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Surge in Covid-19 cases leaves non-life insurers on tenterhooks

SUBRATA PANDA

Mumbai, 31 December

Non-life insurers are bracing for a likely impact of the rapid rise in Covid-19 cases in the country over the past few weeks. This comes as hospitalisations have started increasing, although marginally, thus reversing the declining trend seen post the second wave.

Insurance experts have pointed out that the increase in hospitalisation has already started reflecting on their claims figure, thus raising concerns for the health insurers, going forward.

According to Bhaskar Nerurkar, head – health claims, Bajaj Allianz General Insurance, the slow rise in Covid-related hospitalisations has already started reflecting on claims. “There was a continuous decline in the number of cases getting admitted to hospitals due to Covid-19 since the second wave, but the trend reversed from the second week



WORRYING TREND

► Covid cases are on the rise, leaving insurers worried about future claims

► Hospitalisation cases have increased but only marginally

► Non-life insurers settled around 2.75 million Covid claims, amounting to ₹25,000 crore

► Insurers have also seen a substantial rise in non-Covid claims this year

of December,” he added “The number of admissions has increased marginally and our current observation is that hospital admission cases are not so severe, barring a few. Whether the severe cases will increase is very difficult to predict at this time,” he said.

“Covid cases are increasing at a rapid pace again and it certainly will have an impact on the claims. People with comorbidities and the unvaccinated

population will perhaps be at a higher risk but nobody is sure of what this third wave entails. Each wave has its own peculiarity. There are too many variables so the impact of this wave will depend on how these variables play out in the future,” said Rakesh Jain, CEO, Reliance General Insurance.

Data shared by the insurance regulator recently showed that non-life insurers settled 2.75 million Covid-

related health claims, amounting to ₹25,000 crore, of the 3 million claims the industry received.

In FY21, non-life insurers had settled 849,034 claims amounting to ₹7,833 crore. Consequently, in Q1 of FY22, when the second wave ravaged the country, they had paid approximately ₹7,700 crore towards 780,000 Covid claims. As the second wave receded, the claims burden of insurers also fell. In Q2 of FY22, non-life insurers settled approximately ₹5,000 crore towards 620,000 Covid claims. Experts said Q3 of FY22 (October – December) was even better for the insurers from Covid claims perspective.

Bhabtosh Mishra, director, underwriting, products & claims, Niva Bupa Health Insurance, said, the Omicron variant is becoming the most dominant Covid variant. While it is far more infectious than the Delta variant, it is much milder in nature.