

# Over half of FY21 Covid mediclaims in just 6 wks

## General Insurers Get Cases Worth ₹8.4K Cr Since April, Fear Impact On Balance Sheets

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**Mumbai:** Health insurance claims due to Covid reported since April 1, 2021 are 57% of the claims filed in the year ended March 2021. Non-life insurance companies are seeing a sharp spike in claims, which could impact their balance sheets if the trend continues.

As of March 31, non-life companies, including health insurers, received 9.8 lakh claims for Rs 14,560 crore for Covid treatment. This went up to 14.8 lakh as of May 14, 2021, for Rs 22,955 crore. This means that in the first 44 days, Covid claims amounted to Rs 3,385 crore, which is 57% of the pandemic-related claims for FY21.

According to New India Assurance chairman Atul Sahai, claims paid by his company are around Rs 2,200 crore. "Last year though we had claims, we were not worried about the impact on the balance sheet. This year it could reach a point where it does," he said. Sahai added that although the rising cases were resulting in losses on the Corona Kavach policies, public sector insurers are not looking at a price revision.

Last year, health insurers

had the advantage of a revision in premium rates. They also saw lower claims in the first half due to lockdown, when claims were low and most treatments were done in government facilities. "Last year although some elective procedures

protocols have standardised. Hospitals are discharging earlier due to paucity of beds and recommending home isolation for remaining part of treatment," said Bajaj Allianz General Insurance head (health claims) Bhaskar Nerurkar.

### MORE PVT TREATMENT IN 2ND WAVE

General insurance Covid claims as of March 31, 2021



were postponed, the health insurance claims were still over the pre-Covid trendline," said General Insurance Council secretary-general M N Sarma.

The claims are higher despite there being several factors that are keeping costs under check. "What is different this time is that the average length of stay has come down from over nine days in the earlier part of the pandemic to around six days. One reason for this is that the treatment

Another trend is that an increasing number of claims are coming from tier-2 and -3 cities in the second wave. Given the shortage in healthcare capacity and the need to avail private treatment, health insurance is turning out to be the only fallback for many. While regulator Irdai has asked companies to offer 'Corona Kavach' policies until September, prospective buyers say that they have not been able to purchase these covers from insurers' websites.