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## Health Insurance 2.0

**H**ealth has been one of the fastest growing categories in the general insurance industry. During 2015-16, the gross health insurance premium collected by non-life insurance companies was Rs. 24,784 crore, an increase of 22 per cent from 2014-15. Over the past five years, there has been a marked increase in the share of individual health insurance premium collected. While many who did not have a health insurance cover have started purchasing them, those with existing health insurance plans are moving beyond just 'hospitalisation covers' to more comprehensive covers that include benefits such as expenses related to OPD treatments, physiotherapy, dental care, maternity covers, and alternative treatments.

Today, higher sum insured, disease-specific covers for ailments such

as dengue and cancer, and significant emphasis on wellness and health maintenance are offered. In the coming year, we could also see the inclusion of more disease-specific covers for lifestyle diseases with inbuilt wellness features. In future, we may even see inclusion of psychiatric disorders. Insurers are trying to reduce the gap between the medical spends in the country and what is covered under health insurance.

The game changer, given the rising awareness of health insurance, will be the value proposition and the enabling ecosystem that insurers create while using the right distribution channels. What will enable insurers to provide personalised health solutions to its customers is the tremendous technological development in the healthcare industry, and the increasing adoption of connected devices. Insurers will be able to launch more personalised health insurance policies, provide incentives for preventive care such as discounts on premiums based on fitness and wellness.

In future, underwriting and claims

will become more commoditised, and the relationship with customers will move from beyond-the-bill to adding more value, and will involve continuous engagement with customers. The recent health insurance regulations released by the regulator also place great emphasis on the wellness front.

We will also see significant improvement in the existing health insurance architecture with better technological integration with hospitals to facilitate better claim servicing, health inspections, etc. Insurers are also negotiating health packages with hospitals for defined treatments to control out-of-pocket spends on healthcare and further broaden the reach in terms of adding more hospitals to the cashless network.

On the distribution front, the explosion of technology backed with the increase in internet and mobile telephony provides a low-cost opportunity, which will see insurers leverage some of the success of online banking and e-commerce to build an online product bouquet that engages the customer and enables him/her to buy. ♦