



Health Insurance In India: An Overview

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ABSTRACT

Health insurance is now emerging as a tool to manage financial needs of people to seek health services. Health Insurance is a part of "Personal Insurance and General Insurance". Today, various health insurance schemes are available in the market and providing benefits from an individual to an entire family. The medical insurance or mediclaim policy is very well known in India. There are numerous 1companies in India that provide low-cost medical insurance packages. Non-life insurers' gross premiums written in India increased to US\$ 24.41 billion in FY21 (April 2020 to February 2021) from US\$ 24.55 billion in FY20 (April 2019 to February 2020), owing to high growth from general insurers. Present paper tries to present the health insurance scenario and some of the issues related to the health insurance sector in India.

Keywords: Health Insurance, Health Care, Insurance Regulatory and Development Authority

INTRODUCTION

The first health insurance policy in India was established in 1923 "Workman's Compensation Act" was passed. The year 1948 saw the introduction of ESI Act. The Compensation Act has been enacted. The ESI Act was first introduced in 1948. Since then, the health insurance business has been a wild west, with laws that are constantly changing. In the event of illness or an accident, Indian Health Insurance covers medical treatment. Get quality medical care without the cost of therapy. In a strict sense, a premium is a price paid in advance by an individual or a group to purchase health care coverage.

Simply put, health insurance is a contract under which an individual or a group of individuals obtains health care in advance for a fee known as a "premium. " The term "health insurance" encompasses a wide range of coverage. These policies cover everything from medical and hospital bills to long-term care insurance. Disability insurance, which pays lost wages if you are unable to work due to illness or accident, is considered health insurance, despite the fact that it is not specifically for medical expenses.

After life and motor insurance, health insurance is an expanding insurance business in India. The rise of the middle class, greater hospitalisation costs, Health-care costs are high, and growing digitization trend and more awareness are some of the major factors driving the Indian health insurance market's expansion

Health insurance is generally provided in many countries. Except for organized-sector employees in India, it is a novel notion. In India only about 2% of all health-care

spending is funded by public/social health insurance while 18 per cent is funded by government budget.

Health insurance is a big contributor to India's general insurance industry's growth. In India industry of general insurance, it contributes for about more than a third of overall premium income. This sector's growth is crucial in terms of the general insurance industry's overall expansion. In the meantime, there are numerous issues in this industry that are harming its performance. In the health and general insurance market, private sector firms raised their market share from 47.97 percent in Financial Year 2019 to 48.03 percent in FY20. In FY20, private players had a share of the market of 33.78 percent among the life insurance industry's premium underwriting services. According to the Insurance Regulatory and Development Authority of India (IRDAI), the combined premium of Twenty Five general insurance firms increased by 10.8 percent in January 2021 to US\$ 2.24 billion (Rs. 16,247.24 crore), up from US\$ 2.02 billion (Rs. 14,663.40 crore) in January 2020.

MATERIALS AND METHODS

The present study is descriptive in nature and based on analysis of secondary data available on internet. For the purpose of studying current scenario of health insurance pertinent information has been collected through the reports of Insurance Regularity and development Authority (IRDA), journals published on the subject, books published and annual reports of various health insurance providers available on the websites of the company.

HEALTH INSURANCE SCENARIO IN INDIA

In terms of life insurance, India is ranked 10th in the world. India has a 2.73 percent share of the market for life insurance throughout the world in 2019. Premiums for life insurance in India raised by 9.63 percent year over year, while global premiums increased by 1.18 percent. India is ranked 15th in the world for non-life insurance. India has a 0.79 percent share of the worldwide non-life insurance market in 2019. The non-life insurance premium in India climbed by 7.98% over the previous year, while the global non-life insurance premium raised by 3.35%.

In 2019, life insurance premiums accounted for 46.34 percent of total premiums, while non-life insurance premiums accounted for 53.66 percent. However, India's proportion of the life insurance market was considerable, at 74.94 percent, compared to 25.06 percent in the non-life insurance market. By 2020, the Indian insurance business is anticipated to be worth \$ 280 billion.

In many nations, health insurance is well-established, yet it is still mostly underdeveloped in India. Health insurance is only available to about 15% of India's 1.1 billion population. And the majority of it only applies to government personnel. At any given moment, 40 to 50 million people are on medicine for a serious illness, while public funding for comprehensive health care accounts for only around 1% of GDP. Over 80% of health-care funding is private, with the majority of out-of-pocket expenditures and no pre-payment systems. Given the current state of health financing and demand in India, health insurance has a broader scope. To tap the health insurance industry of India, however, cautious and significant efforts are required, as well as sufficient awareness and training.

Low consumer knowledge and lack of healthcare infrastructure, according to the Chairman of the Insurance Regulatory and Development Authority (IRDA), are the most significant impediments to growing healthcare insurance coverage in India. Health-care prices have risen dramatically in recent years, prompting customers to insure not only themselves but also their family members against future medical expenses and other connected needs. With older generations that are either retired or will be retiring in the near future, the necessity to insure becomes even more important.

VARIOUS HEALTH INSURANCE PRODUCTS AVAILABLE IN INDIA

1. Individual Health Insurance

Individual health policy is a coverage that the insured person purchases for their own or spouse, children and parents to maintain their health and take care of medical care whenever required by the insured person. Medical expenses for injury and illness-related hospitalisation, surgical charges, room rent, childcare procedures, and more are covered by this sort of insurance policy. A medical insurance premium is required to be paid before claiming cover. The best part of buying an Individual Policy is that it offers individual Sum Insured limit for each covered member.

2. Family Floater Health Insurance

As the name suggests, the entire family is covered under this form of health insurance coverage. Instead of buying separate policies for every member, a family floater plan is one that covers the entire family. Insured for a single sum floats for all members who are covered by a Family Floater Health Insurance policy. Main advantages of such an insurance plan is that you need not manage different policies and premium is comparatively lower than the Individual Health Insurance policy.

3. Group/Employee Health Insurance

Group Health is one of the types of health insurance plans trending these days. A Group Health Insurance policy is designed for a group of employees working together. Many medium and large-scale enterprises are offering this insurance policy to the employees. Employers typically offer such plans, which are structured to include and exclude employees when they join and depart the organisation. Group health policies are generally low in premiums due to the reduced risks involved. Buying a Group Health Insurance policy not only offers coverage to your employees but also enhance the goodwill of company.

4. Senior Citizens Health Insurance

These health insurance policies are specially designed for senior adults who are typically over 60 years old. Though just a few insurers provide these types of coverage, they might ask for a medical check-up before selling the plan. Furthermore, because elderly are more vulnerable to diseases and illnesses, these policies may be far more expensive than health insurance for younger people. Medications and Hospitalization charges will be covered by Senior Citizen Health Insurance, whether they are caused by a medical condition or an accident. It also covers hospitalisation and post-treatment fees.

5. Critical Illness Insurance

The Critical Illness Insurance plan insures the person by offering a lump sum amount of money for life-threatening diseases. A critical illness cover is especially useful if the insured has a history of certain critical illnesses in the family. The amount to be paid is pre-decided irrespective of pre and post-hospitalization expenses. A critical illness insurance plan insures you for fatal diseases such as heart attacks, kidney ailments, paralysis, cancer etc.

6. Maternity Health Insurance

These are women-specific health insurance plans. Such plans provide coverage all the expenses incurred in the prenatal stage; delivery and post-natal stage are covered. Both the mother and the newborn are covered under such plans. It covers for child-delivery (including medically necessary terminations), infertility expenses and coverage for the newborn baby up to its first 90 days.

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