

Self-insurance takes a back seat

Rachel.Chitra
@timesgroup.com

Chennai: Did you know, when it comes to group mediclaim policies for their own staff, insurance companies prefer to look outside of their groups for the best quotes?

When looking at health covers, market dynamics is at work, with no room for sentiment.

“We have to go for the most cost-effective quote. We have taken group health insurance policies with Max Bupa Health on a few occasions, but for many years now we have been with public-sector insurers,” says Asish Vohra, chief distribution officer, Max Life Insurance Co.

Even at ICICI Lombard General Insurance Co, they have always had a policy of not insuring in-house since its inception.

Market dynamics is at work, with no room for sentiment when it comes to scramble over health cover

For some the decision to ‘not self-insure’ has to do with better corporate governance. “We wouldn’t want to be insuring ourselves as I doubt that we’ll really do the best by our employees. Our strength has been in motor and its best if

each insurer plays to their strengths,” says SR Balachandher, chief compliance officer, Royal Sundaram, who have their health risks covered by National Insurance Co Ltd.

Even standalone health insurers like Star Health and Allied Insurance and Cigna TTK Health Insurance are preferring to scout around, before signing up for group mediclaim.

Accountability is also a consideration. “We have a board and we need to show profitability. Every year, when our group mediclaim comes up for renewal we have to go with the insurer who gives us the best quote,” says T A Ramalingam, senior president, Bajaj Allianz General Insurance Co.