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'Buy early and review the sum insured regularly.' 'Combining individual or family policies with corporate cover, along with top-ups and wellness programmes, can help maintain strong health protection throughout life.'

A growing number of Indians are opting for larger health insurance covers, reflecting a shift towards greater financial preparedness amid rising medical costs.

According to data from Policybazaar, demand for higher sum-insured plans has risen sharply after the goods and services tax (GST) exemption: 13 per cent of buyers on the platform purchased policies with sum insured above Rs 25 lakh, 45 per cent chose Rs 15-25 lakh coverage, 24 per cent selected Rs 10 lakh to Rs 15 lakh policies, and only 18 per cent opted for covers below Rs 10 lakh.

Factors to consider

The ideal sum insured depends on city, age, family size and medical history.

"For individuals, Rs 15 lakh and above is advisable in metros, and Rs 10 lakh in smaller towns.

"A family floater of Rs 25 lakh for four members is ideal, rising to Rs 25 lakh to Rs 50 lakh for metro families or those with senior citizens," says Niharika Singh, executive director-marketing, IFFCO Tokio General Insurance Company.

Treatment is costlier in bigger cities.

"In Tier I cities, residents should opt for coverage of at least Rs 10 lakh, while those in Tier II cities should buy a minimum of Rs 7 lakh coverage to ensure adequate protection," says Siddharth Singhal, business head-health insurance, Policybazaar.com.

Those with conditions such as diabetes, heart disease or cancer should opt for a coverage of Rs 50 lakh to Rs 1 crore.

"To minimise out-of-pocket expenses, choose policies with short waiting periods and no sub-limits nor high co-pays," says Singhal.

Buy early

Purchasing a cover in one's mid-20s ensures lower premiums, easier approvals and wider choice.

"It also helps complete the waiting period early, ensuring conditions like diabetes or heart issues that may arise later are covered without delays," says Singhal.

Balance security and affordability

While a high sum insured may be affordable in one's 30s and 40s, premiums can become burdensome in the 60s and beyond.

Combining a base plan with a super top-up can expand total protection at a reasonable cost.

For example, a Rs 20 lakh base policy with a Rs 80 lakh super top-up would cost a fraction of the premium on a Rs 1 crore plan.

High base policy vs base + super topup

A high-sum-insured base policy offers seamless coverage with no deductible, smoother claims, easier renewals, and minimal out-of-pocket costs. It is also more feature-rich.

A base-plus-super -topup model is cost-effective.

"For the same premium, super top-ups, when paired with a smaller base plan, can provide higher total coverage than a base policy," says Adhil Shetty, chief executive officer, BankBazaar.com.

The deductible -- the amount that you or your base policy pays before the super topup kicks in -- is key.

"Matching the deductible to your base policy's sum insured ensures smooth activation," says Bhaskar Nerurkar, head-health administration team, Bajaj General Insurance.

Prefer a super top-up over a top-up.

"A topup applies the deductible per claim, while a super top-up accumulates expenses over a year before it activates," says Nerurkar.

A base plus super topup combination has a drawback.

"Claims may need to be filed separately for the base plan and the super top-up," says Shetty.

Purchasing both from the same insurer can ensure smoother payout.

Tackling medical inflation

Medical inflation in India is around 12-14 per cent annually, which can double treatment costs in five to six years.

Coverage should be reviewed every two to three years or after major life events such as marriage and childbirth.

Nerurkar adds that insurers often allow upgrades in sum insured at renewal without medical checks for policyholders with a good claims history.

Mistakes to avoid

Common errors include underestimating treatment costs, delaying the purchase of insurance until later in life when ailments have already developed, and depending solely on employer-provided cover.

"Buy early and review the sum insured regularly. Combining individual or family policies with corporate cover, along with top-ups and wellness programmes, can help maintain strong health protection throughout life," says Nerurkar.

Coverage must evolve with age

20s: Opt for Rs 10 lakh cover to handle mild ailments, accidents, occasional emergencies

30s: Choose a Rs 20 lakh family floater; ensure coverage for maternity and newborn-related complications

40s: Supplement Rs 20 lakh base with Rs 80 lakh super topup; add critical illness cover; buy separate plan for parents

50s: Higher health risks, must have Rs 50 lakh to Rs 1 crore total coverage

Source: Policybazaar