

Health Insurance Companies in India – A Comparative Study

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Abstract

My research is aimed at understanding the Health Insurance sector in India and flagging issues relating to competition in this sector. This report provides a broad direction for India's health sector in the coming years. In doing so, it describes India's achievements with regard to the three key goals of health policy - improvement in health status, financial health protection and equity.

The role of both public and private institution in provision of such services is studied in the overall context. The focus is to analyze the status of health in India, and is done by bringing together data and analysis from government documents, health economics and mainly from health insurance company websites and a host of other sources.

The study mainly focusing on the health insurance sector in India, and the comparative study on different companies who providing health insurance, based on their products and plans.

Introduction

The health care system in India is characterized by multiple systems of medicine, mixed ownership patterns and different kinds of delivery structures. It is interesting to note that although compared to other countries in the Asian continent, Indians are heavy users of health care services (about 5% of GDP being spent on healthcare, 80 percent of which is private expenditure). Health insurance in India is not yet that popular. In fact, health care market is almost untouched, with only 3.4 to 3.5 million members covered.

Health Insurance

Health insurance, which is being provided mainly by the general insurance companies, is a segment with great potential for growth because of greater health consciousness and increasing risk in the wake of faster phase of life, environmental pollution, etc. The increasing pollution levels are taking a toll in terms of the health of a large portion of the population, especially residents of metropolitan cities. These phenomena have made many people susceptible to

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respiratory diseases of one kind or the other.

The Indian Healthcare Industry

The Indian healthcare industry is expected to reach US\$ 280 billion by 2020 on the back of increasing demand for specialized and quality healthcare facilities. Further, the hospital services market, which represents one of the most important segments of the Indian healthcare industry, is expected to be worth US\$ 81.2 billion by 2015

Health Insurance – A Limited Market in India

Health insurance in a narrow sense would be ‘an individual or group purchasing health care coverage in advance by paying a fee called premium. The health insurance market in India is very limited covering about 10% of the total population. Health insurance expenditure in India is roughly 6% of GDP, much higher than most other countries with the same level of economic development. Of that, 4.7% is private and the rest is public.

In private insurance, buyers are willing to pay premium to an insurance company that pools people with similar risks and insures them for health expenses. The key distinction is that the premiums are set at a level, which provides a profit to third party and provider institutions. Premiums are based on an assessment of the risk status of the consumer (or of the group of employees) and the level of benefits provided, rather than as a proportion of the consumer’s income.

In the public sector, the General Insurance Corporation (GIC) and its four subsidiary companies (National Insurance Corporation, New India Assurance Company, Oriental Insurance Company and United Insurance Company) and the Life Insurance Corporation (LIC) of India provide voluntary insurance schemes.

Health Insurance Claim Settlement

Health insurance claim settlement has been calculated using the following formula -

Health insurance claim settlement ratio = (total claims - claims rejected) %

Table: 1 (Claim Settlement Ratio)

Insurers	Claim Settlement Ratio (%)
Apollo Munich	76*
Bajaj Allianz	84

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Bharti AXA	65
Chola MS	62
Future Generali	79
HDFC ERGO	73
ICICI Lombard	65
IFFCO-Tokio	46
Max Bupa	65*
Oriental Insurance	92
Reliance General	73
Royal Sundaram	93
Star Health	61*
New India Assurance	89
United India Assurance	78

*Stand alone health insurance companies

The health insurance claim settlement ratio of the insurers in 2011 is given above.

Companies Providing Health Insurance Product

Table: 2

	General Insurance Companies	Life Insurance Companies	Health insurance
1	Bajaj Allianz General Insurance Co Ltd	Life Insurance Corporation of India	Appolo DVK Insurance Co. Ltd.
2	Bharti Axa General Insurance Co. Ltd.	Aviva Life Insurance	Max-Bupa Health Insurance Co Ltd
3	Cholamandlam MS General Insurance Co. Ltd	Birla Sun Life Insurance	Religare Health Insurance Company Limited
4	Future Generali Indua Insurance	Bajaj Allianz Life Insurance Co Ltd	Star Health and Allied Insurance Co. Ltd.
5	HDFC Ergo Genral Insurance Co Ltd	Bharti AXA Life Insurance Co Ltd	
6	ICICI Lombard General Insurance Co. Ltd.	Future Generali India Life Insurance Company Limited	
7	IFFCO Tokio General Insurance Co. Ltd.	HDFC Standard Life Insurance Company Ltd.	

