Summer Placement

at

IIM Ahmadabad

(April 1 to May 31st, 2015)

Study on Health Insurance: Overview of India

A Report

Jagdish Chhimpa

MBA Hospital and Health Management

2014-2016

IIHMR UNIVERSITY

Institute of Health Management Research, Jaipur

INSTITUTE OF HEALTH
MANAGEMENT RESEARCH
(WHO Collaborating Centre for District Health System Based on Primary Health Care)

IIHMR UNIVERSITY

CERTIFICATE

This is to certify that Dr.Jagdish Chhimpa underwent his summer training at IIM Ahmedabad from 1st April to 31st May 2015

The candidate himself carried out all the studies related to the summer training. His approach to the studies was sincere, scientific and analytical.

This summer training is a course requirement recommended by the University before awarding the degree of Master of Business Administration (MBA) Hospital and Health Management.

I wish him success in all his future endeavors.

Col.(Dr.) Ashok Kaushik
Dean (Academic & Student Affairs)
The IIHMR University, Jaipur

Maj (Retd) Vinod Kumar SV
Associate Professor
The IIHMR University, Jaipur

1, Prabhu Dayal Marg, Near Sanganer Airport, Jaipur- 302029, Rajasthan, India.
Ph.: 0141- 3924700, 2791431- 32, Fax: 0141 3924738, E-mail: iihmr@iihmr.edu.in, Web.: www.iihmr.edu.in

Acknowledgment

"It is not possible to prepare a project report without the assistance & encouragement of other people. This one is certainly no exception."On the very outset of this report, I would like to extend my sincere & heartfelt obligation towards all the personages who have helped me in this endeavor. Without their active guidance, help, cooperation & encouragement, I would not have made headway in the project.

We ineffably indebted to Prof Ramesh Bhat, IIM Ahmedabad for conscientious guidance and encouragement to accomplish this assignment.

We extremely thankful and pay my gratitude to my faculty Prof Maj. Vinod Sir for his valuable guidance and support on completion of this project in its presently.

We extend my gratitude to IIHMR University for giving me this opportunity. I also acknowledge with a deep sense of reverence, my gratitude towards my parents and member of my family, who has always supported me morally as well as economically.

At last but not least gratitude goes to all of my friends who directly or indirectly helped me to complete this project report.

Any omission in this brief acknowledgement does not mean lack of gratitude.

Thanking You

Jagdish Chhimpa

Place- Jaipur

Date-25/6/2015

INDEX

1. Health insurance Introduction

Health insurance is insurance against the risk of incurring medical expenses among individuals, Health insurance started from 1986 in India and attained growth after liberalization by the year 2000 but last five years have shown significant growth because of standalone health insurance “only one line "business and government-sponsored health insurance schemes In India.

- More awareness & relevance

In India local mentality still present thus anything happen related to health in surrounding then take health insurance, to overcome from this IRDA and GIC do comprehensive marketing, they launch hand book for health insurance to clear guide line of customer,

- A step to boost penetration

High medical expenses, paying for this some people availability with personal funds but it’s not viable for the common Indian. Now onward effective destitution channel in Tier 2 and Tier 3 city also available so its became possible to provide insurance in this city also, entry of bank customs connects with own business its grow more in penetration.

- Boosting uniformity

Good and attractive health insurance scheme are available in market, uniformity issue in various company like benefits, waiting periods age entry exclusions

- Product innovation

More changing consumer behavior industry coming with innovative product specific disease, age, area year by year to attract stakeholders in the market of insurance

2. Review of Literature

- Private Insurance

Higher premium in public sector decrees in business and being uninsured, while increased private sector (GREY P.GUY JR.,E..KATHLENN ADAMS, Adam Artherly 2012)

In India for strengthening private insurance business some emerging concept required, because its go continues to operate losses.(Thomas K T and R.SanthiVel (2011)

Private health insurance packages must be revised and attractive and comprehensive for community preference its increase penetrance in market (SukumarVellankkal (2012)

Insurance effect home delivery also because of preference in modern health facilities, so woman likely to delivered at higher allopathic health facilities in preference of home delivery (E.N Ketianh –Amponsah and E.Arthor (2013)

- Community Insurance

India still required lot of effort for reduce burden of communicable disease and high OOP in country to be universal health care fund creation and reduction rational use of drug and technology and accountable and decentralized structure for the status of women and the poor in the country (TanjaAhlin-, Heidelberg University)

Worthwhile state to delegate responsibility to PRi for manages and run some welfare schemes, also community health insurance for needs of the poor in India (Anil Gumber 2002)

Community health financing to be improve with well-targeted subsidies, better reinsurance to small risk polling, prevention and good case management, strengthening local capacity

(Alexander S. Preker,1 Guy Carrin,2 David Dror,3 Melitta Jakab,4 William Hsiao,5 &Dyna Arhin-Tenkorang6 2002)

