

Huge gap between claim and sum assured

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Similar to low penetration, underinsurance is an equally daunting issue in health-care. Insurance players are witnessing multi-fold gap between the claims made by the customers and their sum assured.

A Bajaj Allianz General Insurance analysis found that the claim cost was multiple times higher than the sum assured in cases both common and life-threatening diseases.

The highest gap of 296 per cent was found in demyelinating diseases like multiple sclerosis. While the average sum assured was 2.5 lakh, the average claim cost went up to 9.9 lakh. In spinal injuries the gap was 225 per cent between Rs 1.94 lakh and Rs

6.3 lakh. The difference in average sum insured and average claim cost in more common ailments such as injuries, burns, hypertension, swine flu and pneumonia was in the range of 140 per cent to 170 per cent. Even in road traffic accident related head injury, the average sum assured was Rs 1.75 lakh while the claim costs had hit Rs 4.72 lakh.

“Those who purchase health insurance typically perceive it to be a tax saving tool. This leads to underinsurance scenarios. Lack of financial awareness and low perceived benefits of insurance products also contribute to this,” said Bhaskar Nerurkar, head of the health administration team, Bajaj Allianz General Insurance Company.