

## PORTFOLIO

## Taking Cover

## Exercise your way to a lower premium

It's just what your doctor ordered: Stay fit, reduce premium on your health policy

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R Research Bureau

Recognising the role of physical activity in staying healthy, insurance companies, with the help of mobile apps, now offer discounts on premium if policyholders exercise regularly during the term of the policy. So, if you are looking to reduce your premium outgo, all you have to do is stay fit. Here's how it works.

## Making it count

Health insurance companies provide reward points if a policyholder exercises to stay fit, during the policy term. You can use these points to get discounts on the premium at the time of your health policy renewal.

To earn reward points, you have to do one of these: enrol yourself in a gym, go for a yoga programme or participate in a professional sporting event such as a marathon or a cyclothon. Walking a certain number of steps a day can also fetch you reward points.

For instance, ICICI Lombard's Complete Health Insurance policy offers a maximum of 2,500 wellness points for a gym/yoga membership for one year. Each point is equivalent to 25 paise. You can redeem these points at the time of renewal and get a discount on the premium. The wellness points can be carried forward for a maximum period of three years from the date of earning the points. Note that the points will be carried forward only if the policyholder renews his/her policy continuously.

ICICI Lombard's policy also offers 100 wellness points if you quit smoking. The accumulated reward

points will get you discounts not only on the premium but also on medical bills. Aditya Birla Health Insurance's Active Assurance policy, for instance, offers such benefits. In this case, you earn 'HealthReturns' (points) by accumulating 'Active Days' — you earn an 'Active Day' by completing 10,000 steps or burning 300 calories in a day. If you have 7-9 Active Days (as HealthReturns), you get a roughly 12 per cent discount on premium.

You can also use HealthReturns for health-related expenses, including in-patient medical bills and daycare treatment (when the sum assured is exhausted). This can be used towards OPD expenses too.

There is a 30 per cent ceiling on the premium discount for Active Days of 13 or more. Similarly, in Max Bupa's Go Active plan, you can earn up to 1 lakh points a year by meeting various targets. The maximum renewal premium discount offered is 20 per cent.

## Other means

The gym or marathon are not your only means of getting a renewal premium discount. There are other means, too, such as undergoing a health check-up or taking up specific tests such as heart-related screening tests.

Under Max Bupa Health Insurance's GoActive plan, policyholders get 500 points for quarterly health assessments. They can also earn up to 1,200 points if they consult, via telephone, Max Bupa's empanelled practitioners. Your daily food habits too can earn you points, if you update the same

## Health and wealth go hand in hand

Insurer	Plan name/ mobile app	Activities that count	Wellness benefits
Aditya Birla Health Insurance	Activ Health plans/ Activ Health app	30 minutes of yoga or exercises at fitness centres, walking (7,500 steps daily), participation in marathon/walkathon/cyclothon or a similar activity which offers a completion certificate with timing assessment	Maximum discount of 30% on premium for 13 or more Active Days
Max Bupa Health Insurance	GoActive/ Max Bupa Health Coach app	Walking (5,000 steps daily), healthy food intake, habit tracking, coach interaction (with the app), health assessment, sharing tests reports	Maximum discount of 20% for 1 lakh points
HDFC Ergo General Insurance	my: health Suraksha/ my: health services app	All types of exercises/fitness activities	Maximum of 10% discount for 36 'healthy weeks' or more
Apollo Munich Health Insurance	Optima Restore/ Health Jinn app	Walking, running, other fitness activities	Maximum discount of 8% for climbing 10,000 steps or more
ICICI Lombard General Insurance	ICICI Lombard Complete Health Insurance	Participation in activities including marathon, swimming or cyclothon, enrolling in gym or yoga for a year	Up to 5,000 wellness points can be accumulated and carried forward. Each wellness point is equal to 25 paise. Customers can redeem these points against their OPD bills

\*Discount is on the premium. Source: Insurance companies' websites. Note: Information provided is cursory and not exhaustive

in the app. You can earn up to 250 points. Similarly, ICICI Lombard's plan lets you earn 100 points if you share your fitness success story with the insurer.