Therefore, a rather better risk pooling and proper prepayment measure seem to be good strategy for OOP, It provided with social health protection mechanisms
Required in India (SoumitraGhosh 2011)

- Insurance Review

Private insurance market share increased because coverage of rural areas with good products and same penetration level also changing over a period of time.(Ms. AmandeepKaur Shahi1, Dr. Harinder Singh Gill)

If increasing the penetration it's become win win situation of both public and provider so urgent need required to expand the market of health insurance in India (M. Akila)

Lot of international studies available to say that in future insurance market grow more and more in India so boost the domestic companies joint ventures required in market (Ruby singh and AmitGautam ,)

Insurance reform cans high access to low income people and decrees financial burden of community, health services to be good in quality (Rajeev Ahuja)

As compare Indian economy and insurance sector, GDP increase so fastly but penetration and density of insurance still suffer (**BibekDebroy And ShankkarAiyar 2013)**

- Health Expenditure

Variations observed that catastrophic health expenditure and Out of Pocket health expenditure measured ,India need standardized and validated to accurately track for catastrophic and out of pocket health expenditure for change

(Magdalena Z Raban,aRakhiDandonaa&LalitDandonaa 2013)

Poverty and Out of pocket expenditure have significant co-relation expenditure on OPD and Inpt care and drug (Charu C Garg1 and Anup K Karan 2008)

Health is subject of State in India ,so Allocation of Higher budgetary support required, Its related with income level and public expenditure so high budget required for survey better to India (Ramesh Bhat and NishantJain)

Out of pocket expenditure state level action visible in rural and urban area undeveloped, less develop, and least develop state, little improvement in performance measured in India (***Rakesh Chandra, Aditya Singhand Saradiya Mukherjee****2013)*

Health financing - mobilization, accumulation and allocation of money for cover the health needs of the people, it's individually and collectively, in the prime future of health financing …" (WHO 2000).

3. Health insurance evolution in India

Since India’s independence in 1947, the government sector has been the backbone of the health-care ecosystem, including health care delivery and insurance.

The term "Health insurance" relates to a type of insurance that essentially cover your medical expenses. A health insurance policy like other policies is a Contract between an insurer and an individual/group in which the insurer agrees to provide specified health insurance cover at a particular "premium" subject To terms and conditions specified in the policy.

In 1818- Life insurance in its current form was introduced in 1818 when oriental life insurance company began its operation in India.

In 1912- health insurance introduced when the first insurance act was passed. In this year, the life insurance companies Act and the provident fund Act were passed to regulate insurance business. The life insurance company act, 1912 made it necessary that the premium rate table and periodical valuation of companies should be certified by an actuary.

In 1928-the insurance companies act was enacted to enable the government to collect statistical information about both life and non-life business transacted in India by Indian and foreign insurers including provident insurance societies.

In 1938 -Enactment of the Insurance act-1938, earlier legislation replaced and the law relating to both life and general insurance consolidated.

In 1947-"Bhore committee report" make recommendations for the improvement of health care services in India. Bhore committee set up by the government of India in 1943 to investigate and recommend improvements to the Indian public health system. Under the chairmanship of sir joseph bhore the committee made many landmark recommendations in its final report in 1946 also known in India as health survey and development committee.

Formal systems for health insurance in India began with the inception of the employees state insurance scheme, introduced vide the ESI act, 1948.Established in 1948, the employees state insurance schemes(ESIC) provide for both medical and cash benefits. Recent years have seen an increasing role of information technology in ESI, with the introduction of pehchan smart cards in `project panchdeep` India largest e-governance project. In addition to insured workers, poor families eligible under the Rashtriya Swasthya BimaYojana can also avail facilities in ESI hospitals and dispensaries.

The central Government Health Scheme(CGHS) Was started under the Indian Ministry of health and family welfare in 1954 with the objective of providing comprehensive medical care facilities to central Government employees, pensioners and their dependents residing in CGHS covered cities. The scheme was initially started in Delhi in 1954.

The list of beneficiaries include all categories of current as well as former central government employees, Members of parliament, supreme court and high court judges, and certain other categories of beneficiaries.

In 1959- Mudalika Committee recommended-Government of India appointed a `Health survey and planning committee ‘in 1959 towards the end of the 2nd year plan to assess the Healthcare field and measure the progress achieved after implementing the suggestions of the bhore committee of 1946.The committee submitted its report in 1962.the chairman was this committee DR.A.L Mudaliar.

