

LIFE INSURANCE PROJECT

PRODUCT DESIGN

MENTAL HEALTH INSURANCE



What is it?

Mental health issues have been dismissed or avoided long in our country. Although we are fortunate enough to be witnessing a significant shift in the same today, more people are open about mental issues than they were in the past; but all of us are not fortunate enough to afford consultancy, therapy or medicine costs.

Don't worry our new product "**Mental Health Insurance: Man-not-so-sick Santulan anymore**" has got you covered!

Our product has been designed for two purposes-

1. Social welfare- To end the stigma.

As a company we have come forward to introduce a product which will help increase awareness and more people can come forward to discuss such things.

2. Cost effective- therapies and medicinal costs for mental health issues are higher than physical health issue costs. Out of all companies only a few of them give little to no coverage for mental health issues costs, even after Mental Healthcare Act of 2017. Having an entire product for it gives it equal importance as physical health and it would be more cost effective for people unable to afford. Therapies should not only be for rich, it should be available for every person suffering internally.

What does it cover?

- **First two therapies sessions free of cost.**

For example:

T&C-co-payment will cover full cost of initial two therapy sessions costing upto Rs.3000 per session.

- **Therapy cost reduction upto 50%** depending upon the cost of session. For example:

< Rs.1000 – 20% co-payment

Rs.1000-Rs.5000- 40% co-payment

> Rs.5000- 50% co-payment

- **Medicine cost reduction upto 50%.**

For example:

T&C- co-payment of 50% of medicines costing more than 3000 per month.

- **Provides doctors/psychiatrists** associated with company for counselling and underwriting.
- **Diseases covered**- ADHD, Depression (clinically diagnosed), OCD, anxiety disorders, schizophrenia, eating disorders, behavioural and emotional disorders in children, Post-traumatic stress disorder (supposedly issues arising after loss of a loved one), psychosis,

bipolar affective disorder, paranoia, dissociation and dissociative disorder, dementia, autism, relationship issues, mental retardation-intellectual disability (incomplete brain development- speech therapy, hand-eye co-ordination etc.) [; although mental retardation is not a part of Mental Healthcare Act of 2017.]

- Post covid mental health issues.

What does it not cover?

- Serious cases of mental retardation which can be only treated in mental asylums/hospitals and cannot be cured or bettered via therapies/medicines.[only on the verification of a recognised doctor]
- Disorders due to paranormal activities.
- Outcomes due to abuse of drugs or alcohol are excluded from the plan.
- Mental retardation in children only if it is found out during underwriting that mother was under alcohol, smoking or substance usage during the time of pregnancy.

Rider

- Relationship therapy between couples.

Charging of premiums & other information

- Level of premium- monthly, quarterly, annually or deferment.
- Deferment case- if the insured is confused about the probability of him/her/them getting a mental illness they can cancel the policy before payment of premium. Cancellation charges to be paid.
- For children below 18 years of age, guardian is mandatory to buy the insurance policy. If in case an

NGO or other institution buying policy for a child/children- proper and authorised certification of the institution is needed. If a foster parent is buying a policy for their child/children- adoption papers as well as proper identification required.

- For adults 18 years and above- ID proof required (Aadhar card/PAN card/Voter ID card).
- Underwriting to be done by the counsellors/doctors and agents appointed by the company.
- Underwriting not be done if the insurer submits prescription papers from a licensed doctor only. Proof of confirmation be given to the company via mail from the licensed/recognised doctor.
- Policy to be cancelled if the insured is at fault (for example not paying premiums on time and faulty documents provided by the insured).
- Policy can be cancelled at any time giving valid reason but there will be no refund if the insurer has availed the services (listed in “what does it cover?” section). If insurer has not availed any services then cancelation fees and/or underwriting fees to be deducted from the net amount paid by the insurer.
- An example as to how premiums will be charged.*

FIXED COSTS TYPE	CHARGES	CUMULATIVE
Underwriting	50	50
Agent fee	150 per policy	150
Counselling fee	150 per person	150
Other charges (tax, commission etc)	100	50
PREMIUM-	(monthly)	400

*these are only in nominal terms and will obviously differ if the policy is in real terms.

