

Date: 2.10.2020

Publication: The Times of India

[Private insurers extend lead over PSUs as more individuals buy health covers](#)

Rachel Chitra | TNN | Oct 2, 2020, 12:14 IST

BENGALURU: Standalone health insurance companies have been the biggest gainers during the covid pandemic increasing their market share of health insurance in the country from 20% before the pandemic to 25%. Private insurers, which include the large players like ICICI Lombard and Bajaj Allianz now accounts for 60% of all health insurance sold in the country. Public sector companies, who had a 46% share of premium before the pandemic now have only 40% of the Mediclaim market.

What has helped the private companies is their ability to distribute policies to individuals. This is the segment which has registered the highest growth as compared to group health insurance which is concentrated with public sector insurers.

"Growth driver was mainly the remarkable shift in consumer's attitude towards health insurance. The current pandemic crisis has led to increased awareness about the benefits of health insurance as it is the only instrument that can help tide over the financial burden of high medical expenses," said Subrata Mondal, EVP, and head - underwriting, IFFCO Tokio General Insurance Co.

Insurers say health insurance was slow to pick up in the initial months of the pandemic as treatment was undertaken only at government hospitals. It was only in June when cases started being referred to private hospitals and news of high cost of treatment started doing the rounds that demand for health insurance skyrocketed.

The regulator also helped increase awareness by mandating all insurers to sell Corona Kavach - a standardised Covid-specific product, where wording and coverage are the same across all insurance companies. Insurers also said that it has largely been millennials who've been buying new covers or topping-up on existing policies.

"About 75-80% of health buyers during the lockdown were below age 45; mostly Millennials. Some of these people had existing policies with their employer - but still bought extra coverage as the sum insured or conditions covered, they felt were not adequate," said Gurdeep Singh Batra, head - retail underwriting, Bajaj Allianz General Insurance "Another trend we noticed was that 60% of buyers were men and 40% women. Of course, many of the buyers bought family floater policies so this not an indication of coverage or lack of it," he added.

Insurers also said sales have been higher in the West and North - with states like Maharashtra, Delhi NCR, and Gujarat leading; followed by Southern states like Tamil Nadu and Karnataka.