

Management of Health Insurance Business In India In The Light Of Pandemic Covid-19 Situation

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Abstract

Insurance is most significant risk mitigation device to reduce vulnerability of people from disease, disability, an untimely death and natural calamities. During this pandemic situation due to spread of corona to protect himself or herself with family, insurance must be done.

The market share of Public sector insurance companies are comparatively higher than private players. Among Public Sector Insurance Companies, The New India Assurance Company Limited has highest market share of 33.03% in 2017-18 and 35.32% in 2018-19; National Insurance Company Limited accounted second highest market share of 24.80% in 2018-19 it gained 0.26% in 2018-19. Among Private Sector Insurance Companies, Star

Health and Allied Insurance Company Limited has highest market share of 25.24% in 2017-18 and 24.20% in 2018-19 followed by ICICI Lombard General Insurance Company Limited 12.09% in 2017-18 and 11.14% in 2018-19. However market share of ICICI Lombard General Insurance Company Limited reduced by 1.05%.

Health insurance become a crucial factor to every person's life in this pandemic situation in 2020 due to rapid spread of Covid-19.

1. Health is one of the important issue to every human beings, therefore is it possible for the Government to cover general people health protection with subsidised premium or not.
2. People prefer cash less settlement in Hospitals or Nursing homes, is it possible for the General Insurance companies to cover all the medical units of a territory for cashless settlement of claim at a standard rate for each disease.

Key Words: Insurance, premium, claim, Vulnerability, Policy, Corona Kabach, Corona Raksha.

Introduction

Insurance is a term which implies protection from dangers. It may be life insurance and or health insurance. Health Insurance consists of two words – health and insurance. Health is wealth. Insurance is most significant risk mitigation device to reduce vulnerability of people from

disease, disability, an untimely death and natural calamities.

Health

Insurance consists of two words – health and insurance. Health is wealth. Insurance is most significant risk mitigation device to reduce vulnerability of people from disease, disability, an untimely death and natural calamities. During this pandemic situation due to spread of corona to protect himself or herself with family, insurance must be done.

Earlier health insurance premium was considered as an additional expenditure, because there is no maturity value unless some medical expenditure is incurred by admitting nursing home or hospital etc. People thought that medical expenditure to be paid from cash in hand balance. There is a common dilemma among people about the right age to buy a health insurance policy. However, there's no right age to buy one. But, if one buys health insurance policy at an early age, one will have to pay less for the policy. Premiums for a health policy increase with one's age; that's because the associated risk increases. Premiums for health plans are determined by the age, medical history, city of residence, etc. of the insured. So, if you buy a health plan early it will help you save on the premiums you will pay.

Companies offer different types of health insurance policies. Family Health Protector Policy, Individual Health Protector Policy, Health Protector Plus Policy Coverage are some examples of the health insurance policies offered by them.

Objectives of The Study

To assess the progress of health insurance schemes in India in the present pandemic situation.

Research Methodology

This is a descriptive study. All the data are published data and collected from secondary sources. Methods used are averaging and percentage

Findings

In present circumstance people's thinking power has, but they believe that a health insurance of Rs. 1 lakh to 3 lakhs assured sum is sufficient for reimbursement of medical expenditure. But our suggestion is that choose appropriate policy considering the following factors:

1. Corona kabach or Corona Raksha could be purchased separately beside health insurance policy for support of huge financial expenditure for Corona.
2. Compare public and private health insurance policies for checking diseases covered, claim settlement amount, cashless or immediate pocket expenditure then reimbursement, availability of home treat

Insurance Companies Dealing With Health Products In Indian Markets

| Insurance Company | Gross Health Premium Collection in 2017-18 (Rs. In Lakhs) | Percentage s of Market Share in 2017-18 | Gross Health Premium Collection in 2018-19 (Rs. In Lakhs) | Percentage s of Market Share in 2018-19 |
|---|---|---|---|---|
| Acko General Insurance Limited | 10.12 | 0.00% | 3,037.68 | 0.07% |
| Aditya Birla Health Insurance Company Limited | 23,030.68 | 0.61% | 42,343.05 | 0.93% |
| Apollo Munich Health Insurance Company Limited | 1,56,626.83 | 4.15% | 1,98,753.10 | 4.36% |
| Bajaj Allianz General Insurance Company Limited | 1,49,669.44 | 3.96% | 2,33,688.37 | 5.12% |
| Bharti AXA General Insurance Company Limited | 13,435.48 | 0.36% | 31,182.63 | 0.68% |
| Cholamandalam MS General Insurance | 26,001.52 | 0.69% | 27,370.82 | 0.60% |