Also, if your medical parameters are within the normal limits, you earn up to 1,000 wellness points.

You can also get discounts of 5-15 per cent if you purchase/renew your policy online, or purchase a policy for a longer tenure (beyond one year). Apollo Munich offers a 10 per cent discount on premium if two or more family members are covered under its Optima Restore policy. The company offers an additional discount of 7.5 per cent on the premium if the insured pays two years' premium in advance as a

single premium. Similarly, HDFC Ergo General Insurance's 'my:health Suraksha' plan offers a nearly 12 per cent discount on premium if the policy is purchased for three years.

Remember that the reward system varies from insurer to insurer. Also, not all health policies may offer wellness benefits.

## How to start

Most of the reward programmes are offered through mobile apps. To get premium discounts and other benefits, policyholders have to download the respective apps. For instance, you have to download Max Bupa's Health Coach mobile app if you purchase its GoActive plan. Similarly, if you purchase any of Aditya Birla Health Insurance's Active Health plans, you need to have the Activ Health app, which can track your activities such as walking and swimming. You can set goals in the app, book appointments for consultation and check the availability of doctors or network hospitals.

Some of the insurance companies offer activation points for new users/beginners. For instance, Max Bupa offers 500 points for sign-up and activation. The app gives another 500 points if you set your own goals and earn 750 points for your first health assessment.

There are no additional costs for enrolment in these apps. On a cautionary note, do check for the policy coverage, which is more important than reward points.



Very rewarding  
The accumulated reward points will get you discounts not only on the premium but also on medical bills

## Have a question on insurance?

Send your queries to  
[insurancequeries@thehindu.co.in](mailto:insurancequeries@thehindu.co.in)

## Term Of The Day

## Restore

'Restore' is an option (usually built-in) in a health policy by insurers such as Apollo Munich, HDFC Ergo and Max Bupa. The feature ensures that a policyholder has adequate coverage even after his/her sum assured is exhausted. That is, if you utilise your sum assured, fully or partially, it will be restored to your policy.

For instance, if you have a health policy with a restore feature for ₹7 lakh and you happen to utilise the entire amount, the entire ₹7 lakh will be restored. In case of partial exhaustion, the sum assured will be restored to the extent of incurred claims.

Note that you can use the restore feature for future claims and not against any claim for an illness for which a claim has been paid in the current policy year. Generally, the restore option is available only once a (policy) year. In general, policies with restore features are priced a little higher than the other health insurance products.

## Alerts

## HDFC Life Insurance launches a non-linked participating plan

HDFC Life Insurance recently announced a non-linked, participating life insurance plan — the HDFC Life Sanchay Par Advantage. The scheme offers life cover and provides periodic income. The income offer comes with two options — immediate income option and deferred income option. Both the options provide a lump-sum at maturity. Customers can choose their premium amount, payment term and income option.

## Coming Up

- 11th December (Wednesday)
  - Financial Planning
- 12th December (Thursday)
  - Insurance

## BANKING

## Jhunjhunwala likely to withdraw from YES Bank preferential share sale offer

Lender's board may also reject the \$1.2-b offer by Erwin Singh Braich, SPGP Holdings

PALAK SHAIK/SURABHI

**Mumbai, December 9**  
Fresh concerns seem to be emerging about private sector lender YES Bank's capital-raising plans as billionaire investor Rakesh Jhunjhunwala is likely to withdraw plans to invest \$25 million in the lender through his wife Rekha Jhunjhunwala's family office. He is expected to issue a formal letter to this effect on Tuesday when the board of directors of YES Bank meets to discuss the capital-raising plans.

The logic behind not subscribing to YES Bank's preferential allotment by Jhunjhunwala is that it is higher than the

prevailing market price. There is also a lock-in period of one year.

Instead, Jhunjhunwala can easily buy YES Bank shares in the open market, lower than the preferential issue price, and it will also not have any lock-in period," said sources close to the development.

The preferential offer that YES Bank had recently announced is priced at around ₹78. YES Bank shares closed at around ₹56 on Monday on the BSE.

