

Insurance cos likely to see uptick of claims ratio by 8 per cent to 10 per cent due to COVID-19: Pankaj Arora

By Viveka Roychowdhury — Oct 30, 2020

INSURANCE COVID CORNER COVID-19 UPDATES



41 0

Read Article

*An uptick in claims ratio due to COVID-19 notwithstanding, **Pankaj Arora**, MD and CEO, Raheja QBE General Insurance feels that IRDAI's guideline allowing the insured to renew, port and migrate the Corona Kavach policy will help policy holders cover future claims of COVID-19 and other disease as well. In an interaction with **Viveka Roychowdhury**, he lauds the Digital Health ID as the availability of individuals' health data on a platform will help insurance companies to detect and curb frauds and will eventually lower premium rates*

How has the COVID-19 pandemic impacted the health insurance sector?

COVID-19 outbreak has made the entire world realise that medical exigencies are unpredictable and can cause a financial upheaval that is tough to handle. Due to COVID-19, people have understood the significance of maintaining a healthy life style and also have understood the need of having insurance cover for themselves and their family members. In a first of its kind, we have seen health insurance segment take over motor insurance as on September 2020 which has made it emerge as the largest premium segment under general insurance in India.

While there have been increased awareness and inquiries, how much has translated into policies purchased, and has the claim ratio been relatively higher, given that the pandemic is flaring up again rather than subsiding?

As mentioned, it has happened first time in India that health insurance segment overtook the motor segment. At the same time the claims are also increasing due to COVID-19 pandemic.

Till October 5, 2020, claims amounting to INR 5,400 crore are already reported and out of which INR 2,175 crore are already settled for COVID-19 disease. Insurance companies are likely to see uptick of claims ratio by 8 per cent to 10 per cent due to COVID-19.

What have been the trends in products released to serve the new needs of patients during the pandemic, the so-called Corona-covers? Like increased expenses of OPD care, quarantine care, etc?

The regulator has done phenomenal job with Standard Short Term COVID-19 health product for Corona Kavach and Corona Rakshak which are being made mandatory for all general and health insurance companies. The Corona products have got good response primarily because coverages are uniform across all insurance companies and hence it has made it easy for customers to make a choice to buy.

Experts believe that recovery from COVID-19 will be a prolonged process, requiring to follow ups, home care, etc, especially for the aged. Your comments on how the insurance sector is meeting these needs.

While it is a lengthy process however the recent circular release by IRDAI has been a welcome move in the right direction. The guideline allowed the insured to renew, port and migrate the Corona Kavach policy which can help the continuity of health insurance for policy holder and help them to cover future claims of COVID-19 and other disease as well.