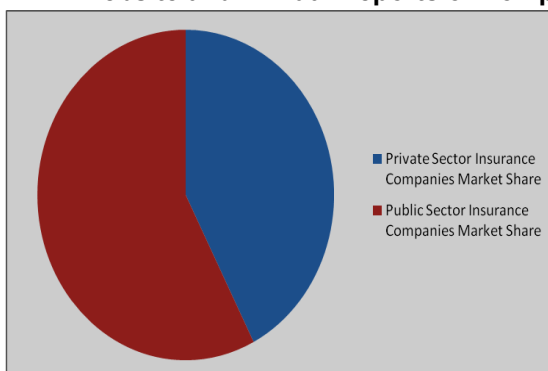
| | | | | |
|---|-------------|-------|-------------|-------|
| Company Limited | | | | |
| CIGNA TTK Health Insurance Company Limited | 32,654.27 | 0.86% | 46,882.19 | 1.03% |
| DHFL General Insurance Limited | 6,737.45 | 0.18% | 10,425.77 | 0.23% |
| Edelweiss General Insurance Co ltd | 117.89 | 0.00% | 6,953.19 | 0.15% |
| Future General India Insurance Company Limited | 24,590.77 | 0.65% | 29,493.35 | 0.65% |
| Go Digit General Insurance ltd | 292.56 | 0.01% | 1,525.28 | 0.03% |
| HDFC ERGO General Insurance Company Limited | 99,390.57 | 2.63% | 1,27,872.08 | 2.80% |
| ICICI Lombard General Insurance Company limited | 1,93,757.63 | 5.13% | 2,43,283.37 | 5.33% |
| IFFCO-TOKIO General Insurance | 67,090.56 | 1.78% | 80,367.80 | 1.76% |

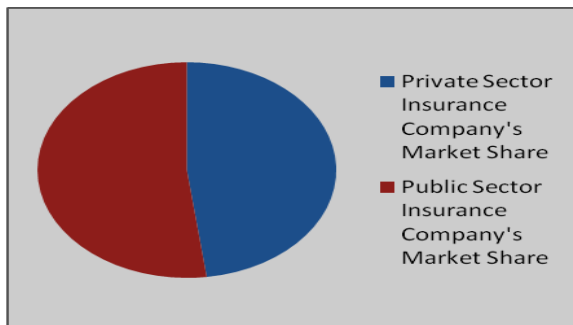
| | | | | |
|--|-----------|-------|-------------|-------|
| Company Limited | | | | |
| Kotak Mahindra General Insurance Company Ltd | 2,527.89 | 0.07% | 6,076.17 | 0.13% |
| Liberty Videocon General Insurance Company Limited | 11,908.81 | 0.32% | 19,881.50 | 0.44% |
| Magma HDI General Insurance Company Limited | 1,675.34 | 0.04% | 8,633.17 | 0.19% |
| Max Bupa Health Insurance Company Limited | 74,326.55 | 1.97% | 81,449.09 | 1.79% |
| Raheja QBE General Insurance Company Limited | 6.84 | 0.00% | 9.92 | 0.00% |
| Reliance General Insurance Company Limited | 78,208.75 | 2.07% | 1,07,036.26 | 2.35% |
| Religare Health Insurance | 93,175.07 | 2.47% | 1,61,122.34 | 3.53% |

| | | | | |
|---|---------------------|---------------|---------------------|---------------|
| Company Limited | | | | |
| Royal Sundaram Alliance Insurance Company Limited | 28,306.30 | 0.75% | 35,546.25 | 0.78% |
| SBI General Insurance Company Limited | 47,343.85 | 1.25% | 51,430.69 | 1.13% |
| Shriram General Insurance Co Ltd | 1,448.00 | 0.04% | 7,896.00 | 0.17% |
| Star Health and Allied Insurance Company Limited | 4,04,465.76 | 10.71% | 5,28,508.79 | 11.59% |
| Tata AIG General Insurance Company Limited | 55,335.67 | 1.47% | 80,049.95 | 1.75% |
| Universal Sampo General Insurance Company Limited | 10,076.93 | 0.27% | 13,498.05 | 0.30% |
| Total Private Insurance Company | 16,02,211.53 | 42.43% | 21,84,316.86 | 47.88% |

