

Article Date	Headline / Summary	Publication
10 Nov 2025	Gen Z And The Rising Cost Of Care: Why Early Health Insurance Is A Smart Move	Outlook Money

[Gen Z And The Rising Cost Of Care: Why Early Health Insurance Is A Smart Move](#)



- Gen Z must buy health insurance despite low hospital visit chances.
- Rs 5 lakh sum insured is insufficient due to rising medical costs.
- Early coverage ensures affordable premiums, full benefits, and financial security.
- Delaying insurance increases risk of debt and limited coverage options.

When you are young, the chances that you have to visit the hospital are very low, but not zero. So, having health insurance is nonnegotiable even for Gen Z.

A Rs 5 Lakh Sum Assured May Not Be Enough

The reason experts recommend buying a higher sum insured in metro cities, for Gen Z, and for all individuals, is due to high medical inflation. It affects the most in metro cities, as hospitalization expenses, medicines, and diagnostic expenses are usually higher compared to non-metro cities.

“That’s why it is essential to choose the sum insured according to the correct requirement and secure financial well-being in light of rising inflation,” says Bhaskar Nerurkar, head- health administration team, Bajaj General Insurance.

For a cataract operation, five years ago, it may have cost around Rs 20,000, but today it may cost Rs 50,000-Rs 70,000, and in the future, the prices may increase to upwards of Rs 1 lakh.

“With medical inflation hovering at nearly 13–14 per cent annually, a traditional Rs 5 lakh health cover is no longer adequate - especially for those living in metros. A single hospitalization today can easily exhaust that coverage. For young professionals in metros, it’s wiser to opt for a Rs 25 lakh sum insured or explore Health + Super Top-up combinations that together can provide coverage up to Rs 1 crore sum insured,” says Siddharth Singhal, head of health insurance, Policybazaar.

Why It Is Not Prudent To Delay Health Insurance Cover For Gen Z

Delaying the decision to opt for health insurance, especially in the current scenario, could be a significant financial risk for most people. Gen Z, those who may be early in their careers, need to focus more on financial management.

“One needs to be aware that a medical emergency can occur at any time, and with rising medical inflation, it is more important than ever to stay financially protected with a proper comprehensive health insurance cover,” says Nerurkar.

Not having one may result in an individual incurring a significant amount of debt, losing all their savings, or compromising on the quality of healthcare when required.

Medical debt can be a source of financial strain for a prolonged period. Early coverage offers more affordable premiums, providing long-term financial security in the event of a medical emergency, as health insurance premiums tend to increase with age and the presence of health issues. Gen Z will face significantly higher premium costs for the same level of coverage than if they had started earlier.

“Additionally, by purchasing a health plan at a young age, Gen Z can complete their waiting periods and ensure full benefits when they need them most,” says Nerurkar.

Postponing the purchase of health insurance can mean that the person may get health insurance with limitations on coverage and sum insured, or may not get any insurance at all.

“Once insurance is in place, there is assurance that coverage will not be denied at renewal, as the regulations assure lifetime renewability of health insurance. An insurer can always deny a fresh proposal or increase in sum insured, but the renewal of the existing insurance cannot be,” says Hari Radhakrishnan, expert, Insurance Brokers Association of India (IBAI).