

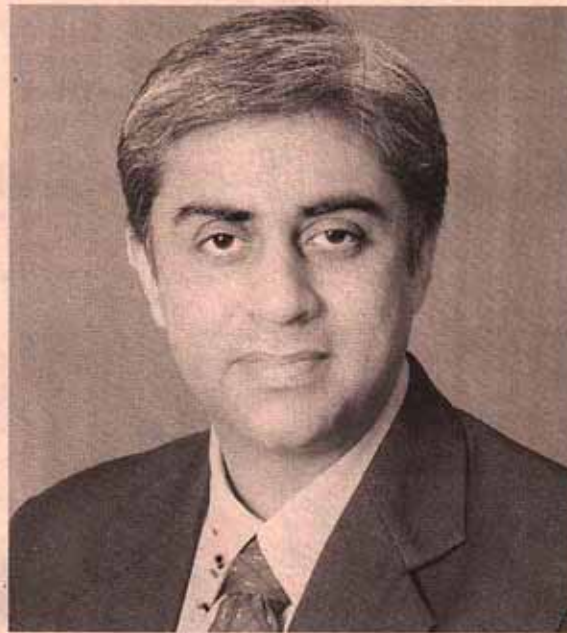
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INTERVIEW: ANUJ GULATI

MD & CEO, RELIGARE HEALTH INSURANCE

Greater emphasis on supply is the way forward

Religare Health Insurance will focus on improving service levels and risk management this financial year; says Anuj Gulati, managing director and chief executive officer. In an interview with Vishwanath Nair, Gulati discusses the key developments in the health insurance sector and the outlook for the year ahead. Excerpts:



With the new government coming in, what are the key changes you are expecting for the health insurance industry?

Firstly, health insurance is regulated but our costs are not. Hospitals need to adopt standard protocol while displaying their pricing that will lead to transparency. The second expectation is on increasing the limit of income tax deduction for health insurance premiums.

By and large, banks have stayed away from the new bancassurance model. What has your experience been with your bank partners?

We have made some progress in this direction and have found the results to be encouraging.

Will the rise in FDI cap for the insurance sector to 49% bring in more

competition to stand-alone health insurance companies? How do you plan to tackle it?

The consumer will always be the ultimate beneficiary of competition within any industry and we welcome any initiative towards that objective.

It's been two years since you started operations. How does the road ahead?

Our company earned revenues of ₹38 crore between July-March FY13 compared with ₹152 crore in the last fi-

nancial year, so we're encouraged. The quality of our service has been appreciated and the numbers are also testimony to the fact that we have been very careful in the kind of risk we underwrite. Going ahead we will focus on improving on these metrics. We will also add 10 offices this year to improve our geographical reach.

What can be done to improve health insurance penetration in India?

The health insurance industry was pegged at ₹17,000

crore in 2012-13. Healthcare expenditure is currently at 4% of GDP, which translates to about ₹3,00,000 crore, of which 70% is financed out-of-pocket. Clearly, greater emphasis on supply is the way forward and, therefore, as insurers offer better products, enhance reach and provide service, the health insurance industry will grow. The increase in the incidence of lifestyle diseases requiring prolonged and complex medical treatment, the rise in healthcare costs owing to high medical inflation and the change in family structures and demographic environment will all propel growth.

Guidelines by the regulator have helped create an environment of standardisation in product nomenclature and claim documentation, which enables consumers and the populace at large to easily compare products across manufacturers, gain a thorough understanding of the features and benefits of the purchased product and reassures them that the insurance policy will deliver efficiently in their hour of need. The addition of new channels for distribution has also provided insurers with an impetus to reach larger sections of the uninsured population.