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Corona Kavach policy a big hit among consumers

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The fear of contracting coronavirus is pushing more and more individuals to cover themselves under standard health insurance policies such as Corona Kavach. Launched last month, the Kavach plan has seen positive uptake from customers.

The product was launched on July 10, with the insurance regulator giving its nod to 30 non-life insurers to offer the product forthwith. According to the regulator's mandate, it has to be offered by all health insurers, despite traditional health policies covering Covid care. Given a large section of the population still does not have health insurance cover, the idea was to offer policyholders protection against the contagion at an affordable premium.

From July 10, when it was launched till August 7, 1,087,030 lives have been covered under Corona Kavach through 648,276 policies with premium of ₹182 crore and sum assured for ₹42,956 crore. In addition, 186,347 lives have been covered under Corona Rakshak through 156,695 policies with premium of ₹25.5 crore and sum assured for ₹3,293 crore, an Irdai official said.

"We did not anticipate that the product would gain so much traction. We are seeing increasing demand from millennials," said a



ARMOUR-PLATED AGAINST VIRUS

- **Corona Kavach policy, launched last month**, is seeing huge traction among consumers
- **Irdai chairman said 450,000 individuals** have been covered under it so far
- **Insurers say the policy is seeing huge demand** from millennials
- **Mostly, the six and a half month and the nine and a half month tenors** are being purchased
- **Consumers are opting for ₹5-lakh sum insured**
- **Where affordability is not a problem**, people are looking to buy comprehensive health policies

senior public sector insurer.

Echoing his sentiment, Gurdeep Singh Batra, head-retail underwriting, Bajaj Allianz General Insurance, said, "This is bringing cheer to insurers." The agency network is where insurers are seeing more traction for the policy. "We have seen 70 per cent of the business coming through the agency network. Of all the tenors available, consumers are choosing to buy six and a half month- and nine and a half month-policies," added Batra.

Amit Chhabra, business head-health at PolicyBazaar, said, "We started selling it three weeks back and very quickly, we were selling

1,000 policies a day. People are mostly buying the ₹5-lakh sum insured and the tenor in most cases is nine and a half months. The average premium customers are paying is ₹1,900."

Unlike Corona Kavach, Corona Rakshak has not seen much traction because of availability. Since it was not a mandatory cover like the Kavach, only a few insurers offer it. The maximum sum insured is just ₹2.5 lakh, compared to ₹5-lakh sum insured for Corona Kavach. Insurance experts said while buying the Corona Kavach policy, people are actually comparing the dedicated Covid-19 product

with normal health policies. It has been seen that people are preferring to buy normal health cover over the Covid cover.

"Wherever affordability is not a concern, more and more people end up buying the normal health insurance cover. People who cannot afford a normal health cover but still want protection against uncertainties, end up buying the Corona Kavach," said Chhabra.

"If we look at it geographically, wherever the number of cases are rising, we are seeing greater demand for a Covid-tailored policy. In cities like Delhi where cases are falling, demand, too, has petered out," he said.

"We have sold around 10,000 policies so far. The data shows there is demand for short-term Covid-specific covers, especially among first-time buyers of health insurance. Eighty-five per cent of policies sold are ₹5-lakh covers, with 80 per cent being for a nine and a half-month duration. The highest purchase of the Corona Kavach plan is by millennials — 43 per cent buyers are in the age group of 18-30 years," said Bhabatosh Mishra, director-products, underwriting & claims, Max Bupa Health Insurance.

The Corona Kavach policy is an indemnity cover, with an optional cover that will be made available on a benefit basis. This indemnity cover takes care of hospitalisation expenses incurred by the insured for the treatment of Covid-19 on positive diagnosis.