Insurers want rich to pay more for universal health cover

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Tags: New India Assurance | insurance | ICICI Lombard General Insurance Company | Health cover

MUMBAI: Insurers and other health insurance industry stakeholders feel that the proposed universal health cover (UHC) must be underwritten in a variable way, so that the rich pay higher premium to help fully subsidise health insurance cover for the really poor.

"Personally, I feel that the government should pay full premium for health cover for the below poverty line (BPL) segment and it should be subsidised for the middle class," New India Assurance Chairman-cum-Managing Director G Srinivasan told PTI here today.

The idea is that people may freely go for add-on or top-up health insurance cover on their own.

"It's the basic model of universal health cover that we are working on. Health cover will be the same for all people because as an insurer, we don't differentiate between people, Srinivasan said.

The fact that only 20 per cent of people have health cover, out of India's 124 crore population, makes it clear that India is a hugely underpenetrated market when it comes to health cover.

Individual health cover is only 2 per cent, while 4 per cent have group cover and another 14 per cent are covered under various central and state schemes like the central government's Rashtriya Swasthya Bima Yojana.

A leading doctor at the renowned Sir Gangaram Hospital in the national capital also agreed with the largest general insurer.

"If somebody is poor, then the government must pay the full premium. However, the premium can be raised if the person covered is rich. It could be brought down a bit for the middle class," Sir Gangaram Hospital Chairman and Head of Surgical Gastroenterology and Liver Transplant Saumitra Rawat said.

Experts also said premium amount may be brought down in case policies are underwritten on a large scale, thus enabling economies of scale for insurance providers.

"Cost of underwriting a health insurance policy will become affordable if the volume goes up," ICICI Lombard General Insurance Company Chief for Underwriting and Claims Sanjay Datta said.

The government should provide basic coverage for all diseases and some higher coverage for critical illnesses like cancer and heart diseases, though all secondary and tertiary diseases must be covered by insurance providers themselves, he said.

Insurers also said that universal health cover would address the issue of under-penetration of insurance to a great extent and its scope could be enlarged by forming a pool to cover serious diseases like cancer.

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(Other)
17 Sep, 2014 12:45 PM

It means, the salaried middle class, which already pays 30% income tax and all sorts of other taxes will now have to shell out even more money to "help poor" all while others (even small shop owners) who earn 2-3 times will run away with cheap insurance!

Abhishek Taori (Pune, Maharashtra)
17 Sep, 2014 12:35 AM

Double edged sword...

Manoj J (Unknown)
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Experts also said premium amount may be brought down in case policies are underwritten on a large scale, thus enabling economies of scale for insurance providers.

Debabrata (Delhi)
16 Sep, 2014 04:13 PM

True... Rich should pay more for the health cover, so that the poor may genuinely be benefitted. Or else how a poor can be covered?

Amol Das (Netherlands)
16 Sep, 2014 01:21 PM

This is going to create a Big Mess in Insurance and Economy.... blame game will begin soon...between Insurance and Govt!

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