

Insurers say cancer claim amounts increasing as treatment costs rise

Increasing incidences of the disease seen as another reason for higher claims

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MOST insurers are seeing the claim amount pertaining to cancer going up every year. Apart from increasing incidences of cancer, rising cost of treatment also has been leading to higher claims.

In case of Max Bupa, the volume of claims for cancer has grown by 187 per cent year-on-year. The company reported an increase of 14 per cent in the average claim payout between 2013 and 2014. The average claim amount for cancer in 2013-14 was Rs 61,620 and this went up to Rs 70,374 in 2014-15. Tier I cities recorded almost double the claim amount against smaller cities. In 2014-15, the average claim amount in tier I cities was Rs 82,671 whereas Rs 44,200 in tier II cities.

Bajaj Allianz General Insurance finds that the cost of treatment for cancer has gone up significantly due to the advancements in cancer treatments. "We have seen a rise of close to 10 per cent in terms of claims payout for cancer related treatments in the last two years, owing to the rising cost of medical treatment. In comparison to other diseases, cancer requires prolonged treatment and screenings continue for a longer duration," said Suresh Sugathan, head of health Insurance, Bajaj Allianz General



Worrying facts

■ In case of Max Bupa, average claim amount for cancer in 2013-14 was Rs 61,620 and this went up to Rs 70,374 in 2014-15. The average claim amount in tier I cities was Rs 82,671 in 2014-15

■ Another private sector insurance company Bajaj Allianz says it has seen a rise of close to 10 per cent in terms of claims payout for cancer-related treatments in the last two years

■ Apollo Munich says it had 2,255 cancer claims placed before the company in 2014, while from January to November 2015, it saw 2,505 cancer claims. It paid out an average claim amount of Rs 2,41,667 in 2014-2015

Insurance

"Over the last few years the incidence of cancer has been on the rise in India as a result of unhealthy lifestyles, consumption of tobacco, improper diet, various kind of pollution etc. At Apollo Munich we had 2,255 cancer claims placed before us in 2014, while from January to November 2015, we saw 2,505 cancer claims. The rise in average claim amount has also been evident as we paid out average claim amount of Rs 1,24,117 in 2009-2010,

and Rs 2,41,667 in 2014-2015," said Antony Jacob, chief executive officer, Apollo Munich Health Insurance.

Cancer-related claims from age group of above 40 too have increased from 59 per cent of the total claims to 62 per cent between 2013 and 2014, as per the data from Max Bupa. There is also an increase of 38 per cent in cancer claims from female in the last one year, said Ashish Mehrotra, CEO and MD, Max Bupa Health Insurance.

The data from Bajaj Allianz too showed that the maximum concentration of claims was seen in the age group of 45-65 years. The claims were largely pertaining to breast cancer, which accounted for 12 per cent, colon cancer 10 per cent and blood cancer and lung cancer 10 per cent.

Bajaj Allianz received close to 6,000 cancer treatment claims and majority of these claims were reported from metros. Mumbai topped in the number of claims with 21 per cent share.

The insurers find that a simple indemnity plan is not sufficient to meet the increasing treatment expenses. "Just opting for a standard hospitalisation or health insurance policy will not provide adequate coverage as it will cover the hospitalisation expenses. A critical illness policy will provide a lump sum amount upfront and the policyholder can avail the best treatment within the country or outside the country. This lump sum amount can also be utilised to take care of the financial liabilities," said Sugathan.

According to him, a combination of a health insurance plan to indemnify hospital expenses and critical illness plan will provide comprehensive coverage. "The growing incidence of critical illnesses like cancer and the cor-

respondingly increasing costs of treatment for such diseases is prompting consumers to purchase larger ticket size health insurance policies at a younger age," added Mehrotra.

"Our indemnity plans like heartbeat and health companion provide coverage for critical illnesses like cancer. Our heartbeat plan also offers cashless treatment abroad for critical illnesses like cancer across 190 countries up to sum insured of Rs 1 crore. Our fixed benefit plan health assurance provides a fixed lump sum amount up to Rs 10 lakh in case a customer contracts cancer," he added.

As per the latest Asia cancer trends study by Swiss Reinsurance, the economic growth has powered a dynamic shift in lifestyles, with increased urbanisation, adoption of westernised diets and obesity contributing to an upward cancer trend and changing cancer pattern in Asian countries. This is predicted to lead to an increase in incidence of cancer in the region from the current level of 6.1 million to 10.6 million by 2030.

According to the national cancer registry programme, India will have close to 13 lakh cases of cancer by 2020, an increase of 14 per cent from 2015.