

[Upward Trend]

Health policy claims on rise

Many upping their insurance cover amid raging pandemic

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With the Covid cases continuing unabated, many are upping their health insurance cover. Also, the persistence ratio, a measure that reflects continuation of a policy beyond the first year, has been improving.

“While the discretionary spend is coming down in general, people are ensuring that they are not missing out on paying the health insurance premium in these uncertain times,” said Amit Chhabra, Head, Health Insurance, Policybazaar.com, an insurance aggregator.

This apart, many are adding riders, which come at a relatively lower cost but enhance the cover significantly, to existing policies. “Some insurers are offering riders for consumables. Consumables in normal times accounted for about five per cent of the bill amounts. But Covid has changed that situation, and now they account for about 15 to 20 per cent of the bills. This is significant,” said Chhabra adding that claims

Persistence ratio, a measure that reflects continuation of a policy beyond the first year, has also been improving

related to Covid have increased.

TA Ramalingam, Chief Technical Officer, Bajaj Allianz General Insurance, also felt that claims have increased since the second wave started in March.

“The number of claims has increased but the average claim size has gone down slightly now compared to same time last year mainly because the average hospitalisation duration has come down to six days now from the earlier average of nine days,” he said.

“We see hospitals being flooded with patients. They are sending patients for home quarantine after their condition improves a little,” he said.

Bajaj Allianz General Insurance has observed a

growth in the range of 80-100 per cent in new health insurance policies as compared to last year.

“In fear of higher expenses, most people are opting for higher sum insured policies and Super Top-Up plans,” Ramalingam said. Super top-up plans, as the name indicates, offer top-up to the cover. The benefits kick in once the sum assured levels of the existing policies are breached.

Metro cities apart, it is now witnessing good growth in non-metro cities like Raipur, Siliguri, Anand, Jalandhar, and Lucknow, he said.

Chhabra said some are even opting for policies with Rs one crore cover and opting to break down the premium into smaller parts.

On some hospitals declining cashless claims for Covid, Chhabra said the issue has been resolved to a greater extent after insurance regulator intervened to put the onus on insurers to ensure that their respective empanelled hospitals offered cashless benefit as per contract.