Mediclaim was introduced by GIC in 1986.The serious attempt to standardize the term and condition of health insurance was made by the GIC in 1986 with the launch of what is popularly known as the `medical policy`. Mediclaim is a voluntary health scheme and cover for hospitalization and domiciliary hospitalization episodes(and certain d-care procedure) with certain exclusion like pre-existing diseases, pregnancy and child birth, HIV-AIDS, etc. It is an indemnity cover, where reimbursement of the expenses is provided to the insured, or more recently, directly to the hospitals through the mechanism of THIRD PARTY ADMINISTRATORS.

The Liberalization, Privatization, and Globalization (LPG) Wave has sweeped across the global economies. The two pillars of India’s economic policy before 1991 have been protection

and public sector.

The Insurance regulatory and development authority (IRDA) since its corporation as a statuary body in April 2000 has regulated the opening of insurance sector which has seen

A 15 life and non-life private companies launch their operation in India. In the post liberalization phase, insurance industry has witnessed beneficial effect of competition.

In 1999 IRDA was formed. Insurance Regulatory and Development Authority of India (IRDAI) is an autonomous apex statutory body which regulates and develops the insurance

Industry in India. It was continued by a parliament of India act called Insurance regulatory and development authority act, 1999 and duly passed by the government of India. IRDA batted for a hike in the foreign direct investment (FDI) limit to 49% in the insurance sector from the erstwhile 26%. The FDI limit in the insurance sector was raised to 49% in July 2014.

In 2001 Private insurance company and FDI and TPA. The Third party administrations are intermediaries who connect insurance companies, policyholder and health care providers. The IRDA selects the TPAs on the basis of strict professional norms. The Insurance industry in India has experienced a sea of change since the opening up of the sector of private participation. Health insurance is an important mechanism to finance the health care needs of the people. To manage problems arising out of increasing health care costs, the health insurance industry had assumed a new dimension of professionalism with TPAs.

TPAs were introduced by IRDA in the year 2001.The core service of a TPA is to ensure better services to policyholders. Their basic role as an intermediary between the insurer and the insured and facilitate cash less service at the time of hospitalization. Health insurance is dominated by government schemes. The major public health insurer in India in the government-owned general corporation(GIC)and its four subsidiaries with about 60%

Market share however, private health insurers (PHIs) expanded rapidly in tier-1 and tier-2 cities post 2005 with products centered around 11% of the population by august 2005,is provided through voluntary(2%)and mandatory(9%) health insurance schemes.

In 2006 first standalone come to business. In standalone insurance, in its many forms, is one of the basic costs associated with running a business and potentially valuable form of protection for private individuals and families. Renewability of health insurance policy. In March 2009, IRDA issued fresh regulations to all insurance providers of India regarding renewability of health insurance policies.

In 2010 preferred provider network of hospital. More hospitals are getting into the preferred provider network(PPN) as the advantages of the programme are felt, according to Ashanair ,Director and General Manager of united India insurance.

4. Objective of Study

- To identify the **Private prepaid plans as a percentage of private expenditure on health** in India.
- To find out **State Wise Health Insurance Penetration and Density in India**
- To analyse **Segment wise Premium, Policy, Person of Health insurance in India**

Methodology:-

Secondary data from 2005-2013 on National Health Account and Health Insurance data taken from WHO portal of National Health Account, and IRDA Publication. Firstly the raw data was organized and was checked for completeness and consistency after data cleaning data was analyzed using appropriate statistical methods in Microsoft Excel.

5. National Health Account of Various Region and India

Table 1 BRICS nation health expenditure

Region ,Global and India	Total expenditure on health as a percentage of gross domestic product		General government expenditure on health as a percentage of total expenditure on health		Private expenditure on health as a percentage of total expenditure on health		Out-of-pocket expenditure as a percentage of private expenditure on health		Private prepaid plans as a percentage of private expenditure on health	
year	1995	2012	1995	2012	1995	2012	1995	2012	1995	2011
Africa	5.3	6.3	42.3	48.6	57.7	51.4	58.7	52.9	32.4	31.3
South-East Asia	3.4	3.8	31.1	38.2	68.9	61.8	88.1	83.9	2.5	5.4
Global	8.0	9.2	58.6	58.2	41.4	41.7	49.8	49.0	39.4	37.2
India	4.0	4.1	26.0	33.1	74.0	66.9	91.4	86.0	1.1	4.6

Source- World Bank

Health expenditure as a share presented in this table with various regions, Global and India. Total expenditure on health on percentages of GDP in India all most not to much differ from 1995 to 2012 better than south East Asia region but lower than Africa and Global, see Government expenditure on health as a percentage of total expenditure on health its increase 7.1% but lower than Africa and Global ,Private expenditure on health as a percentage of total expenditure on health its reduce by govt. efforts by good scheme and preventive and ability of public health facility, Out of pocket expenditure as a percentage of private expenditure on health its to high than other 40% above than global ,reduce 5% its good than other , in private prepaid plans as percentage of private expenditure on health its increase than 1995 to 2011 but see global % ,so insurance sector lots of opportunity to grow in market in India.