An email sent to Jhunjhunwala's Rare Enterprises by BusinessLine remained unanswered. Significantly, on



YES Bank board will meet on Tuesday to discuss capital-raising plans

November 4, Rakesh Jhunjhunwala had purchased 129 crore shares, amounting to a 0.51 per cent stake in YES Bank. The transaction through a bulk deal was at a price of ₹76.30 apiece, taking the total value of the deal to about ₹87 crore.

Meanwhile, sources also indicated that YES Bank's board

is likely to reject the \$1.2-billion offer by Canadian billionaire Erwin Singh Braich and SPGP Holdings.

"This is purely speculative and YES Bank does not, as a matter of policy, comment on market speculation," said a YES Bank spokesperson in response to an email by BusinessLine on the two issues.

The board of YES Bank had, on November 29, approved plans to raise \$2-billion capital through preferential allotment of shares.

Apart from Braich and Jhunjhunwala, investors, including Citic Holdings Ltd and Citix Investment Group, are keen to invest \$500 million. The bank had also said that a top-tier US fund house is willing to invest \$200 million.

Other interested investors include GMR Group and Associates which are keen to invest \$50 million; Aditya Birla Family Office and Rekha Jhunjhunwala are also keen to pledge \$25 million each.

Foreign institutional investors Discovery Capital and War Ferry are willing to invest \$50 million and \$30 million.

## CII-IBA 'Financial Conditions Index' declines to 68.9 in Q3

OUR BUREAU

**Mumbai, December 9**  
The CII-IBA Financial Conditions Index (FCI) for the third quarter recorded a lower value of 68.9 vis-a-vis 70.4 in the second quarter due to a decline in economic activity (the preceding quarter), External Financial Linkages registered a value of 71 (a drop of 2.4 points) and Economic Activity Index a value of 54 (a drop of 5.4 points).

Of the four sub-indices comprising FCI, only the funding liquidity index improved by 4.5 points and registered a value of 72.7 against the preceding quarter.

The FCI, which is based on a survey of 22 banks and financial institutions, in the reporting quarter recorded a value of 68.9 with an overall optimism above the 50-mark for the fourth time in a row, according to a joint statement issued by the Confeder-

ation of Indian Industry (CII) and the Indian Banks' Association (IBA). The value shows cases the optimism among banks and FI players, it added. The Cost of Funds Index registered a value of 77.8 (a drop of 2.9 points against the preceding quarter). External Financial Linkages registered a value of 71 (a drop of 2.4 points) and Economic Activity Index a value of 54 (a drop of 5.4 points).

**Overall optimism**  
Economic activity, though projecting an optimistic outlook, is yet to generate good score from the responses, the statement said.

The survey observed that the overall optimism in the economy persists primarily because of the accommodative monetary policy of the

RBI, where the benchmark policy rate was reduced by 100 basis points since April 2019 due to weaker-than-anticipated inflation, deceleration in growth, and softer international monetary conditions.

The performance of the banking system also improved as non-performing asset (NPA) ratios declined impressively and credit growth accelerated. Most of the banks could declare profit and some of them came out of the prompt corrective action (PCA) framework of the RBI.

"However, financial flows to the economy remained constrained because of the decline in the amount of equity finance raised from capital markets and continued stress in the NBFC sector," the statement said.

## Rupee settles 16 paise up vs \$

PRESS TRUST OF INDIA

**Mumbai, December 9**  
The rupee pared initial losses and settled 16 paise up at 71.04 against the US dollar on Monday amid softening crude oil prices and weakening of the greenback against a low of 71.27, and finally ended the day at 71.04 against the US dollar.

Moreover, positive developments from the US-China trade front also supported the local unit.

At the interbank foreign exchange market, the rupee opened at 71.24 against the US dollar. During the day, the domestic unit fluctuated between a high of 71.02 and a low of 71.27, and finally ended the day at 71.04 against the US dollar.

On Friday, the rupee had settled at 71.20.