| | | | | |
|---|---------------------|----------------|---------------------|----------------|
| National Insurance Company Limited | 5,33,674.81 | 14.13% | 5,89,706.51 | 12.93% |
| The New India Assurance Company Limited | 7,17,949.87 | 19.01% | 8,39,659.03 | 18.41% |
| The Oriental Insurance Company Limited | 3,60,863.76 | 9.56% | 4,11,530.71 | 9.02% |
| United India Insurance Company Limited | 5,61,402.93 | 14.87% | 5,36,524.64 | 11.76% |
| Total Public Insurance Company | 21,73,891.37 | 57.57% | 23,77,420.89 | 52.12% |
| Total | 37,76,102.90 | 100.00% | 45,61,737.75 | 100.00% |

Source: IRDA website and Annual Reports of Companies





Market Share in 2017-18 Market Share in 2018-19

The market share of Public Sector Insurance Companies in health segment was 57.57% in 2017-18 and in 2018-19 it reduced to 52.12%, where health insurance market increased by 20.81% in 2018-19. Private Sector Insurance Companies accounted 42.43% market share in 2017-18 and 47.88% in 2018-19. Market share of Private Sector Insurance Companies increases by 5.45% in 2018-19.

Among all insurance companies, The New India Assurance Company Limited has highest market share of 19.01% in 2017-18 and 18.41% in 2018-19, however its market share reduced by 0.61%. United India Insurance Company Limited being most unfortunate and loose 3.11% market shares in 2018-19. Market share of National Insurance Company Limited get reduced by 1.21% in 2018-19. However, Religare Health Insurance Company Limited increases its market share by 1.06% in 2018-19.

Among Private Sector Insurance Companies, Star Health and Allied Insurance Company Limited has highest market share of 25.24% in 2017-18 and 24.20% in 2018-19

followed by ICICI Lombard General Insurance Company Limited 12.09% in 2017-18 and 11.14% in 2018-19. However market share of ICICI Lombard General Insurance Company Limited reduced by 1.05%.

Among Public Sector Insurance Companies, The New India Assurance Company Limited has highest market share of 33.03% in 2017-18 and 35.32% in 2018-19; National Insurance Company Limited accounted second highest market share of 24.80% in 2018-19 it gained 0.26% in 2018-19. The Oriental Insurance Company Limited accounted 16.60% market share in 2017-18 and 17.31% in 2018-19.

Insurance business in India both life and general have increased by 2.74% p.a, but this increasing percentage is low as compared to other countries in the world, where it is 6.31%. Average investment per people in India in insurance sector is 70-80% low in comparison with other developed countries, L.I.C. has reported that their business has increased by 13.15% in August,2020.

In India current health expenditure is only 3.53% of GDP where in Brazil, China and Thailand it is 9.47%, 5.15% and 3.75% respectively. Current health expenditure per individual is around Rs. 4,672.87 in India where in Brazil, China, Thailand and Indonesia it is approximately Rs. 62364.73, Rs. 29727.65, Rs. 16659.13 and Rs. 7753.27 respectively. Out of pocket health expenditure is approximately 62.40 % of total expenditure on health in India where 27.45% in Brazil, 36.05% in China, 11.14% in Thailand and 34.61% in Indonesia.

Out of pocket expenses are quite high in India as compared to other economic peer group countries.

Recommendations And Conclusion:

1. Women in India are not adequately covered by health insurance, Government should frame health insurance scheme for them like in education.
2. There should be proper guidelines form regulatory authority for each type of medical treatment and expenditure.
3. A centralized vigilance mechanism for functionaries of TPA and processing of claims and transparent procedures for calculation of claim amounts.
4. Universal Health Scheme: Each and every person should have health insurance policy. People in rural India could not afford standard health treatments due to paucity of funds. Government should have focus on such issues.

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3. Health is one of the important issue to every human beings, therefore is it possible for the Government to cover general people health protection with subsidized premium or not.
4. People prefer cash less settlement in Hospitals or Nursing homes, is it possible for the General Insurance companies to cover all the medical units of a territory for

cashless settlement of claim at a standard rate for each disease.

5. Is it possible for the General Insurance Companies to pay some maturity value at the end of a specific period when no claim arises

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