6. Summary of Life and Non-life insurance Sector

Indian Insurance business run by various public sector and private sector companies, business run on life and non-life segment, Health insurance run under non-life insurance business, IRDA (insurance Regulatory Development Authority) is the Govt. Regulatory authority of India. Since 2005-2006 Health insurance business has penetrated in the market, IRDA allow One Line business as Stand-alone Health insurance Company in India, Capital Investment of 21 million to reduce 10 million for them, to be use Life-Non life insurance Agent to sell product in the Market.

Table 2

Particular	FY 2005-2006			FY 2013-14		
	life	Non-life	Health	life	Non-life	Health
No of companies(incl reinsurer)	16	16	12	24	29	26
Penetration	2.53	0.61	0.13 (2009-10)	3.1	0.8	0.16
Density	18.3	4.4	1.40 (2009-10)	41	11	2.53
Total premium(cr)	105876	21339	2221	314283	72990	15663
Market share of PSUs(%)	86	74.87	78	75	54.67	61

Table 2 shows that the penetration, density and total premium had increased marginally from financial year 2005-06 to financial year 2013-14 and also the number of companies have increased .

7. Net Premium and Incurred Claims and Ratio

Fig-1.1 –Net premium-The sum of premiums written by insurance company over the course of a period of a time, less premium ceded to reinsurance companies, plus any reinsurance assumed.

Incurred claims-An estimate of the amount of outstanding liabilities for a policy over a given valuation period. It includes all paid claims during the period plus a reasonable estimate of unpaid liabilities. It calculated by adding paid claims and unpaid claims at the of the prior valuation period.

Incurred claims ratio- for insurance, the loss ratio of total losses incurred in claims plus adjustment expenses divided by total premium earned.

