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[Insurance Query: Accident cover, especially during monsoon](#)



My son travels a long distance to work, frequently on the highway. I often worry about accidents, especially when it rains. Please advise on the best types of accident insurance for protection against unforeseen circumstances.

Archana

It's commendable that you're taking steps to secure your family's financial well-being, especially given the risks that the monsoon season can bring.

Accidents can be devastating for any family, particularly when they result in the untimely loss of a family member who is also the primary breadwinner. Losing a loved one can pose challenges such as managing basic household expenses and children's education. Also, if an accident results in a temporary or permanent disability, the entire household may need to adapt to a new lifestyle, adding further stress.

Personal accident cover

To cover all these challenges, a personal accident cover is available at a very nominal price. In fact, for a cover of about ₹10 lakh, providing basic death and disability benefits, the premium is as low as ₹1,000 a year, which is less than ₹3 per day — less than the cost of a cup of tea!

The monsoon season brings heightened risks for daily commuters and frequent travellers. Slippery roads, reduced visibility, and the increased likelihood of accidents make it essential to ensure one's safety. For frequent travellers like your son, one of the best ways to ensure financial protection is by opting for a Personal Accident Cover. Several options are available that cover accident injury, disability, even death. The good news is that this policy can be renewed for a lifetime, and you can cover yourself, your spouse, and your dependent children.

Three categories

Personal Accident Insurance Policy coverage can be divided into three categories: basic, wider, and comprehensive. The basic policy typically covers only death. A wider policy provides broader coverage, including death, permanent total disability, and permanent partial disability. A comprehensive policy offers the most extensive coverage, encompassing death, permanent total disability, permanent partial disability, and temporary total disability. Along with this, you can consider add-on covers, such as medical expenses and hospital confinement allowance.

A personal accident insurance policy also provides essential financial support with various benefits. In the tragic event of death, the policy ensures that a lump sum amount is provided to the nominee, offering financial stability during a difficult time. For individuals facing permanent total disability, this policy enables them to manage their expenses in the absence of a steady regular income. For such cases, some insurers may even offer a pay-out of up to 200 per cent of the sum insured.

Additionally, in cases of permanent partial disability, the policy provides a proportionate pay-out based on the extent of the disability. Temporary total disability is also covered, with weekly compensation to cover lost wages.

Additionally, these policies provide financial support for the education of dependent children, ambulance charges, hospitalisation, surgery, rehabilitation, funeral expenses, and a lump sum payment for modification of place of residence and/or modification of the insured person's vehicle in case of permanent total disability.

Sum insured

Now that you know about the policy's coverages, the next question might be what sum insured to pick. The sum insured is calculated based on the individual's annual income, occupation risk, and coverage needs. Typically, it's a multiple of the monthly income, considering future financial requirements.

When choosing the sum insured for an accident policy, consider selecting an amount that is at least 5 to 10 times your annual income for adequate support. Consider your occupation's risk level, financial obligations such as loans and mortgages, and your dependents' needs, to secure your and your dependents' financial well-being.

Go for health insurance policy too

In addition to your personal accident cover, go for a robust health insurance policy, which offers extensive benefits for illnesses and accident coverage, including immediate emergency treatments and hospitalisation from day one.

These plans work together to create a robust safety net. These coverages offer peace of mind by safeguarding your family against medical expenses, potential income loss due to accidents, and the various risks associated with frequent travel.

The writer is MD & CEO, Bajaj Allianz General Insurance