

Article Date	Headline / Summary	Publication
27 Apr 2026	Critical illness policy: Understanding waiting periods	Deccan Herald



Coverage for critical care

Critical illness insurance is not limited to cancer or heart disease

- It usually covers over 30-60 severe conditions, depending on the insurer, including cancer of specified severity, multiple sclerosis, kidney failure, end-stage liver failure, benign brain tumour, cardiomyopathy, brain surgery, third-degree burns, and bone marrow transplants
- Policies typically cover open heart surgery and major organ transplants (heart, lung, liver, pancreas, kidney); procedures that involve very high medical bills
- It also extends protection to neurological and degenerative conditions like Parkinson's and Alzheimer's, which can lead to lasting disability and ongoing care needs

Critical illness policy: Understanding waiting periods

This ensures that no one has to risk falling into poverty just to afford essential treatment

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Critical illness under health insurance is designed to provide financial protection against severe, life-threatening conditions that go beyond routine medical needs. Unlike standard health insurance, which covers hospitalisation and treatment bills, critical illness plans pay out a lump sum when diagnosed with covered illnesses. Battling such diseases is tough, and to further add to these difficult times, the cost of treatment for these ailments is exorbitant. According to a Lancet study, cancer is a leading driver of catastrophic health expenditure in India, with medicines making up more than 60% of out-of-pocket costs. This financial strain is compounded by the rising burden of other non-communicable diseases (NCDs) such as diabetes, cardiovascular disease, and chronic respiratory conditions, which together are reshaping India's health landscape.

Moreover, India's urban working population is facing a rise in health risks from sedentary lifestyles, stress, poor sleep, pollution, and early onset of chronic diseases like diabetes and heart disease. Studies show that these conditions are appearing at younger ages, making critical illness (CI) cover relevant even for people in their 20s and 30s.

Therefore, choosing critical illness under health insurance can be a lifeline, helping individuals and families avoid the devastating financial strain that often comes with serious health conditions. It ensures that no one has to risk falling into poverty just to afford essential treatment. When considering such coverage, it's important to be mindful of the waiting period and the specific illnesses included, so that people can feel truly protected and prepared during critical times.

Waiting period under critical illness

The waiting period is a fixed number of days that the customer has to wait to be eligible to submit claims for a critical illness. It is important to note that the person can get a claim only after the waiting period is over. For anyone considering critical illness coverage, the length of the waiting period can make a real difference. A shorter waiting period often means quicker access to financial support when it's needed most, so this might be one of the most-important criteria to keep in mind while choosing the right policy.

A standard critical illness policy has a waiting period of around 90 days, but this can vary from insurer to insurer. For certain riders/add-ons, the waiting period can also be zero, but the premiums for such add-ons are quite expensive.

One must not confuse the waiting period with the survival period. Survival period is the minimum number of days that the policyholder should survive after being diagnosed with a critical illness, and is much shorter in comparison. Depending on the insurance policy, the survival period is usually 0-90 days in the case of critical illness health plans.

Coverage under critical illness

Critical insurance plans are typically benefit-only policies. This implies that it pays a lump sum amount to the customers if diagnosed with the listed ailment, regardless of the amount that they actually have to pay for the treatment. A lump sum payout can effectively replace income during long recovery periods when people cannot work. Many serious conditions like cancers, cardiac surgeries, and neurological conditions often require 3-12 months of reduced or no earnings.

Critical illness insurance is not limited to cancer or heart disease; it usually covers over 30-60 severe conditions, depending on the insurer. Some of the diseases that are covered are cancer of specified severity, multiple sclerosis, kidney failure (along with regular dialysis), end-stage liver failure, benign brain tumour, cardiomyopathy, brain surgery, third-degree burns, bone marrow transplants, and more. Policies typically cover open heart surgery and major organ transplants (heart, lung, liver, pancreas, kidney); procedures that involve very high medical expenses.

Beyond these major surgeries and transplants, critical illness insurance also extends protection to neurological and degenerative conditions like Parkinson's and Alzheimer's, which can lead to lasting disability and ongoing care needs. Coverage also extends to end-stage lung disease, end-stage liver failure, and chronic respiratory failure, which can lead to prolonged hospitalisation or organ transplants.

Ultimately, critical illness insurance acts as a financial safety net when life-threatening diseases strike. Beyond medical bills, it ensures patients can focus on recovery without the added stress of lost income or lifestyle disruptions. Understanding the waiting and survival periods, as well as the range of illnesses covered, is key to choosing the right plan.

Think of it as a two-layer shield, where one can rely on regular health insurance to take care of hospital bills, while critical illness insurance steps in to cover life-impacting costs, such as income loss or rehabilitation. Together, they provide comprehensive protection, helping one to preserve their dignity and financial stability.

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