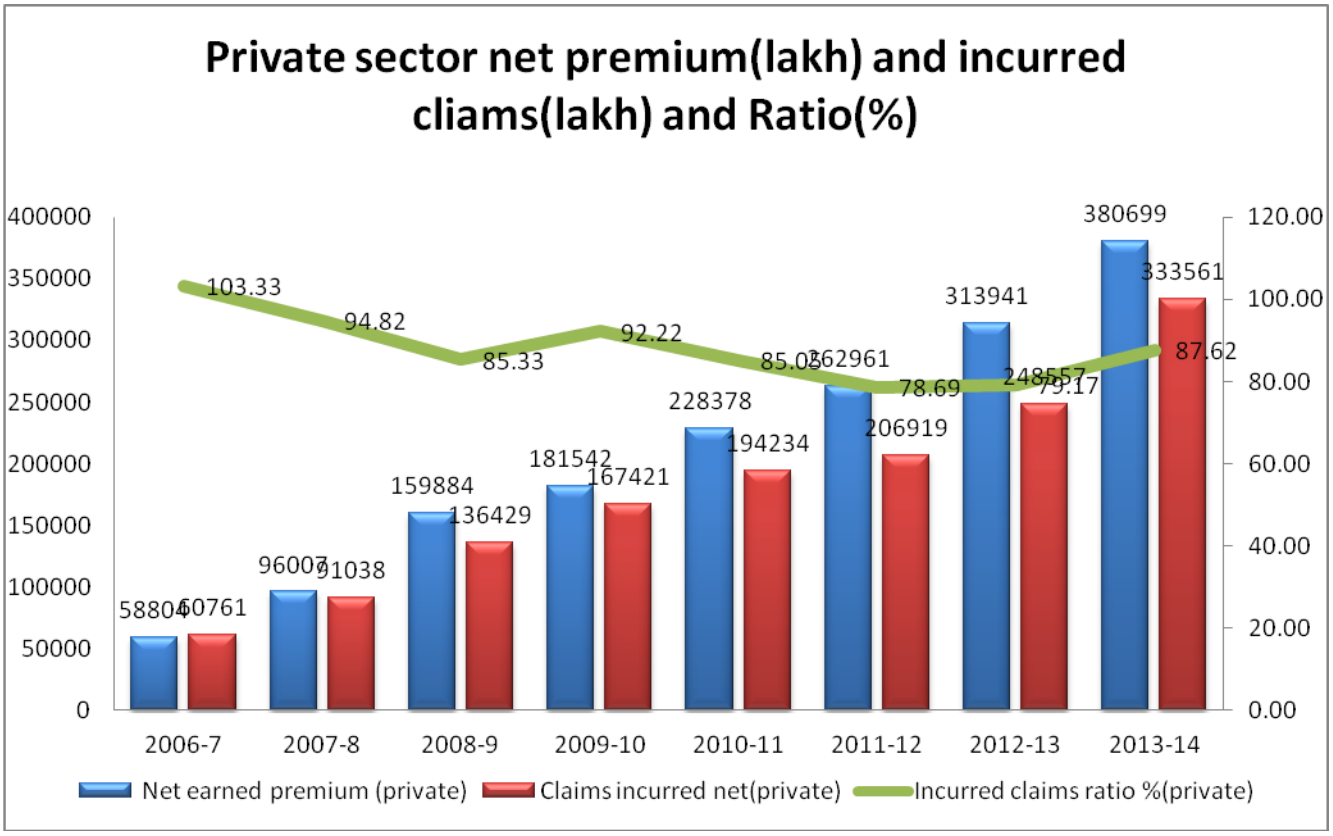

Fig 1.1

Fig 1.1 shown that private sector net premium and claims, data suggested that in FY 2006-7 premium Rs. 58804 Lakhs collected , claims incurred Rs. 60761 Lakhs and claim ratio 103.33 % reported ,FY 2013-14 premium growth 15.44% and reach Rs. 380699 lakhs, and claim incurred reach to Rs. 333561 lakhs 18.21 % growth rate and claim ratio became 87.62 %

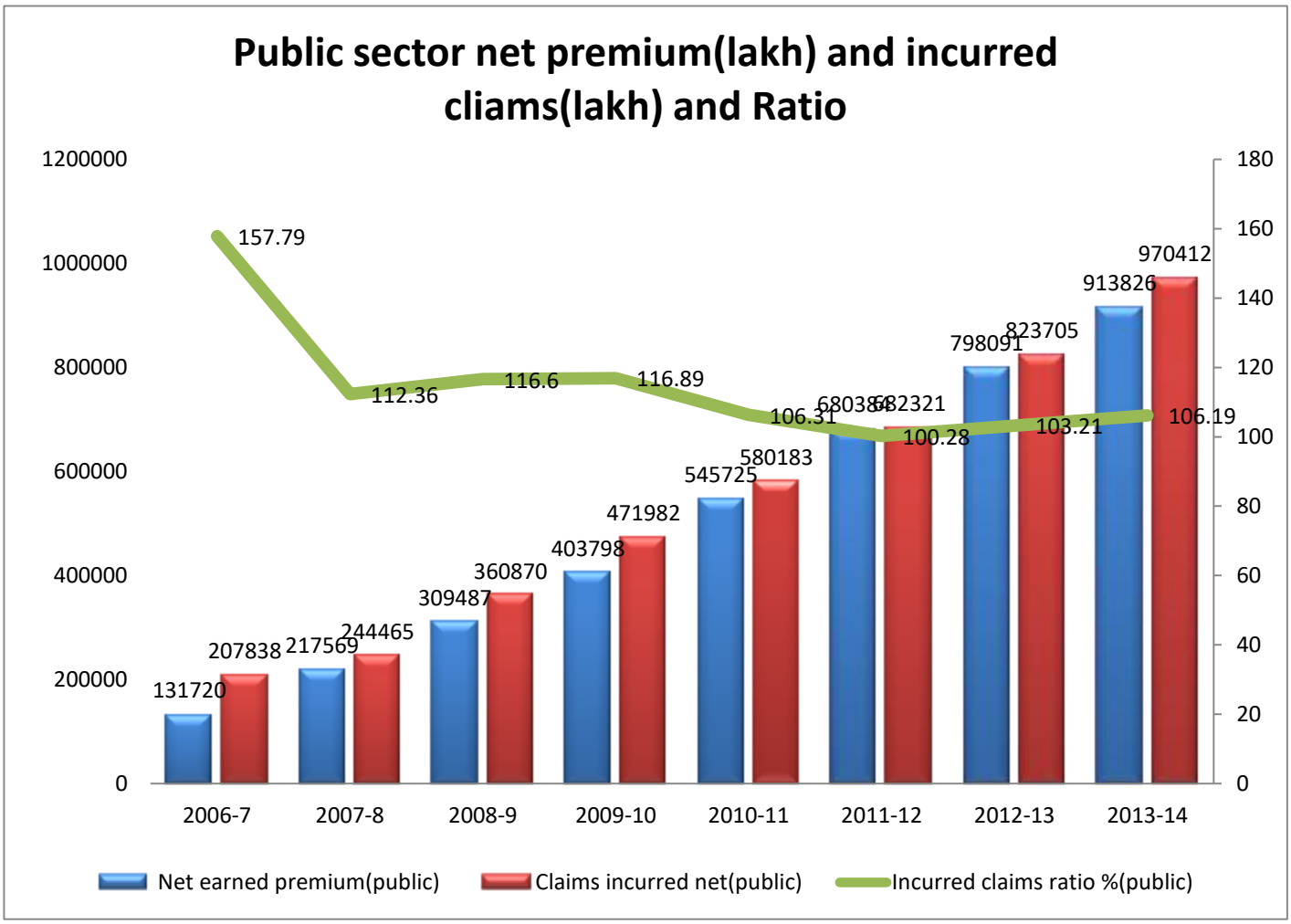

Fig 1.2

Fig 1.2 shows that public sector net premium, claims incurred and Claim ratio data on FY 2006-7 to 2013-14 its on 2006-7 net premium Rs 131720 lakhs, and net claims incurred Rs 207838 lakhs and claim ratio 157.79% in FY 2013-14 premium growth in 14.20% and reach to Rs 913826 lakhs and Claims incurred 21.02% and reach to Rs 970412 lakhs Claim ratio 106.19%

