



Health Insurance Industry in India

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ABSTRACT

Nature is uncertain and unpredictable. The same is true with the life of an individual which is surrounded by risks and uncertainties in this volatile world. Any kind of misfortune may lead from minor to serious injuries or plane loss of life. Diseases too never knock our doors to enter our body. Money was and will never overly be worldly-wise to buy life or cure diseases till the existence of this world but to cope up with nonflexible times in our life and life of our near and dear ones when we leave for heavenly abode, insurance is the perfect solution. Generally, insurance is of two types: life insurance and non life insurance or unstipulated insurance. The present paper is a struggle to outline the current picture of health insurance sector in India which is a part and parcel of unstipulated insurance.

Health insurance sector in India has gained huge escalations since liberalization due to introduction of private health superintendency financiers, increase in health consciousness among all sections of the society, increase in income of the households, price and service competition between health insurers and sparsity of bureaucratic vein in health insurance employees.

Key terms: General insurance, health insurance, liberalization, health consciousness.

INTRODUCTION

Individual and family life is generally peaceful unless health problems arise that are indeterminate and whose occurrence cannot be predicted. Needs such as the desire to own a house or a car or some other instrument of social status or other commodity of comfort may be postponed if the family does not have sufficient savings and limited sources of income. However, the situation is different for unforeseen medical obligations that require an immediate cash flow and negatively affect the family's savings.

Financial obligations for medical reasons can certainly frustrate a family's long-term financial goals, which may include children's education or marriage and retirement planning, in addition to the desires mentioned above. One may ask how to overcome such situations, and the answer is none other than health insurance, which helps in maintaining good health of a person and a family without causing a financial crisis and affecting financial stability.

Health insurance is a general insurance product that covers the cost of medications and surgical procedures of an insured, which can be an individual, a family or a group of people. It is an arrangement in which individual, family, or group purchases health insurance coverage in advance by paying a fee called a premium. In other words, health insurance is an arrangement that helps delay, defer, reduce, or avoid payments for an insured's medical expenses. The insurer provides either cashless treatment for illnesses or reimbursement for medical expenses incurred under the policy at one of the network hospitals throughout the country.

OBJECTIVE OF THE STUDY

1. To study the concept and structure of health insurance in India.
2. To describe the sector wise distribution of health insurance in India.
3. To identify the key areas for improvising this sector.

LITERATURE REVIEW

Binny, Dr. Meenu Gupta (2017), Health insurance in India- Opportunities and challenges. The paper is about present trends of health insurance sector in India. Growth opportunities and challenges in the sector are identified. The study is of the opinion that health insurance is a growing sector in India. Companies are required to enhance their business by introduction of new business models with innovative products. Need of a universal health insurance program is recognized to cover families below poverty line. Medical tourism is also a growing business in India and health insurance companies can take advantage of this sector to enhance business. The sector is also advised to have a common information bank for information sharing which may help customers in assessment of prices, quality and services provided by health insurance companies.

BC Lakshmana, P Jayarami Reddy, P Sravan Kumar (2019), Operational efficiency of selected general insurance companies in India. The study is conducted on selected general insurance companies regarding pattern of insurance premium, claim settlement procedure and evaluate performance of companies. In percentage analysis of the insurance premium collected by both public and private sector insurance companies showed a significant growth from 13.55% to 24.29% during the years 2011 to 2013 which later decreased to 13.42% in the year 2018. Average growth rate during the years 2010 to 2018 was 13.85%.

Boyanagari (2018) recognized the pros and cons by understanding the process of Rashtriya Swasthya Bima Yojana (RSBY) implementation in Udupi (Karnataka). The data was collected through in depth interview from insured person and service providers. The Factors that slow down use of service by beneficiaries were rejection by the hospitals for providing health care services, lack of awareness regarding different aspects of that policy, less availability of core services etc. Also health providers did not receive reimbursement in time and also no proper guidelines issued by State Governments and these were the major reason informed by the hospitals for not providing treatment to the card holders.

METHODOLOGY

- Research Type : Descriptive
- Data Collection : Secondary data collected through Books, Web Sites, Journals.

HEALTH INSURANCE IN INDIA

The fastest-growing sector in the world is the insurance sector, particularly health insurance. The health insurance sector achieved 6.9 percent growth in the year 2018 and 5.9 percent growth in the year 2019. The global insurance coverage in the Asia Pacific was 3,365 billion in the year 2010, 4,319 billion in the year 2016, 4,516 billion in the year 2017, 4,749 billion in 2018, and 4,980 billion in the year 2019. The insurance coverage made in Europe, the middle east, and Africa amounts to 1,128 billion in the year 2010, 1,238 billion in the year 2016, 1,286 billion in the year 2017, and 1,360 billion in the year 2018 and reached 1,398 billion in the year 2019. When considering America, the coverage of premiums accounts for 1,431 in the year 2010, 1,898 billion in 2016, 1,963 billion in 2017, 2,075 billion in 2018, and 2,195 billion in the year 2019. Between the years 2010 to 2019, the total premium accounted for 70 percent.

