

Hindustan Times	Date : 17.11.2015
Page no: 9	Edition : Kolkata, Chandigarh, Pune, Mumbai, Chandigarh & Internet

PREVENTIVE MEASURES

Health insurers offer Rs 1-cr cover as medical costs, incomes rise

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NEW DELHI: Rising household incomes on one hand and an estimated 15% year-on-year increase in medical costs for the last few years, have opened up a new opportunity for health insurance companies in India.

Health insurers such as Max Bupa and TTK Cigna are now offering covers of up to ₹1 crore, especially as they realise the need to design products that offer higher cover. Till now, the maximum cover offered was ₹40 to ₹50 lakh.

According to industry estimates, over 78-80% of healthcare expenses are funded by Indians out of their own pockets and in most cases they dip into their savings or sell off assets, while the rest comes from insurance.

"People with high income have relied on their savings to pay for healthcare expenses... this is a segment that seeks high-end medical services and treatment, using new technologies, and hence, the level of insurance they require is higher," said Sandeep Patel, MD and CEO, Cigna TTK Health Insurance.

The average health insurance cover for an Indian household is typically around ₹10 lakh for a policy holder under 60. But due

BIGGER UMBRELLA, BETTER PROTECTION



■ Family first

- Max Bupa and TTK Cigna are offering covers of up to ₹1 cr
- The average health insurance cover until recently was around ₹10 lakh for a policy holder under 60
- Over 78-80% of healthcare expenses are funded from people's own pockets, especially by dipping into their savings
- Rising awareness about the need for better treatment are leading people to buy high-value covers

to rising awareness on health and treatment costs, the trend is reversing gradually.

"We have launched the ₹1-crore cover as we realised that customers need to have bigger ticket size health insurance, more than 25% of our customers have been seeking health insurance cover upward of ₹10 lakh, which is the average size of an health insurance cover," Anika Agarwal, marketing head, Max Bupa, told *HT*.

Max Bupa, for example, charges an annual premium of ₹1 lakh for a family of four—two adults and two children—under its 'Heartbeat Health Insurance Plan.'

"Affluent policyholders travel overseas frequently, so,

our product extends cover for hospitalisation worldwide in case emergency treatment is required when they are travelling," Cigna's Patel said.

"The industry is seeing a visible need for comprehensive insurance plans with higher sum insured ranging from ₹50 lakhs to ₹1 crore. The increase in demand for such covers could be attributed to rising awareness among people for the need for better treatment even in tier 2 and 3 cities, coupled with higher disposable incomes that now allow them to invest in instruments like health insurance," Tapan Singhel, MD & CEO Bajaj Allianz General Insurance added.