HEALTH INSURANCE BUYING GUIDE 2026

A practical, English-language guide for Indian individuals and families

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Purpose: Understand what to buy, how much coverage to consider, why claims may leave out-of-pocket costs, and which questions to ask before paying a premium.

1 | How much health insurance should you buy?

Situation	Illustrative coverage to compare
Single adult (25–35)	INR 10–15 lakh individual cover
Married couple	INR 15–25 lakh family floater
Couple with 1–2 children	INR 20–25 lakh family floater
Higher-cost protection	INR 10–20 lakh base plus INR 25–50 lakh super top-up
Parents aged 60+	Consider INR 10–20 lakh per parent, depending on eligibility, health and budget

These are practical starting points, not IRDAI minimums or universal recommendations. Consider local private-hospital costs, age, medical history, family size, inflation and ability to renew for decades.

2 | Understand the types of plans

• **Indemnity / comprehensive health insurance:** pays eligible actual medical expenses up to policy limits, either through cashless settlement at a participating hospital or reimbursement after payment. This is usually the primary protection to buy.

• **Fixed-benefit / critical illness:** pays a stated amount when a defined event occurs and conditions are met; useful as supplementary income protection, not a substitute for comprehensive insurance.

• **Family floater:** one shared sum insured for covered family members; convenient for younger families, but multiple claims draw on the same pool.

• **Super top-up:** pays eligible expenses beyond a specified aggregate deductible during the policy period. Check whether the base cover and deductible align; it is not an unconditional increase in base cover.

3 | The features that matter most

Feature	What to ask / preferred approach
Room rent	Prefer no restrictive room-category or daily room-rent cap; ask about proportionate deductions.
Co-payment	Prefer 0% mandatory co-pay when affordable.
Disease/procedure sub-limits	Avoid low caps on major surgery, ICU or specified conditions.
Pre-existing disease waiting	Ask exact waiting period, exclusions and accepted disclosures.
Pre/post-hospitalisation	Confirm number of days and which related expenses qualify.
Day-care treatment	Confirm eligible procedures not requiring a 24-hour stay.

Feature	What to ask / preferred approach
Modern treatment	Ask about robotic surgery, immunotherapy, targeted therapies and applicable caps/medical necessity.
Consumables	Ask which non-medical items are excluded and whether an add-on covers them.
Restoration benefit	Check when it restores, whether same illness/person qualifies and any restrictions.
No-claim/cumulative bonus	Check whether it increases cover or discounts premium and how it changes after claims.
Cashless network	Verify your preferred hospital and the exact plan, not just the insurer brand.
Renewability and exclusions	Review lifetime renewability, underwriting, exclusions and portability rules.

4 | Why can you still pay despite having insurance?

Example A: Eligible bill INR 5,00,000; 10% co-payment means INR 50,000 paid by the policyholder and INR 4,50,000 by the insurer, assuming no other limits or exclusions.

Example B: Hospital bill INR 8,00,000; remaining sum insured INR 5,00,000. At least INR 3,00,000 remains uncovered, before other exclusions or add-ons are considered.

Example C: Cashless approval can exclude consumables, non-covered medicines, non-medically necessary charges, deductibles or charges exceeding room eligibility. Cashless does not mean zero payment.

5 | Premium: how much should you spend?

There is no reliable fixed percentage of income that suits everyone. Compare written quotations for the **same** ages, location, sum insured, deductible, co-pay and add-ons. Premium depends on underwriting and can change at renewal under applicable terms. Choose a premium you can sustain over time.

Illustrative annual budget	How to use it
INR 15,000	A budget input for a younger individual; not a guaranteed quote.
INR 30,000	A comparison budget for a family; actual quotes can be much higher or lower.
INR 60,000+	May be relevant for older ages or enhanced benefits; obtain individual quotations.

Illustrations are not current market prices or insurer offers. Do not treat them as premium estimates.

6 | Ten insurers and named policies to compare

These are starting points for requesting quotations, **not a verified top-ten ranking**. Product names, variants and availability must be confirmed directly with the insurer.

Insurer	Example retail policy / family
HDFC ERGO	Optima Secure
Tata AIG	MediCare Premier
Care Health	Care Supreme
ManipalCigna	ProHealth Prime
Niva Bupa	ReAssure 2.0 (check current variants)

Insurer	Example retail policy / family
Star Health	Comprehensive Insurance Policy
ICICI Lombard	Elevate
New India Assurance	New India Floater Mediclaim
Oriental Insurance	Happy Family Floater
Reliance / IndusInd General	Health Infinity (confirm current branding and availability)

How to choose: Obtain the Customer Information Sheet, full policy wording, hospital network confirmation and a written premium quote for each shortlisted plan. Compare exclusions, co-pay, room category, PED waiting, consumables, restoration and complaints handling before deciding.