8. Gross Premium business of Health insurance

Fig1.2 –Gross premium- gross premium is that premium which is charged by the insured to meet the amount of claims and expenses. Thus the gross premium includes the net premium and Loading. Loading is the process to add the expenses to net premium. The loading may add a certain amount to meet the bonus charges of participating policies.

Direct premium written- The complete number of insurance policy premiums written without taking into account those policies given to reinsures. New accounts written by the insurance company are examples of the direct premium.

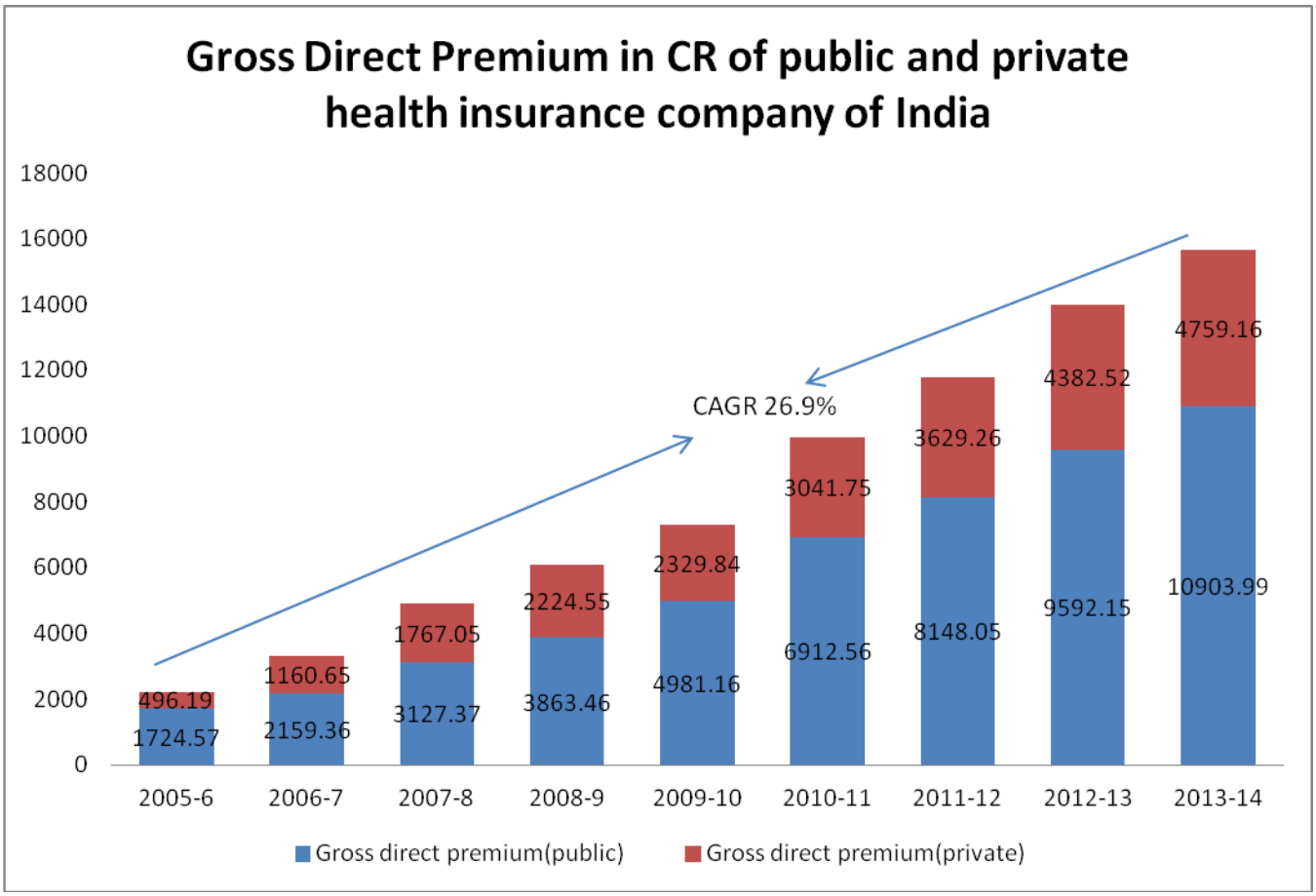

Fig 1.3 Gross direct premium of public and private health insurance company

Fig 1.3 shows that gross premium of public and private health insurance company on FY 2005-06 to FY 2013-14. Bar chart presented increasing in trade.2005-06 public gross direct premium 1724.57cr and gross direct premium 496.19 cr. Growth rate of premium in public sector 15.81% and reach to FY 2013-14 , 10903.99cr . IN private sector growth rate increase 10.43% and reach to 4759.16 cr.

