

Insurers in wait-and-watch mode before signing up for Ayushman Bharat scheme

SURABHI

f t in w e 0



Prime Minister Narendra Modi is expected to announce the scheme on August 15, which will provide health cover of Rs 5 lakh to 10 crore families.

Many general insurance firms seek full scheme details before participating

MUMBAI, AUGUST 9

General insurers are cautious about the government's ambitious National Health Insurance scheme with many choosing to be in a wait-and-watch mode before bidding for any States.

As of now, only the bid for Nagaland has been finalised, with Dadra and Nagar Haveli likely to be the next for the tender.

Though most are betting big on the impact of the Ayushman Bharat scheme on increasing awareness about health insurance and giving a fillip to business, many insurers are waiting for more clarity on the pricing and the model used by larger States to implement the scheme.

“Everyone is waiting for the scheme to unfold and insurers will definitely participate in it. But first States have to decide on what model they choose. There is no idea about the premium either, as it is based on competitive bidding,” said R Chandrasekaran, Secretary General, General Insurance Council.

Prime Minister Narendra Modi is expected to announce the scheme on August 15, which will provide health cover of ₹5 lakh to 10 crore families, but it is likely to be implemented from October. The industry is now gearing up to launch the scheme around Dussehra or Diwali.

“The rules of the game are not very clear, be it on pricing of the scheme or the package rates. We are certainly open to the scheme but will wait for all the guidelines to come out as there are concerns that hospitals are not too happy on some issues,” said Nikhil Apte, Chief Product Officer, Product Factory (Health), Royal Sundaram.

Another insurer pointed out that Nagaland’s health and socio-economic performance is on the higher side and cannot be used to gauge the national average. A major concern is whether annual premium rates, once discovered through competitive bidding will then be frozen, like other government insurance schemes, which can then lead to losses.

Roopam Asthana, CEO and Wholetime Director, Liberty General Insurance, said: “At present, very small States and Union Territories are issuing tenders for the scheme.”

Multiplier effect

However, insurers believe that the flagship health insurance scheme will have a huge multiplier effect.

Apte said the scheme will create greater awareness about insurance and also make people go in for additional health cover. “People may realise that they want to have a higher cover and would then turn to purchase it from other insurers,” he said, adding that, in turn, would expand medical services to smaller towns and rural areas.

According to Rakesh Dayal, Director, Probus Insurance, Ayushman Bharat will make healthcare more affordable and rationalise costs of the TPA and hospitals. “In turn, the cost of medication could also come down. But execution will be the key,” he said.

Published on August 09, 2018

TOPICS

[Nagaland](#) [Ayushman Bharat scheme](#) [General Insurance](#)

Previous Story

[At 19%, Kerala tops in remittances](#)

Next Story

[Why have banks not hiked the savings deposit rate yet?](#)

Get more of your favourite news delivered to your inbox

Subscribe

Promoted Content

Recommended by



Corporate India mourns the passing of a business-friendly leader



The dark side of Croatia's soccer 'soft power'



Who really owns NDTV?



By The Way



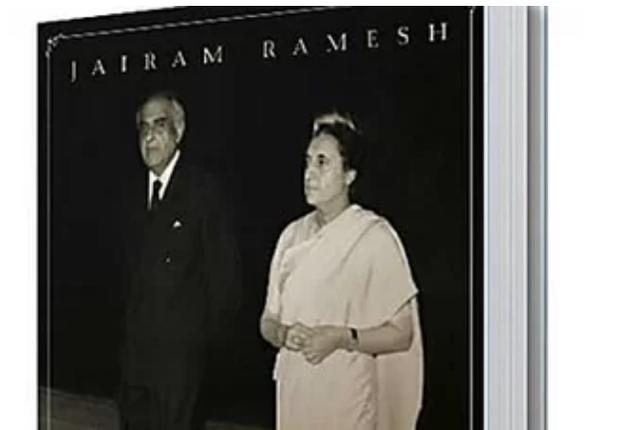
Shree Ganesh Jewellery promoter arrested in multi-crore fraud case



Harivansh: First time MP becomes Rajya Sabha Dy Chairman



Forced 'bonding'



The man behind India's Iron Lady



Reliance to launch fixed line broadband for homes, enterprises: Mukesh Ambani

MORE FROM BUSINESSLINE

PSB privatisation will take care of governance issues: IMF report



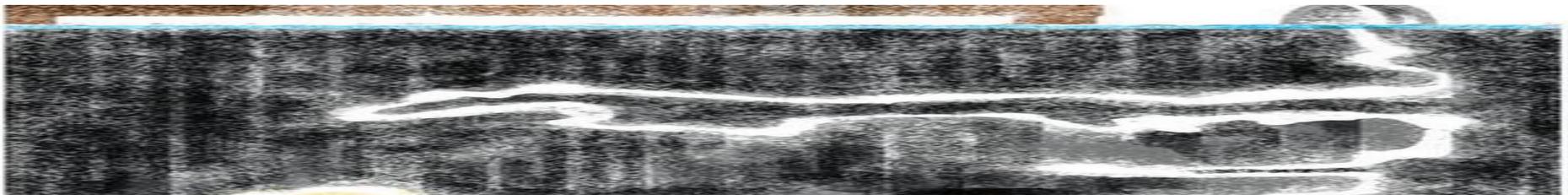
More aggressive disinvestment and privatisation of public sector banks (PSBs) would address some of the structural issues in governance, such as incentives and efficiency of these banks, according to

'We see a huge opportunity for backhoe loaders'



Sandeep Singh, MD of Tata Hitachi, is upbeat about the new offering, Shinrai

Petty corruption is not small change



It is as expensive to society as large scams and cannot be tolerated as a small price to grease the economic machine



Write a comment

1000

or

Name

Email

I agree with Vuukle's [Privacy Policy](#)

POST

TALK OF THE TOWN

Petty corruption is not small change

2 comments

Sensex on a tear, vaults to 38,000 mark

2 comments

Ikea set to take home-furnishing shopping to a new...

1 comment

Supreme Court terms as 'grave' incidents of vandalism...

1 comment

SBI posts Rs 4,876 cr net loss on lower...

1 comment

For private bank promoters eyeing to shed stake, Kotak's...

1 comment

Show more articles

1. Comments will be moderated by The Hindu Business Line editorial team.
2. Comments that are abusive, personal, incendiary or irrelevant cannot be published.
3. Please write complete sentences. Do not type comments in all capital letters, or in all lower case letters, or using abbreviated text. (example: u cannot substitute for you, d is not 'the', n is not 'and').
4. We may remove hyperlinks within comments.
5. Please use a genuine email ID and provide your name, to avoid rejection.