

Importance of Health Insurance Sector in Indian Scenario

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Abstract: *Nature is unpredictable and uncertain. The same holds true for an individual's life in this volatile world, which is surrounded by risks and uncertainties. Any type of misfortune may result in minor to severe injuries or even death. Likewise, diseases never knock before entering our bodies. Money was and will never be able to buy life or cure diseases as long as this world exists, but insurance is the best way to deal with adversity in our lives and in the lives of our loved ones when we pass on. In general, there are two types of insurance: life insurance and non-life insurance, or general insurance. This paper attempts to describe the current state of the health insurance sector in India, which is a component of general insurance. Since liberalisation, the health insurance sector in India has experienced enormous growth due to the introduction of private health care financiers, an increase in health consciousness among all segments of society, a rise in household income, price and service competition among health insurers, and the absence of bureaucratic attitudes among health insurance employees.*

Keywords: General insurance, health insurance, liberalisation, and health consciousness.

I. INTRODUCTION

The life of an individual and his or her family is generally tranquil, unless a health issue that is indeterminate and cannot be predicted arises. If a family lacks savings and has limited income sources, it may be necessary to postpone the acquisition of necessities such as the desire to own a home, a motor vehicle, or any other instrument of social status or other luxuries. Contrary to this, unanticipated medical expenses necessitate immediate cash flow and have a negative impact on the family's savings. In addition to the desires stated previously, a family's long-term financial goals, such as their children's education or marriage and retirement, can be jeopardised by medical expenses. The answer is health insurance, which will aid in the maintenance of an individual's and a family's good health without jeopardising their financial stability or creating the possibility of a financial crisis.

Health insurance is a form of general insurance that covers the costs associated with medication and surgery for an individual, family, or group of insureds. It is an arrangement in which an individual, family, or group pays a fee known as a premium in advance for health care coverage. In other words, health insurance is an arrangement that delays, defers, reduces, or eliminates payment for an insured's medical expenses. Either cashless treatment of medical conditions or reimbursement of medical expenses covered by the policy will be provided by the insurer in any of the nation's network hospitals.

II. REVIEW OF PUBLISHED WORKS

K Swathi and R Anuradha (2017), An overview of health insurance in India. In addition to discussing the concept and benefits of health insurance, this paper provides an overview of the Indian health insurance industry. A summary of the number of individuals covered by various programmes, including government-sponsored, group insurance, family insurance, and individual policies, is presented. The sector-by-sector distribution of health insurance policies and the number of people covered by public, private, and specialised insurers is illustrated. The study recommends that the government implement new health insurance programmes for the general populace. It is suggested that the Insurance Regularity and Development Authority (IRDA) take steps to promote competition in health insurers, as is the case with telecom service providers. Government is also advised to conduct awareness campaigns to educate individuals on the advantages of purchasing health insurance.

Binny, Dr. Meenu Gupta (2017), Opportunities and challenges for health insurance in India This paper discusses current trends in the Indian health insurance industry. The sector's growth opportunities and challenges are identified. According to the study, health insurance is a growing industry in India. Businesses are required to improve their operations by introducing new business models and innovative products. Recognized is the need for a universal health insurance programme to cover families below the poverty line. Medical tourism is a growing industry in India, and health insurance companies can capitalise on this sector to expand their operations. The sector is also advised to establish a centralised repository for information sharing, which can assist customers in evaluating the prices, quality, and services of health insurance providers.

BC Lakshman, P Jayarami Reddy, P Sravan Kumar (2019), Operational efficiency of selected general insurance companies in India. The study is conducted on selected general insurance companies in regards to insurance premium patterns, claims settlement procedures, and company performance evaluation. A percentage analysis of the insurance premiums collected by both public and private insurance companies between 2011 and 2013 revealed a significant increase from 13.55 percent to 24.29 percent, followed by a decline to 13.4 percent in 2018. The average growth rate from 2010 to 2018 was 13.85%. After conducting the study, it was determined that public sector providers of general insurance needed new and innovative products to compete with their private counterparts. It was suggested that IRDA, as the sector's regulatory authority, develop standard policies and benchmarks to be followed by both public and private sector players.

Suman Devi and Dr. Vazir Singh Nehra (2015), The issues with the Indian health insurance sector. Health insurance portability, RashtriyaSwasthyaBimaYojana (RSBY), hybrid products, and critical illness cover are a few of the new developments in the health insurance sector that are described in the study. Problems associated with health insurance are highlighted, along with potential solutions. It is shown that Bajaj Allianz, Cholamandalam MS, and Star Health have eliminated Third Party Administrators (TPAs) and opted for direct claim settlement. According to a recent study, insurers have begun visiting hospitals to meet with group insurance claimants. If a defect is discovered, policy renewal is halted. In addition, there are agreed-upon rates for surgeries and treatments, which prevents differential pricing. Other problems highlighted include a high claim payout ratio among public sector insurers, the unprofessionalism of TPAs, the lack of development of health insurance in rural areas, the incorrect selection of health insurance policies, and the lack of awareness regarding health insurance policies.

