

Universal health cover may bring down costs

To Aid Financial Protection: Bajaj Allianz CEO

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Mumbai: India's uninsured population could get cover at Rs 2,000 for a sum insured of Rs 5 lakh if universal health insurance were to be introduced in line with the schemes of some state governments.

According to Bajaj Allianz CEO and CII National Committee on Insurance and Pensions chairman **Tapan Singhel**, such a scheme could help cover the 'missing middle' — the population not covered by any scheme for underprivileged, individual health policies or employer's group insurance cover.

"There are existing models like the universal health insurance in Rajasthan, which can be made available to the entire state population," said Singhel. He added that the government could open up

these schemes for subscriptions without any subsidy from the state, and the premium could be paid by employers, including those in the unorganised sector.

"One reason people slip below the poverty line is because of healthcare expenses they cannot pay. If such out-of-pocket expenses could be covered, it would add around 1.2% to GDP. We already have the Prime Minister health scheme for those below the poverty line, the average premium is much lower compared to normal personal insurance cover," he said.

In October 2021, government think tank Niti Aayog had released a report on the 'missing middle', highlighting the need to design a low-cost comprehensive health insurance product for this segment. According to the report, at least 30% of the popu-

lation or 40 crore individuals, are devoid of any financial protection for health. The report proposed wider industry and government stakeholder consultations and discussions with consumer groups.

Singhel said that bringing the 'missing middle' under the universal insurance coverage either through participation in a paid group scheme or funded by employers would bring in Rs 80,000 crore of premiums which would help increase healthcare capacity.

The universalisation of health insurance would also address the issue of adverse selection — a situation where healthy people drop out to avoid paying a higher premium and unwell people continue buying insurance.

Singhel said this would also add to the country's GDP as there is a clear link between insurance penetration and GDP growth.