So if suppose 1 session costs Rs.2200 (based on real life event), and there are 8 sessions in a month which will cost the person Rs.17,600, by just paying the premium of let's say Rs.400 as mentioned above, 1 session will cost Rs.1320 and so 8 sessions will cost Rs.10,560. Net payment by insured for a month including premium will be Rs.10,960.

How will company manage costs-

Cancellation fees, tying up with doctors to promote them via the company's product promotion, sponsors or government funding for increasing mental health awareness, investing the premiums with the help of an actuary calculating risk on the investment and getting returns on them, tying up with NGOs and getting funding from their sponsors, failure of insured to keep up with the policy contract so premiums paid can act as profit.

Marketing/advertising

- Advertising through Instagram (paid promotions- pages owned by institutions spreading mental health awareness, professional doctors).
- Posters in mental wellness clinics ,hospitals and through insurance agents.

Claim procedure

- After underwriting is verified the insurer can avail the services any time but by giving proof of appointments and prescriptions every time they consult.

TASK-2

CASE STUDY

Month	What happened?	Which insurance would cover this?	Did Jamie have coverage?	How much will Jamie have to pay?
January	Jamie got sick and visited the doctor. Without insurance the appointment cost Rs. 120 and the antibiotics cost Rs. 110	Medical insurance	Yes No	The insurance would co-pay Rs.30 for doctor visits and Rs. 10 for prescriptions. So, Jamie would have to pay Rs.90 and Rs. 100 respectively.
March	Jamie fell on ice while hiking and had to get stitches in the emergency room. Without insurance the procedure costs Rs. 250	Medical insurance	Yes No	Insurance would co-pay Rs.50 for emergency room visits and Jamie has to pay 20% of the cost of medical procedures- 20% of 250= Rs.50

July	A kitchen fire in the apartment next door caused the sprinkler system to activate in Jamie's apartments as well. Her couch, her television, her computer, and her bookcase were ruined. The cost of the damage was Rs. 2500.	Renter's insurance	Yes No	Since Jamie doesn't have a renter's insurance she would have to pay the full amount of damage which is of Rs.2500.
September	Jamie hit a deer when driving home from work. She wasn't hurt, but the damage to her car was Rs. 3400	Auto insurance	Yes No	Jamie pays Rs.300 as deductible for the claim therefore she would have to pay Rs.3100.
October	Jamie got dirt in her eye while picking fruit at a local farm. She went to the eye doctor when her eye became red and swollen, the doctor prescribed eye drops. Without insurance the appointment cost Rs. 150 and the eye drops cost Rs. 90.	Vision insurance	Yes No	The insurance co-pays Rs. 30 for eye doctor visits and Rs. 10 for prescription. So, she would have to pay Rs.120 for the appointment and Rs.80 for the eye drops.

1. Summarizing the costs:

Based on the insurance coverage Jamie had in place, she spent a total of Rs.6040 on herself that year. Had it been she didn't have any insurance coverage, she would have to spend Rs.6620.

2. Consider insurance in your life

In the recent time, my grandmother (a government employee-and was provided a health insurance policy by the government) had suffered from heart attack, so the cost of her pacemaker surgery was covered by CGHS panel through government. My mother had developed vocal nodules and to remove them she underwent a surgery and the some of the cost was covered by the health insurance company. In most of the cases a health insurance policy is a must to protect people in these instances. Even covid policies seems like a must during the pandemic period.

3. Jamie's advice:

Response- Insurance is a way to manage and share the risk of unexpected events. I'd say insurance is definitely worth the cost. It is a way to get secured and have some extent of financial protection. When I got sick and had to visit a doctor, luckily my health insurance covered some expense and it was not a dent in my pocket. Same way when a deer accidentally hit my car and it got damaged, my auto insurance helped me cover those damage expenses too. I was at least at peace that I wouldn't have to pay full expenses. If I had no insurance, all costs would be my responsibility. It definitely helps to reduce a financial burden. Just think about which insurance suits you the most like health insurance, auto insurance, life insurance etc. and do a proper research and homework about the services provided and if it suits your pocket.

