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Fearing financial fever more, youngsters rushing for Corona Kavach policy

GNAGASRIDHAR

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More than the health risk posed by Covid-19, the younger generation appears to fear the financial impact of the infection and is keen to shield itself from the adverse effects on the purse.

According to early indications available to insurers, the bulk of the buyers of the standard Covid-19 policy, Corona Kavach, are in the 20-30 age group.

"I see the pandemic more as a potential financial risk than a peril to health," 26-year-old Ramesh Telagapudi, who works for a clinical trials company here, told *BusinessLine*.

He bought the policy as soon as it was launched early this month. His logic is simple: Given the speedy recovery rate in his age group, financial security is more important.

The data available with insurers also confirm the trend. "The highest purchase of our

Trend drivers

- High cost of treatment
- No immediate end to pandemic seen
- Policy viewed as affordable
- Easy online purchase option

Corona Kavach plan is by millennials as 43 per cent of the buyers are in the age group of 18-30 years," said Krishnan Ramachandran, MD & CEO, Max Bupa Health Insurance.

"It reflects that millennials, who are usually not keen on buying health insurance, have become more serious about health cover as they realise its benefits during pandemics like Covid-19," he added.

First-time buyers

According to initial trends, Corona Kavach has been a hit amongst first-time buyers of

health insurance. The head of under-writing of a major private insurer said: "The number crunching is still on. The share of youngsters in the total number of policies being sold could be much higher if one also analyses their presence in family floaters."

Longer-term cover

The reasons for the interest in Corona-specific cover are many. It appears that there is a feeling among the people that Covid-19 is here to stay for some more time and this is corroborated by the greater demand for policies ranging from six-and-a-half months to nine-and-a-half months.

According to Gurdeep Singh Batra, Head, Retail Underwriting, Bajaj Allianz General Insurance, the product "is picking up fast" as people look towards safeguarding themselves against the immediate health

risk and the consequent medical expenses due to this pandemic."

"Considering the treatment costs for Covid-19, we have observed that people are opting for the higher side of the sum insured of ₹2 lakh to ₹5 lakh," he added.

The pricing of the policy, which is seen as "affordable" by most urban young working people, and the ease of buying it online in a matter of minutes, are other factors contributing to its popularity.

Mandated to be sold by all general and health insurers, Corona Kavach is now available on individual and family floater basis, offering a base cover on indemnity basis and an optional cover on benefit basis. The sum assured ranges from ₹50,000 to ₹5 lakh. The policy period is from three-and-a-half months to nine-and-a-half months.