Fig1.4-Net premium income-Net premium income is the sum of all types of insurance premiums which a company may collect throughout the whole duration of exciting insurance policies minus the costs like agents commission or payments made for reinsurance. It gives an indication of the level of sales for risk that they themselves cover.

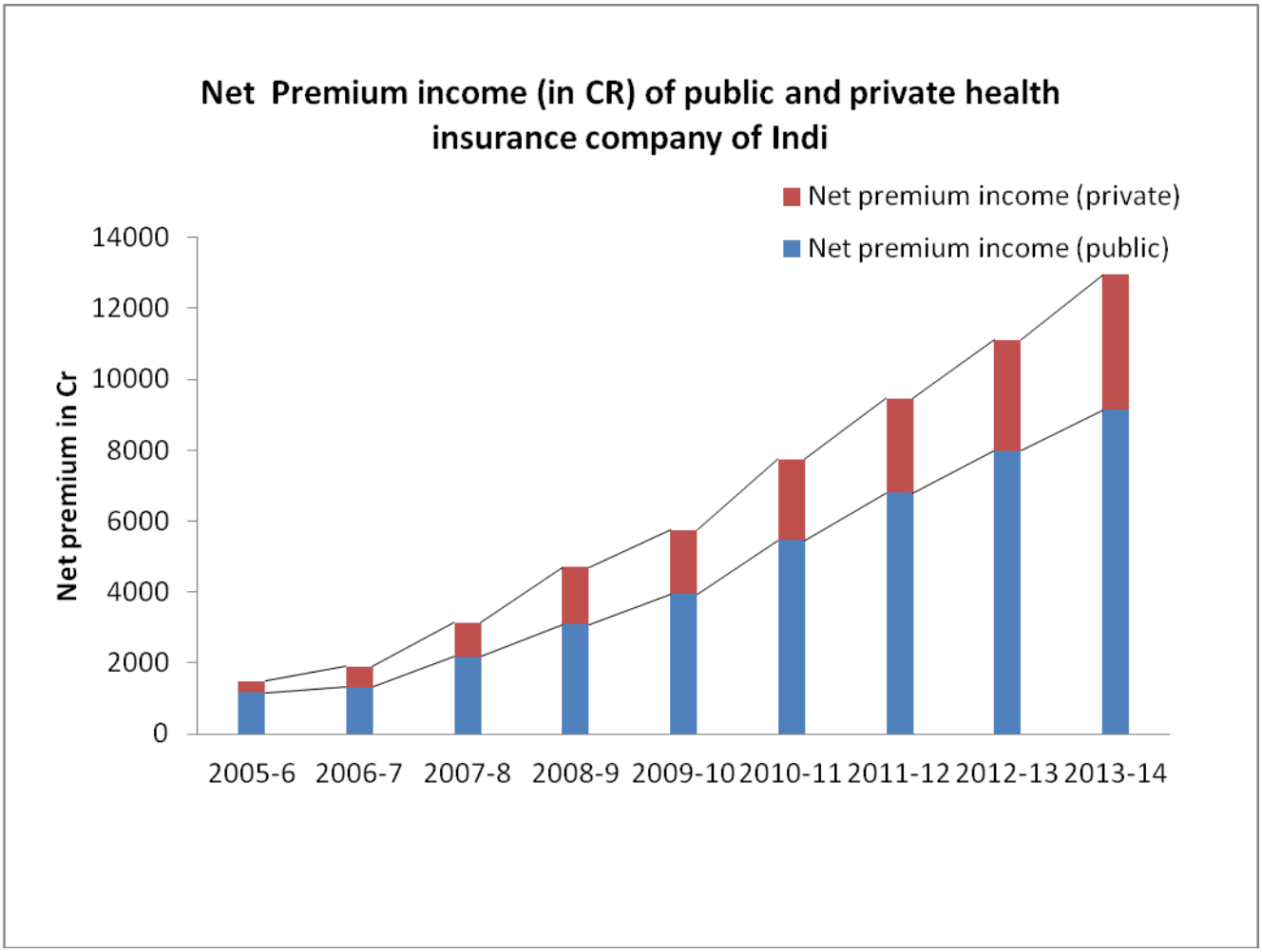

Fig 1.4

Fig 1.4 shows that net premium income of public and private sector FY 2005-06 to 2013-14. Bar chart show that increasing in trade. IN 2005-06 net premium income in public sector 1168.97 cr and in private sector 317.26 cr .net premium income increase with 12.79% in public sector in 2013-14 and private sector increase with 8.33%.

