

# Group mediclaim in vogue

**A STAFF REPORTER**

**Calcutta:** Small and medium-sized companies may opt for group insurance policies in large numbers as such mediclaim for employees has been made mandatory for entities planning to resume operations.

While most large corporates already have medical cover for their employees, insurance companies expect small and medium enterprises to now look at mediclaim policies for their employees more seriously.

A group mediclaim can act as an additional incentive for employees looking to report to work. Instead of cover for a specific disease, the insurance companies are hopeful that a comprehensive policy that also includes other diseases would be considered by these firms.

"It is important to keep the morale of the employees high and give them the incentive to join. Health coverage would go a long way towards achieving that. It is advisable that a full-fledged cover is con-

## ADDED INCENTIVE

- Small and medium firms may look at mediclaim policies after home ministry makes it a mandatory condition for resuming work after April 20
- Group cover works out cheaper
- Mediclaim will be an incentive for employees to join work

sidered by SMEs that not only covers specific diseases but accident hospitalisation and medical exigencies as well," said Gurdeep Singh Batra, head of retail underwriting, Bajaj Allianz General Insurance.

"It is anticipated that group insurance sales would pick up. More small and medium enterprises may come forward to buy group policies. The companies should not consider this as a burden. It is an investment that will motivate the staff to report to work," said S. Prakash, managing director of Star Health and Alliance Insurance.

A major concern of a mandatory pur-

chase of mediclaim policy is the additional cost that the companies have to bear at a time business is crippled on account of the lockdown. But insurance companies estimate that group policies preferred by corporate clients are 20-25 per cent cheaper than individual cover.

While several parameters such as the size and age group of workers, their family size, the nature and location of the industry determine the premium outgo, a typical Rs 2 lakh cover comes at a premium of about Rs 2,500 per head. "For a 100 employee company, the insurance bill will be around Rs 20,000 per month," an industry analyst said.

## ESI cover

Some SMEs said that insurance coverage is already there for their employees as part of the Employee State Insurance scheme. The scope of the scheme is limited to registered enterprises with more than 10 employees and workers earning up to Rs 21,000 per month. The scheme covers around 12,11,174 employers.