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Look out for co-pay & deductibles in unlimited health plans



Unlimited health insurance plans can offer an additional layer of financial protection during prolonged or high-cost medical treatments. However, the unlimited feature applies primarily to eligible hospitalisation expenses and does not automatically make every benefit under the policy unlimited.

Certain benefits may continue to have defined payout limits. So, you should be aware of what type of room can be utilised, whether there is any capping on particular ailments, co-pay in case of a higher room being used and proportion of deductible. These can lead to sizeable out-of-pocket expenses.

Types of plans: Vikas Gupta, head of health administration team at Bajaj General Insurance, says policyholders should understand how the “unlimited” feature operates. “The scope of coverage, trigger conditions, and usage of benefits may vary across insurers and products,” he says.
Unlimited plans can be grouped into three categories: unlimited restoration benefit; unlimited sum insured features and unlimited sum insured for one hospitalisation in lifetime. Under an unlimited restoration benefit, if a policyholder exhausts the available sum insured due to hospitalisation, the insurer restores the cover, allowing it to be used again for subsequent eligible claims during the same policy year.

Certain plans offer an unlimited sum insured structure, where eligible hospitalisation expenses can be covered without a predefined sum insured limit. Unlimited sum insured for one hospitalisation in lifetime means that the customer can claim for unlimited sum insured once in a lifetime. This benefit is to ensure coverage for very high value claims.

Caps and conditions: Under some plans, while the hospitalisation cover can be availed without a predefined annual sum insured limit, specific optional benefits are subject to separate caps. The unlimited sum insured feature does not override permanent exclusions, applicable waiting periods, non-payable expenses, or other policy conditions. “Standard policy terms such as room rent limits, co-pay percentages, and specific disease caps still remain active, which will have to be paid out-of-pocket,” says Sarita Joshi, head, Health and Life Insurance, Probus.

Choosing a higher-priced room triggers a proportionate deduction on most hospital charges — pharmacy, consumables, implants, devices and diagnostics are usually exempt. Some entry level plans apply a 20–50% co-pay on the entire claim for any room above a general ward.

Even with unlimited sum insured plans, add-ons have fixed limits. “International cover is capped at `5 crore with a mandatory co-pay choice of 0–50%, and critical illness or accident benefits capped at `50 lakh,” says Rohan Goel, business head of health insurance at Policybazaar.

Before buying an unlimited health cover, you must check the room eligibility as value variants cap at a single AC room, city pricing, and whether moving cities changes your premium or co-pay. You must compare the actual benefits and read the customer information sheet rather than the marketing brochure to avoid costly out-of-pocket surprises later.

A health insurance policy with an adequate sum insured and a restoration feature can be a cost-effective option. Many standard plans now reset your cover multiple times and a few plans even cover the same illness. An unlimited plan makes sense if you genuinely expect repeated medical procedures in a year.