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# Health insurance sector in good shape

Standardisation of terms in 2014 was a booster for the sector

**DEEPA NAIR**

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The standardisation of health insurance terms was a significant development of 2014.

"Earlier, health insurance policies were difficult to understand as there was no parity in terms of coverage and procedures. The health insurance regulations have brought in standardised documentation, claim proposals, terminology and definitions and ensure that the policyholder is not unaware of the exclusions in the policy," says Anuj Gulati, MD and CEO of Religare Health Insurance.

According to Sandeep Patel, MD and CEO, Cigna TTK, the guidelines have brought about transparency and simplicity, thereby removing confusion in health insurance policies.

Earlier, insurers would use the same term to mean different things. For instance, maternity benefit for one insurer could mean paying only for a caesarean section, while for the other it could mean covering any complication. Now the definition has been standardised, Patel adds.

## Strong growth

Health insurance has been the fastest growing category for general insurers, logging growth of around 15 per cent. The size of the market is now estimated at around ₹17,178



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crore. The growth potential has seen the emergence of five standalone health insurers in the market with CIGNA TTK being the newest entrant.

V Jagannathan, Chairman and Managing Director, Star Health and Allied Insurance, said factors such as increasing government funding, rising standard of care and overall boom in opportunities for access to necessary treatment are expected to play a critical role in shaping a dynamic and sophisticated marketplace for healthcare in the Indian market. In the Insurance Bill, the Centre has recognised health insurance as a separate category and raised the minimum capital requirement for health insurers to ₹100 crore from ₹50 crore to ensure that only serious players enter the sector.

General insurance companies are revamping their health insurance products by covering more than just hospitalisation expenses.

General insurers have come up with comprehensive policies that covers, besides hospitalisation reimbursement,

pre-hospitalisation expenses, such as out-patient department (OPD) and wellness services.

Further, these companies are also providing additional features, such as worldwide emergency cover, disease-specific covers and value-added services in the form of discounts, health maintenance benefits and consultation charges for second opinion.

Sanjay Datta, Chief of Underwriting and Claims at ICI-CI Lombard, said the company is seeing rising demand for OPD as is evident from the initial response in the group health segment. Jagannathan said that OPD covers will be the major game changer for the health insurance industry.

## Public sector TPA

The launch of the in-house claims settlement team of public sector insurers – the Health Insurance TPA of India – is expected to plug leakages and ensure faster settlement of health insurance claims. The common TPA is expected to start operations by April 2015.