



## Health Insurance of India- An Analysis

Chandan Kumar Choudhary, Research Scholar, Dept. of Economics, S.K.M. University- Dumka (Jharkhand)

### Abstract

Nature is unexpected and uncertain. The same applies to human life, which is full of dangers and uncertainties in this unstable world. Any sovereign tragedy can result in anything from minor to severe injuries to death. Diseases never knock on the door of our justaucorps. Insurance is the ideal way to deal with the difficult times in our lives and the lives of our loved ones as we head to the heavenly abode. Money has never been able to buy life or cure disease and never will. There are generally two forms of insurance: general insurance and non-life insurance. In this study, which is part of general insurance, we try to assess the current state of the Indian health insurance market. Due to the assurance of private healthcare providers, growing health awareness across all segments of society, rising household incomes, price and competitive competition among health insurance companies, and lack of bureaucratic measures among health insurance employees, the health insurance sector in India has seen significant growth since liberalization.

**Keywords:** Health Insurance, Income, Diseases, Age.

### I. Introduction

Individual and family life is usually peaceful except for the unexpected and unimaginable. If the family has little savings and few sources of income, needs such as a house, car or other social status or the desire to buy other consumer comforts can be postponed. However, unplanned medical expenses that need money quickly and harm other families' finances. In addition to the needs mentioned above, medical expenses can destroy a family's long-term financial needs, which include marriage or children's college, as well as retirement plans. Health insurance is the only way to protect the health of individuals and their families from the risk of financial difficulties and the loss of the ability to maintain their standard of living. One can figure out how to deal with such situations and the answer is health insurance. A general insurance product called health insurance covers medical bills and surgical expenses for the insured, which might be a person, a household, or an organization. Individuals, households or organizations contract and purchase health services in advance by paying a premium called subscription insurance. Health care, on the other hand, is a strategy that helps you delay, reduce, or avoid the cost of covered health care costs.

## II. Review of Literature

Some important reviews related the topic are as under-

**Suman Devi and Dr. Vazir Singh Nehra (2015)**, Issues related to the Indian health insurance industry. Rashtriya Swasthya Bima Oojna (RSBY), hybrid products, critical illness coverage and health insurance capabilities are just some of the recent developments in the health insurance sector highlighted in the study. Common health insurance problems and suggested possible solutions. Examples of companies that are doing away with third party administrators (TPAs) and choosing to settle claims directly include Bajaj Allianz, Cholamandalam MS and Star Health. According to the survey, insurers have started visiting hospitals to talk to patients for claims under the group insurance category. If an error is detected, the policy update will be delayed. In addition, pre-determined prices for procedures and treatments prevent unequal payments. Other problems include high payment requirements for public sector insurance, lack of landfill skills, underdevelopment of health insurance in rural areas, poor health insurance policy options and lack of public health education. insurance policy.

**K. Swathi and R. Anuradha (2017)**, Overview of Health Insurance in India. Along with providing a brief overview of the Indian health insurance market, the report includes the concepts and benefits of health insurance. Provides a summary of the population covered by various programs, including government sponsored, group insurance, family insurance, and individual plans. It shows the number of people insured by general, commercial and professional insurance, as well as sector health insurance. The study recommends a new policy for government health insurance for the benefit of the population. The Insurance Regulatory and Development Authority (IRDA) is proposed to take steps to encourage competition between telecom and health insurance service providers. It is recommended that the government start an awareness campaign to inform the public about the benefits of buying health insurance.

**Binny, Dr. Meenu Gupta (2017)**, opportunities and problems in Indian healthcare insurance.

The topic of the essay is the current state of the Indian health insurance market. The sector's problems and growth prospects are noted. According to the survey, India's health insurance market is expanding. Companies must expand their operations by introducing fresh business strategies and cutting edge goods. To provide coverage for families living in poverty, a universal health insurance scheme is considered as being necessary. In India, the medical tourism industry is also expanding, and health insurance providers may profit from it to boost their clientele. Additionally, it is suggested that the industry establish a shared information bank so that clients may analyze the costs, value, and services offered by health insurance providers.

