

AIR 30TH ANNIVERSARY: 30 LEADERSHIP INSIGHTS

Writing the future of Indian health insurance



The credit for bringing the focus on health insurance in India goes to COVID-19. Though a dubious distinction, people realised the importance of insurance as they saw their near and dear ones affected by this, hitherto unknown risk, says **Bajaj Allianz General Insurance's Mr Tapan Singhel.**



During the acute phases of the COVID-19 pandemic, Indian insurers were by the side of their customers – settling claims worth over INR200bn so far.

Health insurance grew by 32% between April and August 2021 compared to the same period last year. Will this momentum continue? I believe that it will continue, as such a long term impact can lead to behavioural changes amongst people.

A gap exists and we can bridge it

It is up to insurers to make the most out of this change and turn it in their favour. This is important because irrespective of ease of accessibility, rise in awareness and variety of products in the market, health insurance is still a push product in India.

According to a recent study by Swiss Re, health protection gap in India is around \$369bn. This clearly shows that India is still an underserved market. In order to cater to this market, insurers need to reimagine their value propositions and redefine their operating models.

Nearly 40% of Indian population who can afford health insurance are still uninsured. This is barring the people belonging to poor and vulnerable sections of the society who are covered by government health insurance scheme, those insured under group health cover provided by employers and select few who have a retail health cover.

Innovation in product development and underwriting

In India, health insurance policies are available with unlimited sum insured. Customisation is being introduced in various policies and small ticket size products are also being launched to make insurance more affordable. Insurers are also offering super cumulative bonus, restoration benefits, recharge benefits and more to encourage more people to opt for health insurance.

However, the approach is more curative rather than preventive. While the health claims are at all-time high and the population too is ageing rapidly, we need to look at how we can introduce and encourage wellness in our products we offer.

Insurance Regulatory and Development Authority of India recently asked insurers to incorporate wellness and preventive features like vouchers for gym, discounts for health check-ups, in their products.

Prompt claim servicing

An insurer may have the world's best or most unique product, but customer retention and its brand value is determined based on how swiftly it settles claims. Insurers today still rely on archaic claim processes, where they ask for documents from customers (when they are going through a medical exigency), analyse the authenticity and then settle the claim. This

process is primarily to avoid the 1%-2% of the fraudulent claims that may come to an insurer.

Why should an insurer be cynical to settle the 99 genuine claims for a fear of one fraudulent claim? If the claim is genuine and eligible, it should be settled instantly. This instant satisfaction will go a long way in building a positive mood about the industry. Data analytics and Artificial Intelligence can be leveraged to balance fraudulent claims.

Leveraging digitalisation

The pandemic has made all customers increasingly comfortable with remote engagement. A recent study by Swiss Re revealed that digital platforms have high penetration rate in India. On an average, 90% of its survey respondents use digital channels at least once a week. Among them, digital payment apps are used by 85% of Indian respondents at least once a week, closely followed by health-tracking apps at 84%, e-commerce apps and websites at 76%.

The Indian Government also recently announced a Digital Health Mission under which it will create a seamless online platform which will include a wide-range of data. A digital health ID card that will contain the individual's health records would also be launched soon under this mission. ■

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