Specifically, the total health insurance premium accounted for the global was 704 billion in 2010, 1,025 billion in 2016, 1,079 billion in 2017, 1,153 billion in 2018, and 1,223 billion in 2019. The insurance indicators of health, clearly state that the country India collected 71,625 US dollars million in premiums in the year 2011, and this rose to 70,818 US million dollars in the year 2015, and 1,00,841 million US dollars in the year 2017.

The stand-alone health insurance companies in India were Aditya Birla, care health insurance limited, Manipal Cigna health insurance, Max Bupa Health Insurance, Reliance Health Insurance, and star health and allied insurance. These stand-alone insurance have accumulated a premium of 4096.6 crores, in the month of June 2021. Aditya Birla accounted for a premium of 333.76 crores in the year June 2021, and in the year 2020, it accrued a premium of 229.03. Care health insured received a premium of 692.83 crores in the year June 2021, in 2020 it received a premium of 458.38 crores. The Max Bupa health insurance has received a premium of 207.78 crores, in the previous year it was 141.74 crores. Reliance health insurance has not received a premium in the year 2021, but in the year 2020, it accounted – for 0.01 crores. Star health insurance received a premium of 2288.48 crores in the year 2021 and has received a premium of 1514.73 crores. When compared,

the overall premium accounted was 4096.6 crores in the year 2021 and it received a premium of 2643.69 crores in year 2020. The percentage of growth accounted for between 2020 and 2021 was 54.96 percent.

The general insurance companies in India give coverage for medical purpose also. The Acko General Insurance Company collected a premium of 79.03 crores in the year 2021, and it accounted for 14.68 crores in the year 2020. The Bajaj Allianz General Insurance company accounted for 550.56 in 2021, crores, and 449.1 crores in. The Bharathi AXA General Insurance company generated 83.49 crores premium in the year 2021 and in the previous year, it generated 112.88 crore. The cholamandalam MS General Insurance company generated 90.29 crores in the year 2021, and 101,3 crores in the year 2020. The CoCo by Navi General Insurance company earned a 1.15 crore premium in the year 2021, and 0.84 crore in year 2020. The Edelweiss General Insurance company generated 19.93 crore premiums in the year 2021, and 14.56 crore in the year 2020. Future General India Insurance generated 115.43 crores in 2021 and 80.7 crores in the year 2021.

The Go Digit General Insurance earned a premium of 173.52 crores in the year 2021, and 76.79 crores in the year 2020. The HDFC Ergo general Insurance earned 863.61 crores in 2021 and 699.09 crores in 2020. The ICICI Lombard general accounted for a premium of 900 crores in 2021, and 734.39 crores in the year 2020. The IFFCO – Tokio General Insurance company generated 535.82 crores in the year 2021 and 336.45 crores in 2020. The Kotak Mahindra General Insurance generated 48.01 crore in 2021, and 35.76 crore in 2020/ Liberty General Insurance company generated 74.01 crores in 2021 and 82.18 crores in 2020. The Magma general insurance accounted for 19.92 crores in 2021, and 13.26 crores in 2020. A national insurance company generated 1329.66 crores in 2021 and 980.45 crores in 2020. The Raheja OBE General Insurance earned a premium of 1,58 crores in 2021 and 0.28 crores in 2020. Reliance General Insurance has earned 402.57 crores of premium in 2021, and 418.09 crores in 2020. Royal Sundaram general insurance has gained a premium of 97 crores in 2021, and 87.04 crores in 2020. The SBI general Insurance company generated a premium of 242.14 crores in the year 2021 and 273.38 crores in 2020. Shriram

General Insurance has gained a premium of 2.58 crores in 2021 and 0.11 crores in 2020. The Tate AIG General Insurance earned a premium of 279.57 crores in the year 2021, and 221.42 crores in 2020. The New India Insurance company has generated a premium of 4406.03 crores in 2021 and 3274.03 crores. The Oriental Insurance company generated a premium of 1443.1 crores in the year 2021, and 1058.47 crores in 2020. United India Insurance company earned a premium of 1542.46 crores in the year 2021, and 1572.93 crores in the year 2020. Universal Sompo General Insurance has earned a premium of 98.85 crores in 2021, and 82.51 crores in 2020.

