

Cover you need but didn't know

Insurance is about as exciting as watching paint dry. But it's an essential financial tool — if you get the cover you need and not the one that's thrust upon you. We hunted down five policies you might never have heard of even though some have existed for years. These are not for everyone, but if you have special needs or are prone to specific risks, you will do well to consider them.

DISABLED, NOT BROKE

Permanent or temporary disability partial or total can cripple you financially as well as physically and emotionally. It's worse if you are the sole breadwinner and are unable to work even for a few weeks or months.

That's why you need an insurance policy that covers disability as well as death due to accidents. And there is one offered by most general insurers. As an income replacer, this policy is hard to beat. It costs as little as Rs 150 for every Rs 1 lakh of cover for disability and/or death due to an accident. In case of total disability due to an accident, you get the entire sum assured.

In case of partial or temporary disability that prevents you from working, you get a weekly compensation for as long as you are away from work (subject to conditions).

This cover is ideal for anyone with a hazardous job, and is also good for those who earn weekly wages, especially factory workers and those in the courier or delivery business.

TO YOUR NEWBORN'S HEALTH

The birth of a child is something almost everyone looks forward to, and it brings with it much joy and excitement.

However, for parents of children with congenital defects, consanguineous couples, and those belonging to communities where congenital defects are common, the anticipated birth comes with its share of worries.

Apart from the emotional trauma, there is the very real problem of being unable to meet the medical expenses for the baby. That's why companies offer the birthright insurance policy to pay for the baby's medical treatment.

BRIDGING THE HANDICAP

Parents with handicapped children have felt the need for a long-term disability insurance policy. The need is not fulfilled, but LIC's Jeevan Vishwas attempts to do so, albeit in a limited manner.

This policy is essentially a variant of an endowment plan if the policyholder survives the tenure, he gets the maturity proceeds. There is also a guaranteed 6% addition each year.

If the policyholder dies during the term of the policy, his handicapped dependent gets 20% of the proceeds as a lump sum, and the rest as an annuity for 5-15 years. Yes, the scope of the product is limited, but this is a policy that's possibly best suited to risk-averse individuals who have handicapped financial dependents.

CASH IN HOSPITAL

Health insurance takes care of medical expenses that result in hospitalisation. But what about expenses that are not covered by health plans? The salary you lose, for instance? And your attendant might also be losing pay.

Some general insurers now offer a hospitalisation cover that pays a fixed sum for the time (number of days) you spend in hospital. The policy costs Rs 250-4,500, for which you get Rs 500-2,500 for each day in hospital.

The plan is valid for up to 60 days of hospitalisation a year, which can be split into stretches of, say, three or 10 days at a time. While this may not make hospitalisation pleasant, at least you don't lose too much in monetary terms.

If you have special needs, trawl the insurance market. You may find more undiscovered gems that seem tailor-made to your requirements. Very often, the sheer number of insurance products could put you off and leave you asking why you should bother with it at all.

The answer lies in two words: what if. What if you die tomorrow, leaving your financial dependents with nothing to fall back on? With some homework, you can find an insurance cover that will let them maintain their current lifestyle even without your income