**Satakshi Chatterjee, Dr. Arunangshu Giri, Dr. S.N. Bandyopadhyay (2018)** have studied on the Indian health insurance market. The descriptive research outlines the various health insurance options available in India. It also makes an effort to study the health insurance systems of a few other nations. One of the main obstacles to

the growth of the country's health insurance industry is the lack of mergers between public and private enterprises. In India, the market for health insurance is seen to be untapped, and the middle income group, which is the industry's target consumer, would undoubtedly lead to a growth in the sector in the years to come. By the end of 2020, the value of the whole insurance industry is anticipated to be over USD 280 billion. No of the level of income, health insurance must be made universal.

**BC Lakshmana, P Jayarami Reddy, P Sravan Kumar (2019)**, business efficiency of some Indian general insurance companies. A sample of general insurance companies was examined to see how insurance premiums are structured, how claims are handled and how the company is performing. It shows a significant increase in insurance premiums collected by public and private insurance companies in terms of percentage from 13.55% to 24.29% between 2011 and 2013, and then decreased to 13.42% in 2018. The growth rate was 13 and 85% respectively. After completing the research, it was found that the public sector general insurance providers need new and creative products to compete with their private counterparts.

### III. Objectives of the study

1. To analyze the idea and framework of Indian health insurance.
2. To determine the critical areas for sector improvement.
3. To outline the distribution of health insurance in India by industry.

### IV. Research Methodology

The present study is descriptive in nature and is based on a review of secondary materials found online. Insurance Regulatory and Development Authority (IRDA), reports from journals and books, annual reports of various health insurance providers available on the company's website and relevant sources used to collect relevant data for the last five years; health insurance status.

### V. Health Insurance Products Available in India

Various policies and programs are offered by general and commercial insurance companies to cover risks in order to reduce the possibility of developing health problems.

Financial health insurance solutions from this firm provide security for individuals, families and groups of people.

Below are some types of insurance plans:

#### 1. Individual health insurance plans

According to the sum insured, this plan provides the risk for the person's hospitalization and other incidental expenses while in the hospital.

This insurance allows you to purchase several separate policies for each family member.

These are primarily reimbursement plans and are usually provided with no cash down.

## **2. Family Floating Health Insurance Plan**

Each family member is paid with a separate amount insured under this insurance.

Any member or all members can access the sum assured in case of any incident during the policy term. Compared to separate insurance for each family member in a separate medical claim policy, the premium paid under this policy is usually lower.

## **3. Unit Linked Health Plan (ULHP)**

The savers benefit from investing in this type of health insurance along with health coverage. In this plan, part of the money is invested and the remaining money is used to buy health insurance. Income allows the policyholder to cover medical expenses above and beyond the promised amount. In India, such initiatives are new and in the planning stage. ULHP's income is based on the performance of the single market.

## **4. Critical illness plan**

Coverage of critical illness, cancer, organ failure, irreversible damage, etc. will pay the costs related to the treatment of serious diseases such as the insured receives a lump sum payment in the diagnosis of one of the critical diseases covered by the policy contract.

## **5. The highest plan**

These plans help increase the amount covered and provide more protection to policyholders than conventional insurance. The super up plan is only available after the guaranteed principal amount is reached.

## **6. Citizen Health Insurance Scheme**

According to IRDA rules, health insurers must offer health insurance policies to people up to 65 years of age. Aging brings with it a variety of health problems that require expensive treatment.

Keeping this in mind, health insurers have created a separate health insurance policy for senior citizens above 65 years of age. Compared to other insurance policies, premiums for senior health insurance are often higher.

## **7. Daily Cash Reimbursement Package for Hospitals**

As the name suggests, regardless of the actual cost of the insurance, the covered person pays a certain amount for each hospital day.

## **8. Personal disaster plan**

Personal accident insurance pays for medical treatment for injuries related to an accident. This insurance usually covers three events: total disability, partial disability and death. This insurance is available not only for individuals but also for groups.

## VI. Data Analysis and Interpretation

### Health insurance premium trends

The amount of premiums is collected by various organizations on behalf of insurance coverage. Individual accidents or travel insurance companies are not included.

