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INSURANCE | INTERVIEW

“Fraudulent claims in OPD covers is a challenge”

Anuj Gulati, Chief Executive Officer, Religare Health Insurance, talks to Dipak Mondal on factors that are driving the health insurance business and his company's plans for the future



Last time Money Today spoke to you, Religare Health had just begun operations. How do you view the company's progress after one-and-a-half year of operations?

When we started, our focus was on product design and use of technology to deliver better services. The key is designing the right product for the consumer. But equally important is the confidence the customer gets from our services.

We wanted our products to be simple. So, there are no silver, gold or platinum plans. We have plans with covers of Rs 2 lakh, Rs 4 lakh, Rs 5 lakh, up to Rs 60 lakh. We do not have options within the Rs 2 lakh plan.

This helps us keep customers and distributors clear about the product and take care of issues such as mis-selling. It also helps us do the back-end work smoothly. Since the product is simple, there are no issues in policy issuance and claim settlement.

How is technology playing a role in offering better health insurance services?

We are in the business of high volumes and low ticket sizes. There are multiple touch points and a lot of interactions with customers at every stage. The only way we will be able to scale up is if at every stage agents, employees and customers get updates about the status

of their transactions. Our technology architecture has been designed to facilitate this.

We have taken a step further. A lot of customers were coming online to buy our products. But not everyone is comfortable with online purchases. So, we thought, why not empower agents by using technology and allow them to issue policies on our behalf?

What is the purpose of allowing agents to issue policies and how does it help consumers?

If I am an agent, I have to go to the customer, fill the proposal form and get a cheque. Then I have to go to the branch to submit the form, check three times if the policy document has come, then go to the branch again to collect the policy, and then deliver it to the customer. Look at the effort and time that goes into the process. If I sell a policy with Rs 5,000 premium, I get Rs 750 (or 15%) as commission, for which I have to make two visits to the customer and two to the branch. So, the return on efforts is low.

As of now, we have offered this facility to agents who do regular business with us, whose business is of a certain size and who are technology-savvy. Over 500 agents are already issuing policies directly on our behalf.



Photograph: SHEKHAR GHOSH

In online purchase, what is the drop-out rate (customer not buying after enquiring about the product)?

We have seen that 60% customers who reach the proposal page buy the product. There are customers who reach the payment page and then do not buy the product for some reasons.

The proposal form has many health and lifestyle-related questions. What are the questions that customers find difficult?

There are two-three important questions-- have you been hospitalised in the last 12 months, do you have a pre-existing condition--because they tell us about the health of the customer.

We have simplified the questions. We also give customers cues. And, of course, at every stage we give them the option to call our customer care executives for any help.

There are tricky questions such as if the customer was unable to attend office/work due to any disease in the past one year. A customer filling the proposal form may get rattled by such questions. How does the underwriting process change if the answer to such a question is in affirmative?

We don't take a decision only on basis of the information in the proposal form. If the answer to any such

question is yes, the customer has to either undergo a medical check-up or one of our doctors calls him to understand the case in more detail.

A lot of health insurers are offering OPD covers. What are you doing on this front?

The challenge around the product is to tackle fraudulent claims. From the cost standpoint, the challenge is keeping the processing cost (which comes to around Rs 300) lower than the claim (which can be as small as Rs 200-300). So, the approach we are taking to this is that it has to be on a cashless basis in a defined network of hospitals.

Do you plan to offer only discounts or reimburse the whole amount?

In the programme that we are developing, we will reimburse the whole amount. We want to take risk on this product, only then will it become scalable. Discount programmes are not scalable.

We believe offering OPD coverage is a big opportunity. We are already offering OPD cover to corporate customers. We expect a significant amount of work on this area in 12-18 months.

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