

How does opting for higher room rent as compared to my eligibility affect my claim settlement?

As per our corporate policy our room rent is restricted to 1% of Sum Insured (SI) & 2% of SI in case of ICU.

Let's take an example of an employee with sum insured of Rs.300,000/-. This means that he has eligibility for room with Rs. 3000/- rent and Rs. 6000/- under ICU conditions. Now what happens if this employee chooses a room worth Rs. 5000/- per day. In such cases not only there will be a deduction of Rs. 2000 (Rs. 5000 - Rs. 3000=Rs 2000/-) being towards higher room rent opted for but an additional deduction will come in to charges of all items associated with it excluding medicines, consumables and implants (if any). So going ahead with above example the additional deduction that will happen will be as per the below formula:

$100\% - (\text{Eligible room} / \text{Opted Room} \times 100)\%$

i.e., $100\% - (3000 / 5000 \times 100)\%$

i.e., $100\% - 60\% = 40\%$ deduction will occur while settling your claims on those items excluding the ones mentioned above.

We also have Maternity as a package deal with no room rent restriction. Limits are Rs. 50,000/- for normal delivery and Rs. 75,000/- for C section. In this scenarios the overall amount is considered (of course non medical items, registration charges etc are not payable). Hence only in such scenario within our corporate policy the room rent clause loses significance.

For insurance companies own profitability sake and to attract customers, these insurance companies ties up with various hospitals and bring them in network. When they bring them in network they also reach in understanding of how much commonly occurring procedures / surgeries should be charged. This in their parlance is also called a package. These kind of packages help in controlling the cost exposure to both the patient and the insurance companies. Now when they estimate a package cost a certain type of room is considered basis on types of rooms available. Hence when you get treated in a network hospital look at the package cost along with room rent applicable to the package so as to decide what to expect in terms of deduction that may happen if package with higher room rent is selected. Please find attached typical medical procedure list for which hospitals could have packages with various

insurance providers (please note this is just as illustrative example of procedures).

Hence if you do have your own personal medical insurance policies please be clear on your room rent, proportionate deduction clauses, package treatment clauses that may be mentioned in your policy so that the claim settlement doesn't take you by surprise.