7 | Insurer ratings: CSR, ICR and service

• **Claim Settlement Ratio (CSR):** a claim-count measure whose definition and reporting period must be checked. A high number does not guarantee your claim will be paid.

• **Incurred Claim Ratio (ICR):** claims incurred relative to premium earned; it is **not** the percentage of customers whose claims were approved.

• **Check alongside:** claim processing timelines, grievance rates, complaints resolution, network hospitals, exclusions and financial disclosures.

• **Avoid simplistic scores:** a CSR above 90% can be a screening preference but is not proof of a hassle-free claim.

This edition intentionally does not publish unverified FY2025–26 company percentages or star ratings. Check current IRDAI and insurer public disclosures for comparable reporting periods.

8 | What is a TPA? How does cashless work?

TPA = Third Party Administrator. A TPA may coordinate pre-authorisation, documents and claims between hospital and insurer. Some insurers use in-house claims teams. The insurer remains responsible under the policy.

Typical cashless flow: Hospital submits pre-authorisation → insurer/TPA reviews eligibility → treatment proceeds as clinically appropriate → final bill is reviewed → insurer pays approved eligible amount to hospital → patient pays non-payables and any applicable share.

Reimbursement: If cashless is unavailable, retain original bills, discharge summary, prescriptions, reports and payment proofs; submit within policy timelines. A non-network hospital is not automatically ineligible, but exclusions and conditions still apply.

9 | Cancer, robotic surgery and specialised care

• Ask specifically about cancer surgery, chemotherapy, radiotherapy, eligible day-care services and inpatient treatment.

• Immunotherapy, targeted therapy, oral anticancer drugs and robotic procedures may be subject to precise definitions, medical necessity, settings and limits.

• Check ICU, implants, reconstructive procedures, consumables and pre/post-hospitalisation coverage.

• Bariatric surgery may be covered only under specified medical criteria and policy conditions.

• Disclose previous cancer, tests, symptoms, treatment and all other pre-existing conditions truthfully; obtain written clarification of underwriting decisions.

10 | Parents, employer cover, add-ons and tax

• **Parents:** compare individual policies, underwriting, mandatory co-pay, PED waiting and long-term renewal affordability. Do not cancel an existing policy until replacement coverage is effective.

• **Employer cover:** may end or change with employment; a personal policy can help preserve continuity.

• **Optional add-ons:** consumables, maternity, OPD, AYUSH, home care, critical illness and accident benefits may be useful only if relevant to your needs and covered as described.

• **Tax:** Section 80D deductions generally apply under the old tax regime, subject to eligibility and prevailing law. Common limits include INR 25,000 for self/family and an additional INR 25,000 for parents, with INR 50,000 limits applicable in qualifying senior-citizen cases. Confirm with a tax professional.

11 | Questions to ask your agent — printable checklist

■ **1.** Is this an indemnity policy, and what is the exact sum insured?

■ **2.** What are the room-rent limits and any proportionate deductions?

■ **3.** Is there mandatory co-payment or a deductible?

■ **4.** Are there disease-wise or procedure-wise sub-limits?

■ **5.** What are the initial, specific-disease and pre-existing-disease waiting periods?

■ **6.** How many pre- and post-hospitalisation days are covered?

■ **7.** Are day-care, robotic surgery and indicated cancer treatments covered?

■ **8.** Which consumables and non-medical items remain payable by me?

■ **9.** How exactly do restoration and cumulative bonus work?

■ **10.** Are my preferred hospitals cashless for this specific policy?

■ **11.** Who processes claims (insurer or TPA), and how are grievances escalated?

■ **12.** Can you provide the full policy wording, exclusions, Customer Information Sheet and written quote?

12 | Final buying decision

For younger families: compare comprehensive INR 15–25 lakh floater quotations against a INR 10–20 lakh base plus suitable super top-up. **For senior parents:** assess separately and prioritise continuity and predictable out-of-pocket costs. **For everyone:** favour adequate coverage, clear wording, manageable renewal premiums and dependable local cashless service over headline discounts.

Further reading and verification

Policybazaar: https://www.policybazaar.com/health-insurance/articles/essential-things-that-should-be-included-in-your-health-insurance-policy/

HDFC Bank: https://www.hdfc.bank.in/blogs/health-and-accident-insurance/purchasing-health-insurance-in-india

IRDAI: https://irdai.gov.in/

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