain is a complex world – so it may confuse you as an employer. As a result, it is possible that you may not perform in-depth research before buying the group health insurance policy.

Such decisions may lead to problems for your employees, usually at the time of claim settlement. You can easily avoid this scenario by first developing an insight into the different group health insurance plans and how a group health insurance policy works. With proper knowledge about the policy coverage, you can customize the policy to fit into your business and employees' needs. Group health insurance policies from reputable insurance broking firms such as SecureNow allow you to seamlessly personalize all the aspects of the plan to ensure smooth and transparent claim settlement.

Your employees are no less than an extended family who are there to help you grow your business. By keeping the above factors in mind you can keep their health secured with a group health insurance policy in return for their loyalty.