## ICICI Bank opens new service centre in Bahrain

PRESS TRUST OF INDIA

**Dubai, December 9**  
ICICI Bank, on Monday, said that Alok Kumar Sinha, India's Ambassador to Bahrain, has inaugurated a new service centre of the bank in the Gulf nation, making it the lender's second physical touch point in the country. The bank already has a retail branch at the local Manama Centre, the bank said in a statement. The new service centre will provide services for all products offered by the Manama branch, except cash deposit and withdrawal.

The bank offers retail, private banking and corporate banking services in Bahrain. It offers products, especially designed for customers in Bahrain, such as savings and current account, fixed deposits, global money transfer, life insurance products, and general insurance products, it said.

## Microentrepreneurs will drive India story: ESAF SFB chief

THOMAS ABRAHAM

Bengaluru, December 9

After the successful rollout of its innovative micro recurring deposit scheme in Kerala and the rest of south India in June, Thrissur-based ESAF Small Finance Bank is expanding its Madhyali Prastha, Chhattisgarh and Maharashtra, said K Paul Thomas, Founder MD and CEO of the bank.

"We started the Micro RD scheme in June. The contribution for this scheme starts at ₹50 per week. We have received good response for this product. Micro RD and Micro Savings put together have brought in ₹75.56 crore till October 31, 2019," said Thomas.

The plan aims at developing a regular savings habit among the bank's low-income customers for their different lifecycle needs, such as children's education and building homes, among other



K Paul Thomas, Founder MD and CEO, ESAF Small Finance Bank

## A big move

In a freewheeling conversation with BusinessLine, Thomas said: "If India has to achieve the Prime Minister's dream of becoming a \$5-trillion economy by 2024-25, micro-level entrepreneurs must be supported; they will drive the growth. I strongly believe that microentrepreneurs will drive the India story. I say this out of my practical experi-

ence spanning 27 years." Of this, 18 years were spent at Nabard, where he gained understanding of India's agriculture sector, and its low-income population.

According to Thomas, the low- and mid-income group comprises 60 crore people, of which, 36 crore are economically active — those who have the capacity to work / become entrepreneurs.

"These are the people who need to be focussed on. Not just loans, they need capacity building and linkages with industry. ESAB, as a bank, is focussed on providing these," he said.

With 95 per cent of ESAB's assets in microfinance, unsecured loans, its focus is clear. "We don't want to lose focus on this customer segment. And my aim is to create more jobs," he said. Recently, 12 microentrepreneurs funded by ESAB were honoured for their

achievements. "I will tell you one of these success stories," said Thomas.

## Success story

"This lady Sindhu, from Nilambur, Kerala, took a ₹60,000 loan from us for making mats made from cotton waste sourced from Tiruppur (Tamil Nadu). These are low-cost use-and-throw mats, not the high-end ones. Initially, she stitched these mats herself. Now, within about five years, she is providing employment to about 20 people, each of whom is earning between ₹400 and ₹700 daily. This lady is now making a profit of about ₹50,000 per month."

"Sindhu has now gone a step ahead. She has taken a new loan of ₹6 lakh and put up a factory shed," said Thomas with a smile of satisfaction.

"So, we are supporting such

type of people." ESAB has 30 lakh women in its self-help group (SHG), or Sangam, as it is called. At least 10 per cent of these people give jobs to at least two people each. And their loan ticket-size is small, too. "It's a maximum of ₹1 lakh," said Thomas.

Thomas also said ESAB will be starting agri-lending from January. "A separate vertical is being created. It is starting from Tamil Nadu, Karnataka and Andhra Pradesh. Our NGO (ESAF Society), which is supported by Nabard and Small Farmers Agri Consortium (SFAC), is involved in promoting farmer produce companies. We will be launching products for this segment. It will be for their working capital requirements. They will be used as our channel to start their input shops, procurement, etc."

ESAB is also setting up an MSME team. "We will roll out

products in the segment by January," said Thomas. He further said ESAB will slowly diversify but "without losing focus on the low- and middle-income groups".

## General economy

As for volatility in the financial markets, Thomas said most of the loans given out by ESAB are to low-income families/ bottom-of-the-pyramid customers and, fortunately, volatility has not reached that level. According to the SFI chief, it is the upper-middle sector that has been impacted, not the low- and middle-income ones.