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8	National Insurance Co Ltd	ICICI Prudential Life Insurance Co. Ltd	
9	Reliance General Insurance Co. Ltd.	IDBI Fortis Life Insurance Co, Ltd.	
10	Shriram General Insurance Company Limited	Max Life Insurance Co. Ltd.	
11	Royal Sundaram Alliance Insurance Co. Ltd	MetLife India Insurance Co. Ltd.	
12	TATA AIG General Insurance Co. Ltd.	Reliance Life Insurance Co. Ltd	
13	The New India Assurance Co. Ltd.	SBI Life Insurance Co. Ltd.	
14	The Oriental Insurance Co. Ltd.	Star Union Dai-ichi Life Insurance Co. Ltd.	
15	United India Insurance Co. Ltd. Super Top Up	TATA AIA Life Insurance Co. Ltd.	
16	Universal Sompo General Insurance Co. Ltd.		

Types of Health Insurance Plans

Table 3

	<u>Individual Health Insurance Plan</u>	<u>Family Floater Health Insurance Plan</u>	<u>Critical Care Health Insurance Plan</u>	<u>Group Health Insurance Plan</u>
<u>Bajaj Allianz General Insurance Co Ltd</u>	<ul style="list-style-type: none"> Health Guard Hospital Cash 	<ul style="list-style-type: none"> Family Floater Health Guard Insta Insurei Family Floater Policy for Rs 1 Lacs Star Package 	<ul style="list-style-type: none"> Critical Illness 	<ul style="list-style-type: none"> Group Health Guard Group Critical Illness
<u>Bharti Axa General Insurance Co. Ltd.</u>	<ul style="list-style-type: none"> Smart Health Individual Policy 	<ul style="list-style-type: none"> Smart Health Essential Insurance Policy Smart Health High Deductibles 	<ul style="list-style-type: none"> Smart Health 	

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		<ul style="list-style-type: none"> Insurance Policy Smart Health Insurance Policy. 		
<u>Cholamandlam MS General Insurance Co. Ltd</u>	<ul style="list-style-type: none"> Individual Health 	<ul style="list-style-type: none"> Family Health. 		<ul style="list-style-type: none"> Group Health
<u>Future Generali India Insurance Co.Ltd.</u>	<ul style="list-style-type: none"> Health Suraksha 			<ul style="list-style-type: none"> Group Health Policy
<u>HDFC Ergo General Insurance Co Ltd</u>	<ul style="list-style-type: none"> Health Suraksha 	<ul style="list-style-type: none"> Health Suraksha 	<ul style="list-style-type: none"> Critical Illness 	<ul style="list-style-type: none"> Group Health Insurance
<u>ICICI Lombard General Insurance Co. Ltd.</u>	<ul style="list-style-type: none"> Health Advantage Plus 	<ul style="list-style-type: none"> Family Floater Health Insurance 	<ul style="list-style-type: none"> Critical Care 	<ul style="list-style-type: none"> Group Mediclaim Insurance Policy
<u>IFFCO Tokio General Insurance Co. Ltd.</u>	<ul style="list-style-type: none"> Individual Medishield 	<ul style="list-style-type: none"> Swasthya Kavach 	<ul style="list-style-type: none"> Critical Illness Policy 	
<u>National Insurance Co Ltd</u>	<ul style="list-style-type: none"> Mediclaim Policy 	<ul style="list-style-type: none"> Parivar – Mediclaim for Family Star National Swasthya Bima Policy BOI National Swasthya Bima 	<ul style="list-style-type: none"> Critical Illness Policy 	
<u>Reliance General Insurance Co. Ltd.</u>	<ul style="list-style-type: none"> Individual Mediclaim 	<ul style="list-style-type: none"> Reliance Health Wise Policy 	<ul style="list-style-type: none"> Reliance Critical Illness Policy 	<ul style="list-style-type: none"> Reliance Group Mediclaim Insurance Policy
<u>Royal Sundaram Insurance Co. Ltd.</u>	<ul style="list-style-type: none"> Health Shield Individual Insurance 	<ul style="list-style-type: none"> Health Insurance for Individuals and Family Health Shield Online 		

