

# Cashless settlement for health, motor claims dips 5%-10% in '20

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Chennai: Fewer wheels on roads due to lockdowns and postponement of planned hospitalisation resulted in a drop in cashless insurance claims. Some general insurance companies witnessed a 5%-10% YoY decline in cashless settlement of claims — largely health and motor — between April and December, last year.

ICICI Lombard saw its cashless claims settlement decrease from 50% in 2019 to 40% in 2020. "We have seen cashless

settlement of health insurance policies decline in this financial year. However, it will slowly revive in the coming months," Sanjay Datta, who

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heads its underwriting and claims division said. Bajaj Allianz General Insurance cashless claims settlement has declined by about 5%.

"With the overall health claims predominantly relating to planned hospitalization and surgical procedures,

there was a drop as people feared contracting the coronavirus. Since, these procedures are typically cashless claims the percentage dropped by about 5%," said chief technical officer TA Ramalingam.

Since many people left big cities to go to their hometowns, vehicle repairs were undertaken at local garages resulting in fewer cashless claims. Such repairs and claims were paid as reimbursement

to the insured. "From our analysis, many people have also moved to their hometowns.

There is a possibility that some locations may not have our authorized garages for a particular make or model in which case customers opted for a local garage and hence applied for reimbursement claims which further contribute to the reduction in cashless claims," he added.

"Initially, there were few issues in garages reporting shortage of staff due to migration labourers back to their villages. However, it is not a big issue for us currently," ICICI's Datta added.