### Health Insurance Premium

Health insurance is one of several general insurance policies which is a growing industry in India. According to official figures for the financial year 2020-21, general and health insurance firms received 44.873 million from health insurance premiums, which is 21.2% more than the same period last year. Personal accident and travel insurance companies are not included in these statistics. Between 2014-15 and 2020-21, the annual increase in health insurance premiums is over 20%. This bodes well for the expansion of the industry and shows that India is becoming more health conscious. Public Sector General Insurance Companies (PSGICs), including New India Assurance Company Limited (NIA), National Insurance Company Limited (NICL), Eastern Insurance Company Limited (OICL) and United India Insurance Company Limited (UIL) have a significant share of the public. They continued to control their share, but their share steadily declined over the course of the study. It is clear that during that period it dropped from 64% to 52%. Private health insurance market share increased marginally from 22% in FY 2014-15 to 24% in FY 2020-21.

### State wise distribution of health insurance in India

An attempt is made to determine how the total health insurance market is distributed across countries, focusing on the main countries that are market leaders. Only health insurance is paid, no personal accident or travel insurance. The graph below shows the state-wise distribution: Five states - Delhi, Gujarat, Maharashtra, Karnataka and the National Capital Territory of Chandigarh - accounted for 66% of the total health insurance premiums for the financial year 2020-21. The remaining 31 UTs and states contribute a total of 34% of the premium funds. According to data released by IRDA, Maharashtra contributed 13,708.44 crore or 31 percent of the total health insurance premium received in the financial year 2020-21.

## VI. Conclusion

The health insurance market in India is largely unregulated. The above statistics clearly show the wealth of potential that exists in this field. Current analysis shows that a significant part of the population is still not covered by health insurance. However, the industry has experienced tremendous growth over the past few years. Many private health insurers and international partnerships have been able to take advantage of the industry's growth potential and increase their market share. At the same time, the relative share of public sector insurance companies (no policies) has been declining or premium amount) have significantly increased.

The expansion and growth of this business in India can be significantly influenced by innovations in health insurance products. Due to the current competition among health insurance providers, new population insurance can reach the population of India. By purchasing health insurance and then paying regular premiums in Delhi, it

is easy to reduce the financial damage that may occur due to health problems that may compromise your peace of mind and health. Therefore, health insurance can be successful for the population that allows them to receive the best medical care in the amount of the policy without worrying about losing funds.

## VII. Suggestions

In the developing countries, like India, need to make affordable universal health insurance policies mandatory to cover everyone, especially those living below the poverty line.

- People who are not yet convinced will be attracted to innovative products and services that respond to the unique needs of the community.
- Health insurance companies are encouraged to come up with innovative business concepts to expand their customers, revenues and operations.
- Public health insurance firms are urged to be careful when dealing with existing clients or prospective clients to avoid high levels of attrition or client turnover.
- By highlighting the benefits and experience, health insurance firms can promote the convenience of health insurance to attract new customers.
- Since there is competition in the telecom sector of our country, IRDA should develop regulations to encourage competition in the health insurance industry.
- The central and state governments should maintain an adequate level of education and include insurance chapters in the textbooks of that level.

## References

1. <https://www.reliancegeneral.co.in/Insurance/Knowledge-Center/Insurance-Reads/Types-Of-Health-Insurance-Covers.aspx>
2. <https://www.paisabazaar.com/health-insurance/>
3. <https://www.acko.com/articles/health-insurance/5-types-of-health-insurance-plan-in-india/>
4. <https://www.iciciprulife.com/health-insurance/types-of-health-insurance.html>
5. <https://www.iifl.com/blogs/types-of-health-insurance-plans>
6. <https://www.hdfchealth.com/knowledge-center/health-insurance-basics/types-of-health-insurance.aspx>
7. <https://www.policybazaar.com/health-insurance/general-info/articles/how-to-calculate-incurred-claim-ratio-in-health-insurance/>
8. K Swathi and R Anuradha (2017), Health insurance in India- An overview.
9. Suman Devi and Dr. Vazir Singh Nehra (2015), The problems with health insurance sector in India.
10. Binny, Dr. Meenu Gupta (2017), Health insurance in India- Opportunities and challenges.
11. BC Lakshmana, P Jayarami Reddy, P Sravan Kumar (2019), Operational efficiency of selected general insurance companies in India.
12. Satakshi Chatterjee, Dr. Arunangshu Giri, Dr. S.N. Bandyopadhyay (2018), Health insurance sector in India: A study, ( IRDA annual reports).