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[Health insurance awareness rising but not leading to surge in policy sales, says Bajaj Allianz General CEO](#)

Tapan Singhel, MD & CEO of Bajaj Allianz General Insurance said that there is a rise in awareness about medical insurance due to the COVID-19 outbreak. But he said that this is not led to a huge spike in sales for the industry.

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Even as the Coronavirus (COVID-19) has brought forth the necessity to buy health insurance, the actual number of policies taken may not be adequate.

Tapan Singhel, MD & CEO of Bajaj Allianz Health Insurance told Moneycontrol in an interview that while COVID-19 has started a serious conversation around buying health insurance, not all of it is translating into sales.



“There is a perception that everyone is now buying health insurance in India. But that is not the case,” said Singhel.

In fact, the Insurance Regulatory and Development Authority of India (IRDAI) member non-life T L Alamelu had also said on August 19 that there is a big gap in health insurance coverage in India.

Even as 2.77 million Indians have tested positive for Coronavirus (COVID-19) so far, only 1,25,000 health insurance claims have been filed as of August 12. This means that close to 96 percent of COVID-19 affected are not covered by health insurance.

Data from the insurance regulator IRDAI showed that while health insurance is the largest business segment for the non-life sector with premium collection of Rs 13,346.59 crore as of June 30, there was only a year-on-year (YoY) growth of 8 percent.

Bajaj Allianz General Insurance saw a 15.5 percent YoY growth in the retail health portfolio gross direct premium to Rs 155.11 crore in the three-month period ended June 30 as per IRDAI data.

The insurer has also announced a premium installment facility available with its health insurance product 'Health Guard'. This product, available on both individual and family floater

basis, will now have the premium installment option on a monthly, quarterly, half-yearly and annual basis as per the customer's requirements.

Among the other business, Singhel said that while there is some recovery being seen in segments in motor insurance due to the auto sales, he added that it is too early to say that this will be the trend in the following months.

"Auto sales has started picking up so motor business is picking up. But we need to remember that the pandemic is still amidst us," he added.

Though the segment-wise data till the end of July is not yet available, gross premium collection figure of Bajaj Allianz General stood at Rs 2,003.83 crore for the month of July 2020. This was more than double the last year's figure of Rs 939.42 crore gross direct premium collected in July 2019.

Due to the lockdown because of Coronavirus, claims ratios of the insurance industry has stayed under control.

The combined ratio which looks into the incurred losses and expenses versus the earned premium is used to measure the profitability of a non-life insurer wherein a ratio under 100 percent indicates that the insurer is posting underwriting profit.

For Bajaj Allianz General, the combined ratio for Q1FY21 stood at 90.4 percent as against 103.1 percent in the year-ago period.

But, Singhel warned that one shouldn't presume that the claims losses will stay low.

"It is a myth that general insurance companies are making a lot of money right now. Policyholders have now headed home and it is likely that claims will now start coming in for health as well as personal accident, motor cases," he added.