

Benchmarks >

Nifty LIVE10,787.45 81.70

NSE Gainer-Large Cap >

Hindalco Inds.

162.95 7.95

FEATURED FUNDS

HDFC Mid-Cap Opportunities
Direct Plan-Growth

★★★★★

5Y RETURN

6.35 %

INVEST NOW

Stock Analysis, IPO, Mutual
Funds, Bonds & More

Market Watch

Health insurers feel the brunt as Covid claim amounts triples to Rs 562 cr in a month

Jul 09, 2020 12.30PM IST

View Full Chart

10799.60

BY ASHWIN MANIKANDAN, ET BUREAU | UPDATED: JUL 09, 2020, 09.10 AM IST

Post a Comment

Mumbai: India's [health insurance](#) sector is feeling the financial brunt of the [coronavirus](#) pandemic, with claimed amounts more than tripling to ₹562 crore in less than a month, led by Maharashtra and Delhi.

Big Change:[The end of Five-Year Plans: All you need to know](#)

The number of claims also tripled to 35,000 on July 3 from about 11,000 reported on June 8, according to data from the General Insurance Council, which ET accessed.

The total amount claimed by policyholders on account of various treatment costs rose from ₹178 crore on June 8, the data showed. Almost 23,000 claims worth ₹184 crore were settled as of July 3, according to the data.

Maharashtra, the state with the highest number of cases, alone reported 15,753 claims worth ₹195 crore, followed by Delhi, the worst-affected city, which submitted 5,909 claims worth ₹134 crore. Other states with a high number of claims include Tamil Nadu, Karnataka, Haryana and West Bengal.

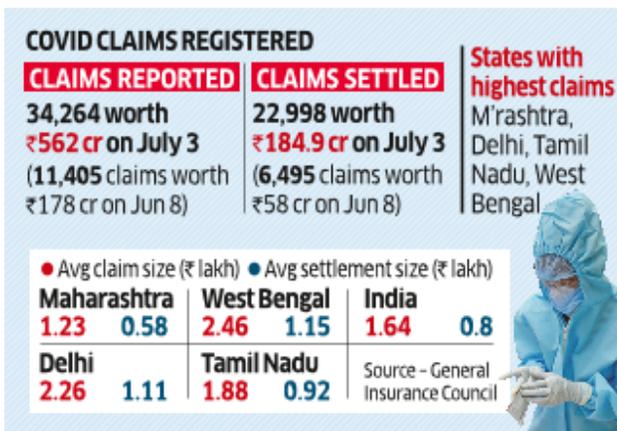
While the average claim amount increased to ₹1.64 lakh in July from ₹1.56 lakh in June, the average settlement reduced to ₹80,427 from ₹90,118, indicating that policyholders were getting lower pay-outs even after [Covid-19](#) treatment costs increased.

ETPrime

Insight-rich stories you won't find elsewhere

Trusted by 10,000+ CXOs & industry leaders

START YOUR TRIAL



Recommended By Colombia



This lady is making
Rs.11500/day in this
lockdown from home!

Career Times

ET reported earlier that the variance between the amounts claimed and settled was largely due to disparities in the pricing of treatment by hospitals and the scope of coverage of standard health insurance policies. Most health policies cap room rents and do not cover costs of personal protection equipment and gloves used by hospital staff, which are included in patients' bills.

Industry executives told ET that the claims could run into "thousands of crores" if the rising trajectory of new cases is not arrested soon even though only an estimated 4% of the population in India have any sort of medical cover.

India had more than 742,000 Covid-19 cases as of Wednesday, of which almost 265,000 were active.

NEW PRODUCT

Meanwhile, insurers selling health policies anticipate a further surge in claims after the regulator directed them to make a coronavirus specific insurance product available by July 10 to widen the availability of health insurance.



Insight-rich stories you won't find elsewhere
Trusted by 10,000+ CXOs & industry leaders

START YOUR TRIAL

“The big hurdle in the development of Covid-specific products is the fact that while there is no standard on pricing of treatments by hospitals and the costs differ from state to state, insurers cannot have state-specific premiums,” said the CEO of a private insurer. “The question is – how does an insurance company price for a pandemic that has still not peaked?”

The regulator’s standard Covid-19 cover guidelines mandate insurers to make available both a short-term indemnity-based cover and a fixed-benefit cover with a sum-assured limit of ₹5 lakh and ₹2.5 lakh, respectively, for hospitalisation on account of the coronavirus.

Life insurance companies including the Life Insurance Corporation of India have been allowed to sell the benefit cover to widen its reach.

“Health insurance penetration in India is less than 4% of the population,” said an industry executive. “The product has been designed largely to increase the coverage of health insurance.”

According to two insurance company executives, the premium could be in the range of ₹2,000 to ₹4,000, depending on the size of the cover and add-ons chosen by buyers.

(This story has not been edited by economictimes.com and is auto-generated from a syndicated feed we subscribe to.)

Stay on top of business news with The Economic Times App. [Download it Now!](#)