SatakshiChatterjee, Dr. ArunangshuGiri, Dr. S.N. Bandyopadhyay (2018), A study of the health insurance sector in India. The study is descriptive and describes India's available health insurance products. It attempts to analyse the healthcare insurance models of a number of other nations. Non-mergers between public and private companies have been identified as a major barrier to the growth of the country's health insurance industry. Health insurance is regarded as an untapped market in India, and the middle-income population, which is the industry's target market, will generate a health insurance boom in the coming years. By the end of 2020, it is anticipated that the overall insurance sector will be worth approximately USD 280 billion. The health insurance sector must become universal regardless of an individual's or family's income level or background.

2.1 Health Insurance Options Accessible in India

Insurance companies in both the public and private sectors offer a variety of policies and plans for risk coverage with the goal of mitigating health-related risks. These companies' health insurance-related financial products provide protection for individuals, families, and groups. The following types of insurance plans have been discussed:

A. Individual Medical Insurance Policy

This plan provides an individual with risk coverage for hospitalisation and other incidental expenses incurred during hospitalisation, up to the sum insured. One can purchase separate, independent policies for each family member under this plan. These plans are typically offered on a cashless basis and are essentially indemnity plans.

B. Family Health Insurance Coverage

In this policy, a single sum insured covers the entire family under a single policy. During the duration of the policy, the sum assured is available to any one member or to all members in the event of any contingency. The premium paid for

this policy is typically less than that of individual policies for each family member covered by an individual medicaid policy.

C. Group Health Insurance

These plans are typically purchased by business owners, private companies, government agencies, and departments in order to provide financial protection for their employees and their dependent family members in exchange for a nominal deduction from their salary.

D. Unit-Linked Health Care Plan (ULHP)

In this type of health insurance, the insured receives investment benefits in addition to health care coverage. In this plan, a portion of the premium is invested and the remainder is used to purchase health insurance. The return allows the insured to cover medical expenses in excess of the sum assured. In India, these types of plans are new and considered to be in the development stage. Returns under a ULHP are contingent on the stock market's performance.

E. Plan for Critical Illness

A critical illness policy covers the costs associated with treating life-threatening diseases such as cancer, organ failure, permanent paralysis, etc. A lump sum payment is made to the insured upon diagnosis of any of the serious diseases covered by the policy.

F. Superb Plan of Action

These policies provide an insured with additional coverage beyond the standard policy and assist in increasing the sum insured. Super top up policies are only available after the basic policy's sum assured has been exhausted.

G. Health Insurance Policy for Senior Citizens

In accordance with IRDA regulations, health insurers are required to offer coverage up to the age of 65. Age-related health problems necessitating costly treatments are manifested as people age. With this in mind, health insurance companies have designed special health insurance plans for seniors over 65 years of age. In general, the premium rate for senior citizen health insurance plans is higher than that of other insurance policies.

H. Daily Cash Benefit Plan for Hospitals

As the name implies, this type of policy pays a fixed amount per day of hospitalisation, regardless of the actual expenses incurred by the insured.

I. Pregnancy Insurance Coverage

These plans are designed specifically for women who are pregnant or are expecting a child. This policy covers all expenses before and after pregnancy, including prenatal and postnatal care, delivery costs, nursing care, and consultations. The policy also covers congenital or life-threatening conditions diagnosed in newborns.

J. Personal Accident Plan

A personal accident insurance policy covers the costs associated with medical care for injuries sustained in an accident. This policy typically provides benefits for three perils: including total disability, partial disability, and death. In addition to individuals, these policies are also available for groups.

III. CONCLUSION

Health insurance in India is a market that is largely untapped. As evidenced by the preceding data, this industry offers a multitude of opportunities. The present study demonstrates conclusively that a substantial proportion of the population remains uninsured by health insurance products. However, over the past few years, this industry has experienced a rapid expansion. Numerous private health insurers with international partnerships have been able to increase their market share by capitalising on this industry's potential for growth. Even though the relative share of indigenous public sector

insurers has decreased, their absolute business (in terms of number of policies and premium amount) has increased significantly. Innovation in health insurance products can play a crucial role in the continued growth and development of this industry in India. Competition, which is prevalent among health insurers, will also increase the number of people insured, allowing for a deeper penetration of health insurance products within the Indian population. Taking out a health insurance policy and paying the premiums on a regular basis is a simple way to mitigate any future financial losses resulting from health issues that may affect peace of mind and health as collateral. Thus, health insurance could be a breakthrough for the general public, who can access the best medical facilities in any part of the country, up to the amount specified in the policy, without worrying about a loss of savings leading to financial and mental disability.

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