

## **Making Informed Decisions: Switching Health Insurance Policies or Migrating Within Insurers (Portability of Health Insurance)**

In response to evolving needs, insurers are constantly improving their offerings by introducing new features and enhancing the comprehensiveness of health insurance policies. Many policyholders are now faced with the decision of whether to change insurers or switch to a new plan within their existing insurance company to take advantage of these new features and services. This article explores the pros and cons of both options and provides guidance on how to make the most informed decision.

### **The Need for Change:**

People who purchased health insurance plans over a decade ago often find themselves burdened by limits that result in high out-of-pocket expenses. Additionally, some policyholders experience dissatisfaction with claim settlement issues, high premiums, poor servicing, and a lack of responsiveness from their insurers. Furthermore, the impact of COVID-19 has led to increased healthcare costs due to rising medical inflation, advancements in technology that allow for day-care treatments instead of inpatient hospitalization, and growing demand for outpatient services due to lifestyle diseases. As a result, insurers are continuously improving their policies to cater to these changing needs.

### **Porting or Migrating:**

When considering a change, individuals satisfied with their current insurer's service and overall experience but unhappy with their policy can opt for migration. Migration involves shifting to a new plan within the existing insurer. On the other hand, porting entails selecting a plan from a different insurer. **Health insurance regulations allow for migration without underwriting if the policy has been renewed continuously for at least four years, retaining the existing sum insured and benefits.** If the existing insurer does not offer a suitable or comprehensive plan or if another insurer provides a better product with a higher value for money, porting can be considered.

### **Pros and Cons of Switching:**

**Switching health insurance policies can offer several advantages. It may provide access to comprehensive coverage, affordable premiums, new healthcare providers, and innovative features not available in the previous plan.** However, it is essential to consider potential drawbacks, such as higher premiums, the loss of loyalty rewards and discounts, underwriting requirements, fresh waiting periods, permanent exclusions, and loadings, particularly for non-standard risks or existing illnesses.

### **Determining the Right Time to Change:**

Customers should consider changing their plans if they are dissatisfied with their current insurer's coverage or service or if they find an innovative and affordable product that meets their needs. **However, it is crucial to evaluate new plans based on individual requirements, demographics, age, family size, and life stage.**



Poor customer support, delayed policy issuance or claim processing, inadequate claim settlement, and rejection on unjustified grounds are indicators that it may be time to switch. Additionally, plans with wider coverage, better features, or lower premiums from other insurers can be compelling reasons for a change.

#### **Factors to Consider When Switching:**

After deciding to switch, thorough research is essential to find a plan that suits both needs and budget. **Evaluating the new insurer's reputation regarding claim settlement practices, ratio, and paying ability is crucial. Considering features such as OPD and day-care coverage, restore benefits, wellness programs, shorter waiting periods for pre-existing diseases, no-claim bonuses, room rent limits, and coverage for domiciliary treatments can help maximize the benefits of a new plan. Additionally, reviewing the policy wording and brochure and engaging with the insurer to assess their promptness in responding to queries and requests is essential.**

#### **The Porting Process:**

To port to a new plan, the policyholder must apply to the new insurer within a specific timeframe, usually 45 days before the premium renewal date but cannot be more than 60 days. The application involves filling out the proposal and portability forms, providing personal information, medical history, pre-existing conditions, and past claims, and submitting the pertinent documents.

## **Research Desk**

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