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## Demand for health insurance products picks up pace

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With Covid-19 cases across the country rising rapidly once again, demand for health insurance products has spiked. Insurers are seeing an uptick in inquiries for such products and underwriting more premiums in the segment.

Already, health insurance was growing at a rapid pace since the onset of the pandemic as awareness around risk had heightened among consumers. But the country recorded more than 600,000 Covid-19 cases in the past week, which is almost a six-fold rise than the previous week.

Owing to this, the spike in demand for health insurance products is inevitable, experts said.

But the peculiar difference this time is that consumers are looking for more holistic health products rather than the normal Mediclaim policies. In the first wave, Covid-specific products were in huge demand and during the second wave, consumers opted for more comprehensive products.



Amit Chhabra, business head — health — Policybazaar.com, said, "We have seen a robust increase in demand for health insurance products in the past few days as Covid cases have spiked across the country. Leads for health products have gone up by 30 per cent, and daily premiums are up 45 per cent. The

demand for health products is steeper than what we have seen so far."

"There is an organic demand for policies, which give early Covid coverage. Consumers are also looking for policies that cover consumables or opting for riders. Even renewal persistence for health insurance has

gone up by almost 3 per cent," he said.

The health segment has grown by 29.2 per cent till November FY22, which is more than double the growth of 12.7 per cent witnessed in the corresponding period of FY21.

This has resulted in the health segment increasing its market share from 25.9 per cent to 33.5 per cent. Standalone health insurers have seen a better growth in health premiums than their counterparts in the general insurance space. This indicates that retail premiums are growing faster than the group business.

"There has definitely been an increase in demand for health insurance products, inquiries have gone up, and these are more from the younger generation. With the experience of the two earlier waves, people are looking at more comprehensive policies, and not restricting themselves to just Covid-specific policies. They are also looking at more holistic health insurance policies and opting for required add-on covers which can help them reduce out-of-pocket expenses," said Gurdeep Singh Batra,

head of retail underwriting, Bajaj Allianz General Insurance.

"The demand for health insurance will not go down after the current wave, but the immediate spike may become more even. Also, health insurance will continuously see growth in the next two years with more comprehensive products and services being included," he added.

"There is an average increase of 10 per cent in demand since the beginning of the third wave. Here, the conversion is happening faster than usual where a customer used to take a couple of days to think and contemplate the deal. But now, customers are making decisions faster," said Naval Goel, founder & CEO, PolicyX.com.

While the spike in demand for health insurance products has got insurers excited, at the same time, they are worried about the claims scenario.

Recent data suggests that non-life insurers have settled more than 2.75 million Covid health claims, amounting to ₹25,000 crore, of the 3 million claims the industry received.