Should you include parents under family health insurance or opt for individual health covers

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The Coronavirus pandemic has evolved to be one of the worst health crises that the world has ever seen. And on top of that, it has also managed to turn the entire healthcare system of the planet upside down. Apart from the deaths, illness and mental trauma, the disease has also placed unprecedented financial stress on millions of families across the globe.

That said, it has also managed to highlight the importance of a health insurance policy that comes to your rescue in these unprecedented times. Considering the sky-rocketing cost of hospitalization and treatment, a comprehensive health plan is now one of the most important aspects of everyone's financial wellbeing.

These days, you have lots of options with respect to health insurance. For instance, if you wish to provide health insurance coverage to your loved ones, you could either purchase health insurance for family or buy a separate individual health insurance policy for each one of them.

If you're unsure of what the right course of action is, this article may just be able to provide you with some much needed clarity.

Family Health Insurance Plans: Here's How They Work

A family health insurance plan is tailor-made for families. It extends the coverage to the entire family instead of just restricting the protection to just one individual. If any of your family members, who are dependent on you, fall ill, you might be forced to go through tremendous financial hardship to cover medical treatment costs. Here's where family health insurance policies come to your rescue. With health insurance for family, you can opt for a total comprehensive coverage that includes all of your family members by just paying a single premium.

Family Health Insurance Plans: Are There Any Drawbacks?

The sum assured in family health insurance can be extended to cover several members of the same family in the time of emergency. However, opting for a blanket cover for an entire family or including elderly parents in a family health insurance plan also has its own drawbacks as the insured sum is shared between all family members. Suppose, you have taken a family health insurance cover of Rs. 8 Lakhs for six members of your family. In case, your mother undergoes a surgery that costs around Rs. 6 Lakhs, then the remaining cover for the other four members only be Rs. 2 Lakhs.

Also, the premium under the family insurance plan is subject to the age of the eldest family member. This effectively means that the chances of the premium that you're required to pay shooting up as a result of inclusion of senior citizens in the policy is also quite high. That's not all, there are more chances of you losing out on NCB (No Claim Bonus) benefits when you're under health insurance for family too.

Individual Plans for Family Members: The Way Out

Under individual health insurance plans, you purchase separate policies depending upon the number of members in the family. Here, each family member has a dedicated sum assured under the health cover. Opting for health insurance for individuals for each separate person in your family ensures that all of you have adequate medical assistance that can cover hospital expenses during medical emergencies, which can be quite unpredictable. So, in order to safeguard your finances against high hospitalization costs and medical bills, it may be a good idea to purchase a dedicated health insurance plan for each of your family members.

Conclusion

Life is full of uncertainties, and a comprehensive health insurance plan offers you peace of mind during these uncertain and tough times. It provides you easy access to the best treatment available when you and your family members need it the most.

Here's a point of advice. Irrespective of the type of insurance policy that you choose to purchase, always use a health insurance calculator. This nifty little tool can help determine the amount of premium that you would have to pay.

Also, since health insurance benefits tend to vary from one plan to another, it is good to compare health insurance online. This way, you not only get to make more informed decisions overall but can also ensure that you provide your family with the best protection.