

Insurance claims for treatment trickle in, total over ₹58 lakh

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It's only a trickle so far, but health insurance companies have started receiving claims from covid-19 patients after the government allowed private hospitals to treat the disease last week.

According to data compiled by the General Insurance Council, an industry body for non-life companies, as on 30 March, the insurance sector has received 34 claims, with a total claim size of around ₹58.05 lakh. Of this, the industry has settled 10 claims so far of ₹14.2 lakh, placing the average claim at about ₹1.42 lakh.

When the government allowed private labs to test people for the virus, it recommended a cap of ₹4,500, but in the case of treatment there is no limit. As per the data, the claims show a huge variation: From as little as ₹50,000 to as much as ₹4.3 lakh.

"Covid-19 is an infectious disease and only a small percentage of the population will need critical care. However, patients will need to be isolated with some baseline treatment being given. Hospitals have to earmark isolation wards for treatment and so this may come at a higher cost. Right now, there isn't any capping on the cost of covid-19 treatment as the cost could vary depending on the severity of the condition," said Bhaskar Nerurkar, head of health claims at Bajaj Allianz General Insurance Co. Ltd. The city and hospital are also factors.

Insurers said the lockdown has prevented a surge in claims. "Lockdown and aggressive testing may break the chain of transmission and



The average claim for covid-19 treatment is ₹1.42 lakh. REUTERS

this means we may contain the spread of the virus like South Korea. Right now, elective treatment may get deferred, but that's still a cost we will have to incur at some point. The next two weeks are crucial to understand the trends, but the measures taken so far inspire hope," said Sanjay Datta, chief of underwriting and claim at ICICI Lombard General Insurance Co. Ltd.

According to experts, the cost of treating covid-19 is high due to antivirals, ventilators,

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personal protective equipment kits and separate wards. "Covid-19 treatment is expensive in most cases, but the real worry for the insurance companies is going to be managing the

volume. Even as the government has allowed the private sector to treat patients, it will have to step in to subsidize the cost, else private treatment can become unaffordable for the uninsured," said Kapil Mehta, co-founder of Secure-Now Insurance Broker Pvt. Ltd. According to him, insurers with a large group portfolio will feel the pinch and may have to revise prices upwards.

Most insurers *Mint* spoke to said it was early days to comment on the impact of the virus on health insurance.