

Covid-related health insurance claims doubled in FY22 due to Delta variant

More awareness led to purchase of more policies

DATA FOCUS

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Covid-19 cases may have decreased in recent months and the third wave was not as severe as expected, but Covid-related health insurance claims surged this fiscal, possibly led by the Delta variant. Insurers continue to remain under pressure due to increased awareness and purchase of such covers.

While there were 9.83 lakh Covid related claims in 2020-21, these surged to 19.47 lakh in the current fiscal, an increase of 98 per cent. As the second wave of the pandemic led to many cases of hospitalisation, Covid claims also increased dramatically. The average ticket size of Covid related claims across the industry remains high at ₹91,881.

Premium remains same

"Although there is greater awareness and purchase of health insurance policies, the premium remains at the same level as pre-Covid times. As an industry, the losses in the entire health portfolio are quite high and much more than what the industry has earned as premium," said Bhaskar Nerurkar, Head, Health Claims, Bajaj Allianz General Insurance, adding that non-Covid claims have also reached pre-pandemic levels and people are continuing with planned and elective surgeries.

"There is also increased awareness about Covid and health insurance, which has led to higher purchases of such policies, and in a way contributed to more claims," said another insurer.

According to data compiled by the General Insurance Council, over 29.31 lakh Covid related health insurance claims have been filed since the start of the pandemic till March 23 this year, amounting to ₹36,512 crore. While 89.5 per cent of the claims of over 26.26 lakh were settled, the settlement in value terms was lower. Claims worth ₹23,956 crore, accounting for 65 per cent of the value of total claims, have been settled.

Health portfolio

The health portfolio of non-life insurers recorded a growth of 25.58 per cent in FY22 compared with a much more muted growth of 21 per cent in FY21. The growth was mainly led by group insurance which grew 20 per cent in FY22 to ₹33,342 crore. Health insurance through government schemes also increased 35 per cent in FY22. Retail health portfolio, on the other hand, remained stagnant at around ₹26,594 crore in the same period.

The share of health segment in general insurance grew from 27 per cent in April to February FY20 to 33.2 per cent in April to February FY22.

Insurers however, still remain on a wait-and-watch mode but hope that the worst is over.

Industry better prepared

"From a health insurance standpoint, we were ready for the third wave but fortunately, it's impact was low. The industry is better prepared for any exigency in the future and I am confident that quality of services, aided by digitisation, will be the focus," Nerurkar said.

He added that they had also spoken to hospitals and the charges have become more standardised to further bring in better transparency for customers.

Covid claims weigh heavy on non-life insurers

Number of Covid claims (in lakh)



Average ticket size of Covid claims over two years

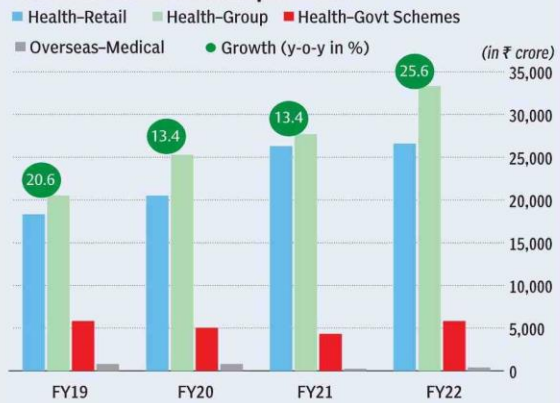
₹91,881



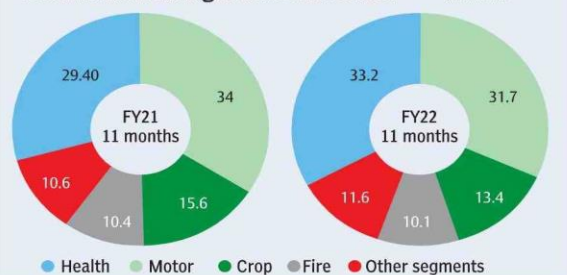
Total Covid related health insurance claims

Reported claims number	29,31,559	Deaths	56,644
Reported claims amount	₹36,512.5 cr	Under-treatment	29,516
Settled claims number	26,26,331	Discharged	28,45,399
Settled claims amount	₹23,956 cr		

Non-life insurers health portfolio



Health insurance gains market share (% share)



Source: General Insurance Council, SBI Ecowrap, CareEdge