

**Health Insurance in India: An Overview****Vishal P. Varma**Assistant Professor,  
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*The Journey of Health Insurance in India was started during the pre-independence period, in the form of health care planning. Health insurance emerges in the year 1999 with the introduction of IRDA bill in the floor of parliament.*

*Every human being expects peaceful life. Unexpected and unforeseen events and suddenly heavy expenses on critical diseases put the person under financial crises. Unforeseen medical needs may adversely affect on financial commitment and it leads immediate cash flows of an individual earning. Regular savings are withdrawn which hinders to achieve long term financial goal. In order to avail protection regarding such heavy amount of expenses, need of health insurance arises. Health insurance is a type of insurance that offer coverage to unforeseen medical costs that may lead to economic hardships. The present study is intended in order to overview the area of health insurances, study the benefit and various kinds of health insurance plans. Data are collected mainly from secondary sources. From the study it is concluded that, health insurance segment lags behind as compare to other countries and with more and more private companies in the sector the situation may coming soon.*

**Keywords:** Health Insurance, individual and family

**Introduction**

Health Insurance term is very popular and important for every human being in the world; because of this every country should concentrate on health, due to increasing rate of diseases and various illness issues. Health insurance as a general insurance specifically covers the risk of losses due to health problems and disorders. Peoples may worry about future uncertainty regarding their health and life. Every individual and family expects a peaceful life .In order to cover losses against unforeseen and unexpected medical needs and expenses need of health insurance arises. Unforeseen medical needs may adversely affect on financial commitment and it leads immediate cash flows of an individual earning. Regular savings are withdrawn which hinders to achieve our long term financial goal. Hence need of health insurance is must.

In short, Health insurance covers the cost of medical treatment, in case of accidents and various health related issues of illness. Health insurance minimises the financial burden of peoples arises due to illness and diseases, resulting an individual and a family can live healthy and peaceful life without having much worry about any unforeseen medical issues.

**Objectives of the study:**

1) To study the concept and benefits of health insurance.

- 2) To study the various kinds of health insurance plans
- 3) To present an overview of health insurance in India.

**Methodology used for the study:**

This study is based on secondary data. Data required for this study is mainly collected from various sources like, Journals, Reports, published research articles, books and internet, etc.

**Review of Literature:**

R.P. Ellis et al., (2000) in his article, "Health Insurance in India – Prognosis and prospects" In this study he tries to explain the different variety of health insurance system in India. Further role & importance of general insurance companies are reviewed as an important insurance agency.

N.R.Mohan Prakash (2016) in his book entitled, on 'Banking, Risk and Insurance Management review study in banking and insurance sectors. Overall the book is comprised with two parts. First part of the book covers the study of banking where as second part of this book has been covered with an important concept i.e. risk management and shareholder wealth , analysis of insurance coverage, employee benefits plans health insurance retailing service, marketing of insurance services, grievance mechanism.

Ashishkumar & Dr. V.P. Sriraman -2015, In his article 'Health insurance policies of public sector undertakings in India.- a study reviews the basic features of health insurance policies of public sector undertakings and also compares the premium underwritten and growth rate over last few years. Besides with the above in their study they may try to highlight the reports of finance ministry on the performance of public sector health insurers.

**Meaning:**

Health insurance is type of insurance coverage that covers the cost of insured individual medical and surgical expenses. Depending on the types of health insurance coverage, either it reimburses the expenses incurred due to illness or injury or the insurer makes payments directly to the provider.

**Concept:**

The commonest form of health insurance policies in India covers the expenses incurred on hospitalization, through a variety of products health insurance is a policy or a contract between an insurer and individual /group in which insurer agrees to provide specified health insurance coverage at a specific amount of premium.

First health insurance policies in India were mediclaim policies. After liberalization private players are entered in the insurance market. The emergence of private insurers introduces many innovative products such as Hospital cash, Top-up policy, Family floater policy, critical illness plan, etc.

Shortly health insurance as a general insurance product, is becoming very popular now a days which plays an important role in minimizing the financial burden of an individual to illness and diseases.

**Benefits:****1) Tax benefits:**

Premium paid on account of health insurance are considered to avail tax benefits, u/s- 80 D of the Income Tax Act- 1961

**2) Don't pay for your hospitalization:**

Due to health insurance plan one can avail cash less health insurance at networked hospitals of insurance companies. It means that medical expense is paid by insurer on behalf of policyholder. The insurance company settles

them on your behalf. It is benefits to the patients as they do not pay out of pocket. It relieves the patient from unnecessary mental burden and enables them to concentrate on recuperation and rehabilitation

**3) Safeguard your finance :**

A comprehensive health insurance policy with an adequate sum assured can help you to meet unplanned health care expenses so that the savings are amount disturbed.

