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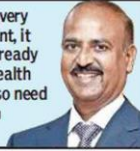
# Make healthcare affordable: Bajaj Allianz

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Mumbai: The chief of India's second-largest private insurer, Bajaj Allianz, has called for all-round efforts among all players to make healthcare more affordable to ensure that insurance costs do not keep rising. The measures include a cut in GST and widening the coverage of state schemes to cover all citizens.

Speaking to TOI, Bajaj Allianz General Insurer MD & CEO Tapan Singhel said that the cost of treatment has gone up in the wake of the Covid pandemic as additional proto-

“Medical inflation keeps shooting up every year. When it comes to the government, it continues to collect 18% GST. Insurers are already doing their bit as they are losing money in health insurance. The government and hospitals also need to do their bit — Tapan Singhel | MD & CEO, BAJAJ ALLIANZ GENERAL INSURER



cols have been put in place. Some of these are likely to be structural. “Insurers cannot change the price for three years and, when the change takes place, customers find it difficult because medical inflation is 15%.”

He added, “Health insurance rates always come under fo-

cus. However, there are three players — insurers, hospitals and the government. Medical inflation keeps shooting up every year. When it comes to the government, it continues to collect 18% GST on health insurance.” According to Singhel, there is a need to reduce the service tax on health insurance

and regulate healthcare so that there are no sharp increases in premiums for customers.

“Insurers are already doing their bit as they are losing money in health insurance. The government and hospitals also need to do their bit,” said Singhel. “We have to learn from the government health schemes. I believe that, like the state of Jammu and Kashmir, the state government schemes providing Rs 5-lakh health insurance should be made open to all citizens of the state. This would result in market behaviour improving the affordability of

health insurance,” he said.

Bajaj Allianz has a reputation for being the most profitable non-life insurer with a razor-sharp focus on its combined ratio (ratio of claims plus management costs to premium). In the first half of FY22, Bajaj Allianz managed to be in the top two — both in terms of top line and bottom line. The company's gross written premium rose 16.8% in the first half to Rs 7,529 crore, while its net profit grew 8% to Rs 788 crore. “We have managed to retail our position because we never lost our head for acquiring business,” said Singhel.