

Demand for Covid cover picks up, but the average claim size is below ₹2 lakh

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Even as the demand for Covid-19-specific insurance policies is on the rise, the average claim size has been decreasing, according to health insurers.

"The industry has seen a substantial increase in Corona-specific claims, both in general as well as Corona-specific claims," Pankaj Arora, Managing Director and CEO, Raheja QBE General Insurance, told *BusinessLine*.

Even though there has been a slowdown in the number of new Covid-19 cases in recent weeks, data from many States show that the spread of the pandemic still remains largely unabated, leading to a rush for insurance.

The pandemic has changed



the mindset of the people towards health insurance.

"We are seeing an uptick of 30 per cent to 40 per cent in the health insurance business, especially from millennials and women who understand the significance of health insurance now and are coming forward to buy it," said Arora. There has also been good interest and a marginal increase in sales for the Corona Kavach policy.

Corona Kavach is a Covid-19-specific policy that is being offered by all general and stan-

dalone health insurers as mandated by the insurance regulator, IRDAI. According to TA Ramalingam, Chief Technical Officer, Bajaj Allianz General Insurance, there has been a "continuous" demand for Corona Kavach.

"The affordability of the policy and the coverage it offers for Covid, including home care treatment cover, have been the key drivers for its continuous demand," he said. There has been a tendency to opt for higher sum insured ranging between ₹2 lakh to ₹5 lakh. The underwriting head of a leading private insurer said the average claim size has been coming down due to lower costs associated with mild symptoms as well as home treatments, which reduce treatment costs.

"As per our data, the average

claim size in Corona-specific covers is hovering around ₹2 lakh," he said.

The data from Bajaj Allianz General Insurance also shows that the average claim size is close to ₹1.02 lakh.

Non-Covid claims

Non-Covid claims, however, show a mixed trend of slowdown for some insurers while they begin to gain traction for others.

"In general, health insurance claims for planned treatment have seen some deferment and will flow once the pandemic situation improves," said Arora. A few others, including Bajaj Allianz, are now receiving claims for cataract surgeries, cancer treatment, dialysis, angioplasty and maternity, which cannot be delayed beyond a point.