**4) Get allied Benefits :**

Health Insurance provides in India, has evolved with preventive health check up and improved diagnostics. Specific developing insurance companies offer benefits that are generally not associated with health insurance policies. Some of the such kinds of benefits are:-

- a) Free consultation with Doctors
- b) Consultation with nutritionist
- c) Free health check up
- d) Discounts, coupons on health care services

**Health Insurance plans in India****Hospitalization plans**

Hospitalizations plans reimburse the hospitalization and medical cost of the insured subject to the sum insured. In other words hospitalization plans are an indemnity plan that pays the cost of hospitalization and medical.

**Hospital daily cash Benefits plans**

Under these plan sums of money for every day of hospitalization is covered. This policy pays out sum of money which is already defined in the policy agreement for every day of hospitalization regardless of actual cost.

**Surgery & Critical illness plan**

Now a day's peoples are suffering from critical illness like cancer, heart- attack, Brain tumours, etc. cost of these kinds of illness is very high when compared the same with some other routine medical needs. Surgery & Critical illness insurance plans covers expenses resulting from specific diseases and conditions outlined in the policy. Premium paid such type of plan is high as the expenses of such type of critical diseases are also high. When the policyholder is diagnosed with one of these conditions, a lump sum payment is paid directly to insured.

**Family floater Health Insurance**

A family floater covers the entire family member under one single plan. All family members will not suffer from sicknesses at the same time. This policy caters to the family members of the policyholder. The members covered under a family floater can be the policyholder and his /her parents, spouse & children. It covers both pre and post hospitalisation expenses

**Maternity Health Insurance**

Maternity insurance is usually provided as an add-on or additional rider with your main health insurance policy. This insurance cover expenses related to both baby delivery option and normal delivery. For women's medical facilities are very essential in pre and post delivery. In short maternity health insurance plan may cover maternity and other additional expenses.

**Unit linked Health Plans**

Medicaim plans through ULIP route is yet another form of health insurance. In such plan you get health insurance along with investment.

**All existing disease cover plan**

While living human life, people may suffer from different diseases. The diseases can be life style diseases also. This plan provides coverage for pre-existing diseases of a person suffers before buying the policy

**Senior Citizen health plan**

This plan takes care of people who have reached old age and cover their medical expenses.

**An Overview of Health Insurance in India**

Health insurance in India is a growing segment of India's economy. In the year 2011, near about 3.9% of India's GDP was spent in health sector. According to W.H.O. this is among the lowest of the BRICS economies. In India variety of schemes are available which offers both family and individual cover. Out of these 3.9%, health insurance account for around 9% while personal expenditure amount to an 82%. Survey carried out in the year 2014 found that, more than 80% of Indians are not cover under any health insurance plan and only 18% of urban areas and 14% of the rural areas was covered under any form of health insurance.

Near about 60% of the Indian population spend their portion of the income on purchasing

drugs and for health factor. Now a day's majority of the peoples thinks about health insurance and prefer for protection of their risk from critical disease and high cost of medical treatment.

Since 2011, due to constant increase in wages and convenient access to health care, health issues have become more significant to the public. Health insurance in India is one of the growing segments but the rate of growth is very slow.

**Current situation of health Insurance in India**

As per 2015-16 report, near about 27% of Indians have registered themselves for health cover. As per NHP data, near about 35 crores individuals were covered under any insurance, Simply of India's 135 core people 100 cores have no cover against the critical diseases and high medical expenses.

As per 2015-16 report collection of premium amount for health insurance is near about 96379 crores against Rs.846865 crores in 2014-15 by the non-life insurance sector. This indicates a potential growth of health insurance market in India.

An NHP report of 2017 indicates out of 35 crores individuals who were covered under any insurance, out of these 77% were got protection cover from public insurance companies. As compared to the rest of the countries, India's per capita public spending on health insurance is very low.

We may expect, during the next coming few years, majority of the peoples obtain health insurance, which simultaneously improve the growth of health insurance sector in India. According to frost and Sullivan, healthcare industries in India in expecting to grow to a high lighten mark of CAGR of 16.5% by 2020.

**Suggestions**

- 1) In order to develop the health insurance sector government must arrange awareness campaigns frequently to inform the people about health insurance.
- 2) As, Private sector, have less response from the public, private sector general insurance companies tries to build up the confidence of the public regarding protection of their health under health insurance.
- 3) Insurance companies in India will have to develop appropriate channels to tap this huge

health insurance market as the core of insurance business.

\$ 100 billion and is expected to grow US \$ 280 billions by 2020

### Conclusion

From this study, It is concluded that, India's insurance market. Specially health insurance segment lags behind as compared to other countries. In order avail the protection for health peoples have more trust on public sector insurance companies. In India majority of the population is living in rural areas and there is a large market potential for health insurance & the awareness level amongst the Indian population regarding the health insurance is very low. But, with the major initiatives taken by the government of India, percentage of GDP is rising year by year. Overall Indian healthcare market is worth around US

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