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Insurers receive ₹5,400-cr Covid claims

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GENERAL INSURANCE COMPANIES have received claims for over ₹5,400 crore from Covid-19 patients across 3.49 lakh applications.

Insurers have settled 2.17 lakh claims amounting to ₹2,175 crore as on October 5. Players in the general insurance industry say that if claims continue to rise than the loss ratio in the health portfolio could increase by 8-10% only due to the ongoing pandemic.

Data from Insurance Regulatory and Development Authority of India (Irdai) shows that in the financial year 2019-20, health insurance had seen premiums of ₹51,636.34 crore, a growth of 13.41% compared to previous year. As such, claims arising from the novel Coronavirus are around 10.5% of the health insurance premiums received last year.

However, players in the industry say that loss ratios for the health portfolio would fur-

Claims received from Covid-19 patients across 3.49 lakh applications and insurers have settled 2.17 lakh claims amounting to ₹2,175 crore as on October 5

ther increase due to the novel Coronavirus. "Typically, every year loss ratio for the retail health policy is around 65-70% while for the group health policy its around 90-100%. But this year due to the pandemic we expect loss ratio to further go up by 8-10% for the insurance companies," said a senior official from a leading private insurance company.

The loss ratio is the ratio of claims incurred to earned premiums. So, if the loss ratio is 80%, that means the insurance companies have received a premium of ₹100 and paid claims of ₹80 to the policyholder. Officials in the insurance industry say that average claim size reported for novel

Coronavirus is ₹1.56 lakh for the industry.

The average claim size varies from one state to another. For example, in Maharashtra the average claim size for Covid-19 is ₹1.25 lakh while it increase to ₹1.83 lakh in Tamil Nadu and ₹2.03 lakh in Delhi. However, as the number of active cases goes down, insurers expects claims to go down in the days to come.

Bhaskar Nerurkar, head-Health Claims at Bajaj Allianz General Insurance, says, "With the number of active cases going down in India, we have seen doubling of claims have gone up from 16 days to 31 days. This indicates slowing of growth rate. If things continue to remain under control in the next few days, we might see lesser number of Covid-19 claims going forward."