The total earning of the General Insurance company which has generated health insurance premium is 13,400.45 crores in the year 2021 and 10720.69 crores in the year 2020, leaving a percentage growth of 25 percent. The stand-alone health insurance company had a growth of 54.96 percent between the years 2021 and 2020. The real premium growth of non-life insurance in the advanced markets accounts for 2.7 percent, 7.7 in an emerging market, 7.6 percent in Asia Pacific, 5.7 percent in India, and 3.5 percent in the world scenario.

The non-life Insurance premium raised by the Insurance companies in the year 2019 in the advanced markets accounts for 2,832.22 USD billion, the emerging market accounts for 544.11 crores, the Asia pacific accounts for 631.22 crores, and India accounted for 26.64 crores. When commenting on the world level the non-life Insurance premium accounts for 3,376.33 crores of USD billion.

The premium Underwritten by general and health Insurers account for 68,658.85 crores in the year 2018-19 and 73,263.08 crores in the year 2019-2020 by the public sector insurers. The private sector insurers have underwritten a premium of 81,287.15 crores in the year 2018-19 and 90,743.94 crores in the year 2019-2020. The stand-alone health insurers have underwritten a premium of 11,354.03 crores in 2018-2019 and 14,472.89 crores in 2019-2020. The specialized insurers have underwritten a premium of 8,148.42 crores during 2018-2019, and 10,436.71 crores in the year 2019-2020. The total premium accounts for 1,69,448.46 crores in the year 2018-2019 and 1,88,916.62 crores in the year 2019-2020.

Public sector insurers, during the year 2018-2019, the health insurance segment collected

a premium of 25,319.32 crores, and in 2019-2020 it has collected 25,966.16 crores. The growth percent in 2018-2019 accounts for 9.55, and 2.55 percent in 2019-2020. The market share also accounted for 49.81 percent in the year 2018-2019, and 45.66 percent in the year 2019-2020. Among the private sector health insurers, the total premium collected was 14,160.20 crores in 2018-19 and 16,426.08 crores in 2019-20. The growth percent was 34.16 and 16 percent respectively for the years 2018-19 and 2019-20. The market share accounts for 27.86 and 28.89 percent during 2018-2019 and 2019 and 2020.

The stand-alone health insurers have collected a premium of 11,354.03 crores in the year 2018-2019 and 14,472.89 crores in the year 2019-2020. The growth percentage accounts for 36.56 and 27.47 percent respectively for the years 2018-2019 and 2019-2020. The market share accounts for 23.34 percent in 2018-2019 and 25.45 percent in 2019-2020. The total premium collected by the public, private, and specialized health insurers accounts for 50,833.55 crores in the year 2018-2019 and 56,865.13 crores in the year 2019-2020. The growth percentage accounts for 21.09 and 11.87 percent for the years 2018-2019 and 2019-2020. The market shares cumulate to 100 percent for the years 2018-2019 and 2019-2020.

CONCLUSION

Health insurance in India is an unsaturated market to a large extent. This sector has a bunch of opportunities as is the evident in the data shown above. The present study clearly indicates that there is a large proportion of population still uncovered from the health insurance products. However over a period of last years, this sector has witnessed a rapid expansion.

Attracting from the potential growth in this sector, a good number of private health insurers with foreign collaborations have been able to create their market share. Though the relative share of indigenous public sector insurance companies has declined even then in absolute terms their business (in terms of no. of policies and premium amount) has significantly increased. Innovation in the health insurance products can be very significant in further growth and development of this sector in India. Competition, which is predominant in the health insurers, will also add in insuring new people enabling further

penetration of health insurance products among Indian population. Taking a health insurance cover and subsequent payment of health insurance premium on regular basis is an easy way to mitigate any kind of financial losses due to health issues in future which may affect peace of mind and health as collateral. Thus, health insurance could be a breakthrough for common public at large who can avail best in class medical facilities in any part of the country to the extent of sum assured in the policy document without bothering to any loss of savings leading to financial and mental disability.

Key Suggestions

- 1) In a country like India, there is a need of universal health insurance program at low cost to be made compulsory with an intention to insure each and every citizen of the country especially people residing below the poverty line.
- 2) Innovation in products and services catering to the distinguished needs of public will definitely attract those who are still in dilemma. The health insurers are advised to adopt new business models to enhance their customer base, revenue and business.
- 3) Public health insurance companies are advised to be cautious in dealing with the present and potential customers to eliminate any possibility of churn rate or customer turnover.
- 4) Health insurance companies should popularize health insurance portability by highlighting their specialties and advantages to attract new customers.

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