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<u>Tata AIG General Insurance Co Ltd</u>	<ul style="list-style-type: none"> • Maharaksha 		<ul style="list-style-type: none"> • Criticare 	<ul style="list-style-type: none"> • Group Multi Guard
<u>The New India Assurance Co. Ltd.</u>	<ul style="list-style-type: none"> • Mediclaim 			
<u>The Oriental Insurance Co. Ltd.</u>	<ul style="list-style-type: none"> • Individual Mediclaim Policy 	<ul style="list-style-type: none"> • Happy Family floater Health Insurance/Policy Wording 		<ul style="list-style-type: none"> • Group Mediclaim Policy
<u>United India Insurance Co. Ltd.</u>	<ul style="list-style-type: none"> • Mediclaim Policy 	<ul style="list-style-type: none"> • Family Medicare Policy India 		<ul style="list-style-type: none"> • Mediclaim Policy
<u>Universal Sompo General Insurance Co. Ltd.</u>	<ul style="list-style-type: none"> • Individual Health 	<ul style="list-style-type: none"> • Health Care Plus Policy 	<ul style="list-style-type: none"> • Aapat Suraksha Bima Policy 	<ul style="list-style-type: none"> • Group Health Insurance Policy
<u>Life Insurance Corporation of India</u>		<ul style="list-style-type: none"> • Health Protection Plus • Health Plus 		
<u>Aviva Life Insurance</u>		<ul style="list-style-type: none"> • Aviva Life Shield Plus 	<ul style="list-style-type: none"> • Aviva Health Plus 	
<u>Bajaj Allianz Life Insurance Co Ltd</u>		<ul style="list-style-type: none"> • Family Care First 		
<u>Bharti AXA Life Insurance Co Ltd</u>		<ul style="list-style-type: none"> • Easy Health 	<ul style="list-style-type: none"> • Swasthya Sanjeevani 	
<u>HDFC Standard Life Insurance Company Ltd.</u>			<ul style="list-style-type: none"> • HDFC Critical Care Plan • HDFC Surgicare Plan 	
<u>ICICI Prudential Life Insurance Co. Ltd.</u>		<ul style="list-style-type: none"> • Health Saver, Medi Assure 	<ul style="list-style-type: none"> • Crisis Cover 	
<u>Max Life Insurance Co. Ltd.</u>		<ul style="list-style-type: none"> • Life Line Healthy Family Plan 	<ul style="list-style-type: none"> • LifeLine Wellness Plan 	

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			<ul style="list-style-type: none"> • LifeLine-Safety Net Plan • Lifetime Wellness Plus Plan 	
<u>MetLife India Insurance Co. Ltd.</u>		<ul style="list-style-type: none"> • Met Health Care 	<ul style="list-style-type: none"> • Met Health Care 	
<u>SBI Life Insurance Co. Ltd.</u>			<ul style="list-style-type: none"> • SBI Health Product • Group Schedule of Critical Illness 	
<u>TATA AIA Life Insurance Co. Ltd.</u>			<ul style="list-style-type: none"> • Life Health Investor • Life Health Protector 	
<u>Apollo Munich Insurance Co Ltd</u>	<ul style="list-style-type: none"> • Easy Health Individual 			<ul style="list-style-type: none"> • Group Health Insurance
<u>Star Health and Allied Insurance Co. Ltd.</u>	<ul style="list-style-type: none"> • Medi Classic • Medi Premier • True Value 	<ul style="list-style-type: none"> • Family Health Optima. 	<ul style="list-style-type: none"> • Star Criticare Plus 	

Individual Health Insurance Plan

Individual Health Insurance Plan is a type of insurance coverage that pays for medical and surgical expenses that are incurred by the insured. Individual Medical Insurance Policy is a policy where each of the insured members is entitled to the entire amount separately. The Individual medical insurance Policy is great for older families and when the health risk is more. There are no age restrictions on the maximum age for the members for renewable. You can avail the benefits of Loading and Discounts until the policy lapses.

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Family Floater Health Insurance Plan

Family floater means cover for family. It is same as insurance for family. The family could include two members or more. According to the number of family the premium amount will increase.

Critical Care Health Insurance Plan

Critical Care or critical illness is an insurance product, where the insurer is contracted to typically make a lump sum cash payment if the policyholder is diagnosed with one of the critical illnesses listed in the insurance policy. The policy may also be structured to pay out regular income and the payout may also be on the policyholder undergoing a surgical procedure.

Group Health Insurance Plan

Group Health Insurance Plan is an insurance plan that provides healthcare coverage to a select group of people. Group health insurance plans are one of the major benefits offered by many employers. These plans are generally uniform in nature, offering the same benefits to all employees or members of the group. Group health insurance plans usually cost less for participants than individual plans that offer the same benefits. This is because the risk is spread over the entire group, rather than one person.

Conclusion

Everyone should be covered by some form of health insurance. People are always vulnerable to injury and illnesses from their everyday activities. Whether it is an individual plan or employer- or government-sponsored coverage, having health insurance is better than not having it at all. Millions of Americans are uninsured in part due to high premium costs. Many are forced to pay these high health costs out of pocket, which can create more problems medically and financially.

Indian Health insurance or medical insurance sector has been growing, since the country's economic reforms. The reason why mediclaim insurance, has grown is that it ensures good medical care from reliable health care institutions. With numerous companies offering health insurance and with a variety of health insurance plans on the offer it's hard to decide which plan you should go for. This is the study for finding which plan fits your needs the best. This competitive market means that you will need to compare policies to find the best health insurance policies or the best medical insurance plans.

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