

Evolution of Health Insurance in India Over a Decapod

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ABSTRACT

Health insurance has seen a rapid growth in the Indian market over the last decade. The number of health insurance companies operating in India has increased from around 20 in 2014 to over 50 in 2023. Covid-19 pandemic has led to the integration of telemedicine into health insurance policies. Digitalization has played a major role in the evolution of the industry. On the one hand, it led to an increase in demand for health insurance products and higher premiums. On the other hand, it also led to an increase in claims and a greater emphasis on preventive care and mental health coverage. Profitability of the industry increased during the pandemic, as the higher premiums outweighed the increased claims. In addition, the pandemic led to several positive changes in the industry, such as an increased focus on telemedicine and preventive care. As healthcare and insurance industries further intertwine with technological advancements, the future holds the promise of even greater accessibility, customization, and affordability in health insurance coverage, ensuring that more Indians can access quality healthcare when they need it most.

Keywords: covid-19, demand, customization

METHODOLOGY

This research used an all-inclusive methodology that included looking into case studies, expert insights, data collecting, analysis, and a review of the literature. To comprehend trends and difficulties in the health insurance industry, a survey of the literature was done. Both quantitative and qualitative analysis was done on data from sources such as industry publications and IRDAI reports. Referred articles offered in-depth examination of particular elements, such as the incorporation of telemedicine. The creation of the future prognosis was predicated on both recent and historical trends. For credibility, citations to scholarly articles and reports were added. This methodology made it possible to thoroughly examine how health insurance has changed in India over the last ten years and to provide insights into potential future trends.

I. INTRODUCTION

Over a Decapod, health insurance has seen a symbolic or remarkable scope of growth in the Indian market and has tremendously contributed towards the welfare of the society by financially supporting them when the medical emergency arises. Presently, transformation of health insurance has been featured as rapid growth, driving largely into the increased awareness of medical management costs, widespread disease, and flourishing middle-class with greater disposable income. The cabinet of the government has a crucial role towards the promotion of health insurance supported with many initiatives placed on the table. The number of health insurance companies operating in India has increased from around 20 in 2014 to over 50 in 2023. There is a remarkable change that has been standing in the pathway with regards to the evolution of health insurance. More competitors entering the market has made customers getting into a lot of choices, feasibility with the view of claims. However, health care insurance should be within reach of all the segments of the Indian diverse population.

II. DIGITALIZATION

Insurance has seen a massive growth, when the application got into the form of websites, application-based systems. In today, insurance services are revolutionized in the way it was offered, accessed, and managed. Reasons which caused this revolution is due to technological improvement, consumer expectations being changed and they look for greater efficiency in

the insurance industry. The industry has moved on from a traditional type of approach to a modern type of approach through simplifying online policy purchase with integration of efficient technologies which are advanced AI and the block chain. The regulatory body i.e., Insurance Regulatory and Development Authority of India (IRDAI) has been continuously being focused on several digital initiatives to boost innovation and consumer protection. There are several guidelines being introduced for the electronic policies and for KYC (Know Your Customer). During this decade online aggregators i.e., insurance aggregators and comparison websites are being mostly used or popular among the consumers.

When it comes to health insurance, digitization has played a major role in telemedicine integration into the system. Integration of telemedicine means the delivering of health services in a telecommunication infrastructure. This gained prominence for the insured policies and empowered gain in the market and the telemedicine services are often included in the policy as a value-added feature in health insurance policy.

Mobile application helps the policy holders to get the policy information with regards to network of hospitals or clinics and the wellness resources. It helps the insured to have better user interface which sorts out relating to initiating claims, tracking claims, and receiving notifications. Through KYC processes, it has allowed individuals to complete all the necessary verification steps electronically. This shift among the individuals has pushed towards streamlining the reimbursement process.

With the acceptance of health technology and the devices which are wearable has been a main part of the evolution of health insurance. Many insurance companies analyze the data from the wearable devices to provide a health insurance policy and incentives individuals to maintain a healthy life. With these aspects digitization has helped health insurance as: A simplified policy with reduced work.

III. COVID-19

Covid-19 pandemic is seen as an esoteric and a transformative positive effect on the health insurance industry, it has given a structural shape and improved health insurance in the overview of global crisis. The pandemic brought the individuals an awareness with regards to the importance of health insurance. During the pandemic many families were burdened with financial issues and uncertainty in their life which were brought by the virus, which made them realize a need for health insurance coverage. This led to the heightening awareness which would last for a longer period and driven into encouragement of considering and prioritizing health insurance should be an essential or a vital part of an individual's financial planning.

Digitalization has not been impactful, if covid-19 would not take place. The covid-19 pandemic has forcefully made a rapid integration of telemedicine into the health insurance coverage. It alleviated the risk of infection transmission and remotely worked with healthcare consultations; this made the insurance companies to immediately adapt by including telemedicine services in their coverage options. Thus, telemedicine turned to be an imperative or a vital tool in keeping up with medical services access during the covid-19 pandemic, while this became an adoption and continued to be in the post-covid era.

Moreover, the insurance companies came up with a more flexible policy. Individuals who hold policy were allowed to make changes to their coverage, defer premium payments or extend coverage periods to accommodate shifting health care needs and financial constraints. This flexibility gave insurance companies an opportunity to demonstrate their commitment to supporting their customers during times of uncertainty and financial strain, enhancing the value of health insurance policies. The COVID-19 pandemic has brought about a multitude of changes and improvements in the health insurance landscape. It heightened awareness of the necessity of health insurance, accelerated the adoption of telemedicine, ensured coverage for pandemics, promoted digitalization, and ushered in flexibility, wellness-focused initiatives, and efficient claims processing.

IV. CONCLUSION

Overall, digitalization and covid-19 have had a mixed impact on health insurance. On the one hand, it led to an increase in demand for health insurance products and higher premiums. On the other hand, it also led to an increase in claims and a greater emphasis on preventive care and mental health coverage. Profitability of the industry increased during the pandemic, as the higher premiums outweighed the increased claims. In addition, the pandemic led to several positive changes in the industry, such as an increased focus on telemedicine and preventive care. As healthcare and insurance industries further intertwine with technological advancements, the future holds the promise of even greater accessibility, customization, and affordability in health insurance coverage, ensuring that more Indians can access quality healthcare when they need it most.

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