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PERSONAL FINANCE

Personal accident cover can be useful in monsoon

Anuj Gulati

The monsoon brings with it life-giving nourishment to the earth and revitalising freshness to all. But it's also a time when accidents increase manifold.

During the monsoon last year, there were 569 accidents in the city of Mumbai alone.

The Chevrolet India Survey (2016), conducted by Nielsen, concluded that driving during rains is considered as one of the worst driving scenarios by Mumbaikars.

Tree falls are another daunting disaster waiting to happen during the monsoon; on just three days during the monsoon in 2016, 50 trees fell in Mumbai alone, taking lives and leaving some injured in their wake.

In the satellite city of Navi Mumbai, accidents, including road mishaps, deaths and serious injuries, increased during the monsoon months by close to 83% in the recent past. While 280 cases of serious injuries were recorded during January-May 2015, the number increased to 513 during June-September 2015, a jump of 233 cases.

In 2014 too, there was a 77% increase in accidents in the June-September period as compared to the period between January and May. And in both the years, there were many 'without injuries' accidents recorded, wherein both motorists and pedestrians fortuitously escaped harm.

Yet, we all love the monsoon. So, instead of letting the possibility of mishaps ruin it for us, it makes better sense to be well equipped with adequate rain gear and personal accident insurance.

Personal accident insurance or PA insurance is an annual insurance policy which compensates the insured for injuries, disability or death, only if these are caused



by accidental events.

Distinct differentiators

Personal accident insurance is not the same as auto or life or even health insurance. Unlike auto insurance, in which a payout is also triggered by accidents, PA insurance only covers the insured individual with a sum assured which is much larger and not a function of the actual financial damage incurred.

Unlike health insurance, which is also a reimbursement of actuals, in the case of PA insurance, the insured is paid a fixed lump-sum amount in the event of an accident that has caused partial or total disability or death.

Lastly, while life insurance pays out a sum assured only on the incidence of death, PA insurance covers partial and total disabilities, too.

Other advantages

Personal accident insurance acknowledges the fact that age and state of health are typically

not relevant when it comes to accidents; they can happen to anyone. Accordingly, when you purchase accident insurance, there is no pre-policy health check-up required. In addition, the premium that you pay does not usually depend on your age.

Add-on benefits

These days, personal accident insurance companies propose many value-added benefits. Some companies offer to fund the education of a dependent child, to an extent, in the event of permanent disability or the death of the policyholder.

An accident may not always result in death or permanent disability but may result in fractures or burns which might require major diagnostic tests like MRI or CT Scan. Select insurance products also cover such expenses, and thus, are a lot more comprehensive in nature.

In addition, there are a number of conveniences and considerate gestures, like nursing care, do-

IT'S RAINING SAFETY

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mestic road ambulance, repatriation of mortal remains, etc, that are now bundled into accident insurance.

For a slightly higher premium, some policies offer to cover hospitalisation expenses, pay out a daily allowance and fund a compassionate visit, among other facilities.

Unpredictable as rain

Insurance is all about covering uncertainties, at least financially. Knowing that the monsoon is a time when the chance of untoward incidences increases is no reason to stay home and try to avoid them. It's all about making sure that if there's a chance something should happen, the mental, physical and financial impact is minimised and the recovery on all three counts is hastened. At the end of the day, like it has been said, "Life isn't about waiting for the storm to pass, it's about learning to dance in the rain."

The writer is managing director and CEO, Religare Health Insurance