

HEALTH INSURANCE: AN ESSENTIAL INVESTMENT INTO THE FUTURE

By **SASI KUMAR ADIDAMU**

Healthcare in India is in a state of an enormous transition. Government is making it affordable and accessible to every Indian by rolling out the World's biggest publicly funded healthcare scheme 'Ayushman Bharat'. This scheme caters to a large proportion of the country's population, which struggles with accessing basic healthcare requirements.

Traditionally, majority of Indians were either self-financing healthcare related costs or were covered by group health insurance provided by the employers. Medical inflation is increasing by approximately 15% annually, thus creating a dire need for people to opt for health insurance. Many people are realizing the importance of individual health insurance plan from an early age due to spiralling medical costs, increasing lifestyle diseases, evolving medical technology for quality healthcare.

Health insurance is a protective tool that not just ensures the best treatment possible, but can also efficiently improve the mortality rate in any given country. Consequently, for the general insurance industry, health has been one of the fastest growing categories. The industry collected Rs. 37,897 crore as Health Insurance Premium in FY 17-18, registering a growth of 23.2 per cent over the previous year.

COMPREHENSIVE OPD AND SUPER TOP-UP COVERAGE

Incidentally, many who did not have a health insurance cover have started purchasing it and those with existing health insurance plans are going for comprehensive health insurance coverage by opting for additional covers like Super top up cover, Critical Illness cover, etc. This not only ensures that customers get advantage of higher tax gains, but also prevents any out-of-pocket medical expenses when faced with any medical condition. This comes as insurers are trying to reduce the gap between the medical spends in the country and what is covered under health insurance.

Insurers in the last 2-3 years have given a new form to the traditional health insurance policies by making them comprehensive solutions. They have included covers such as worldwide emergency care, alternate treatments, maternity covers, covering psychiatric treatments and second opinions, etc. Today, given the increase in lifestyle diseases customers today are ensuring that they are appropriately covered with adequate sum insured.

We are seeing increase in demand of policies covering critical illness like cancer, organ transplant, etc. with significant emphasis being laid on

health maintenance and preventive measures through wellness activities. In consideration to the rising medical inflation where an existing health insurance coverage may not be adequate, insurers today are also offering super top-up covers that act as an additional cover to the existing health insurance policy providing wider protection. Top up policies are very popular amongst the corporate employees, as they are covered under corporate policy for basic cover, hence they opt for a top up plan to take care of higher expenses.

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ADOPTING TECHNOLOGY & PREVENTIVE CARE

Additionally, to provide holistic healthcare solutions, insurers have started creating a collaborative ecosystem around preventive care and long-term relationship with their customers. They are providing comprehensive health maintenance facilities and wellness platforms where customers can store, monitor and track their health records through self-service mobile applications.

Health insurance is also undergoing a transformation with tremen-



dous technological developments in the healthcare space and increasing adoption of connected devices will enable insurers to provide personalised health solutions to their customers. In recent times, rising interest towards adopting wearable connected devices based on Internet of Things (IoT) and mobile health devices has shown that irrespective of their age-group, Indians are keeping a tab on their health. The technology, with the aid of smartphone applications and medical devices, is allowing individuals to continuously track everything from blood sugar levels to blood pressure, physical ac-

tivity and manage chronic conditions. Insurance industry is actively looking at including wearables or app based health monitoring feature in the health insurance, which will help insurers get insights on customer behaviour and allow them to assist their customers in managing and preventing chronic ailments. This will enable insurers to provide incentives for preventive care.

Underwriting and claims will become more automated, thus leading to continuous engagement with the customers. We will see significant improvement on the distribution front too. The explosion of technol-

ogy backed with the increase in internet and mobile telephony provides a low-cost opportunity to the insurers. It will allow insurers to leverage the success of online banking and e-commerce, consequently building an online product bouquet that engages the customer and enables him/her to buy. Insurers are also leveraging the existing health insurance architecture with better technological integration with hospitals to facilitate better claim servicing, health verification, hospital verification, etc. Insurers are also negotiating health packages with hospitals for defined treatments to control the out of pocket spends on healthcare. This approach will broaden the reach in terms of adding more hospitals to the cashless network so that policyholders can make use of timely intervention.

Health insurance will move beyond being just a hospitalisation cover to a collaborative health maintenance cover with insurers helping policyholders manage their health better and stepping in even before the policyholder falls sick. Insurers will therefore play an active role as a health guide by offering a host of wellness benefits like special monitoring tools for those with pre-existing diseases, health check-ups, customised diet plans, which will ensure that they are not just a part of the customer's illness but also a part of their wellness and overall health maintenance cycle. Your insurer's role will not be limited to simply underwriting risks or paying claims, but also guiding and reducing the risk through preventive and pertinent care. ■

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