9. Person covered under various segment wise anlyses of Health insurance from 2010-14

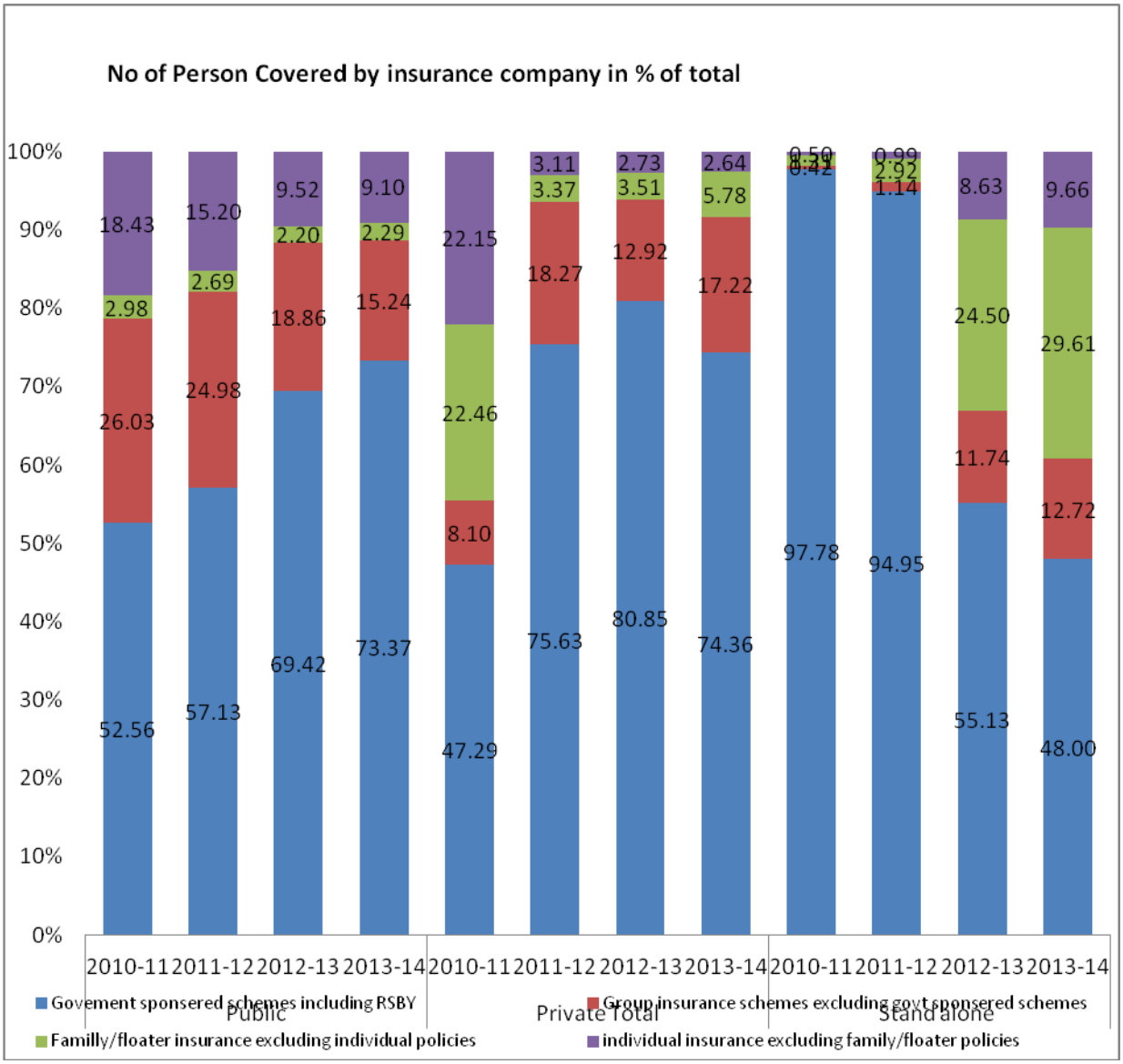

Fig 1.5 Number of persons covered under insurance

Fig 1.5 chart shows that number of person covered by insurance company . In government sponsored schemes including RSBY no of person covered 2010-11 are 52.56% and no of decrease in 2013-14 48.00 % .In group insurance schemes excluding govt sponsored schemes no of person covered 26.03% Decrease in 2013-14 12.72%. In family floater insurance schemes excluding individual policies no of person covered 2.98% increasing in 2013-14 is 29.61%. and In individual insurance schemes excluding family floater policies no of person covered 18.43% and decrease in 2013.14 is 9.66%.

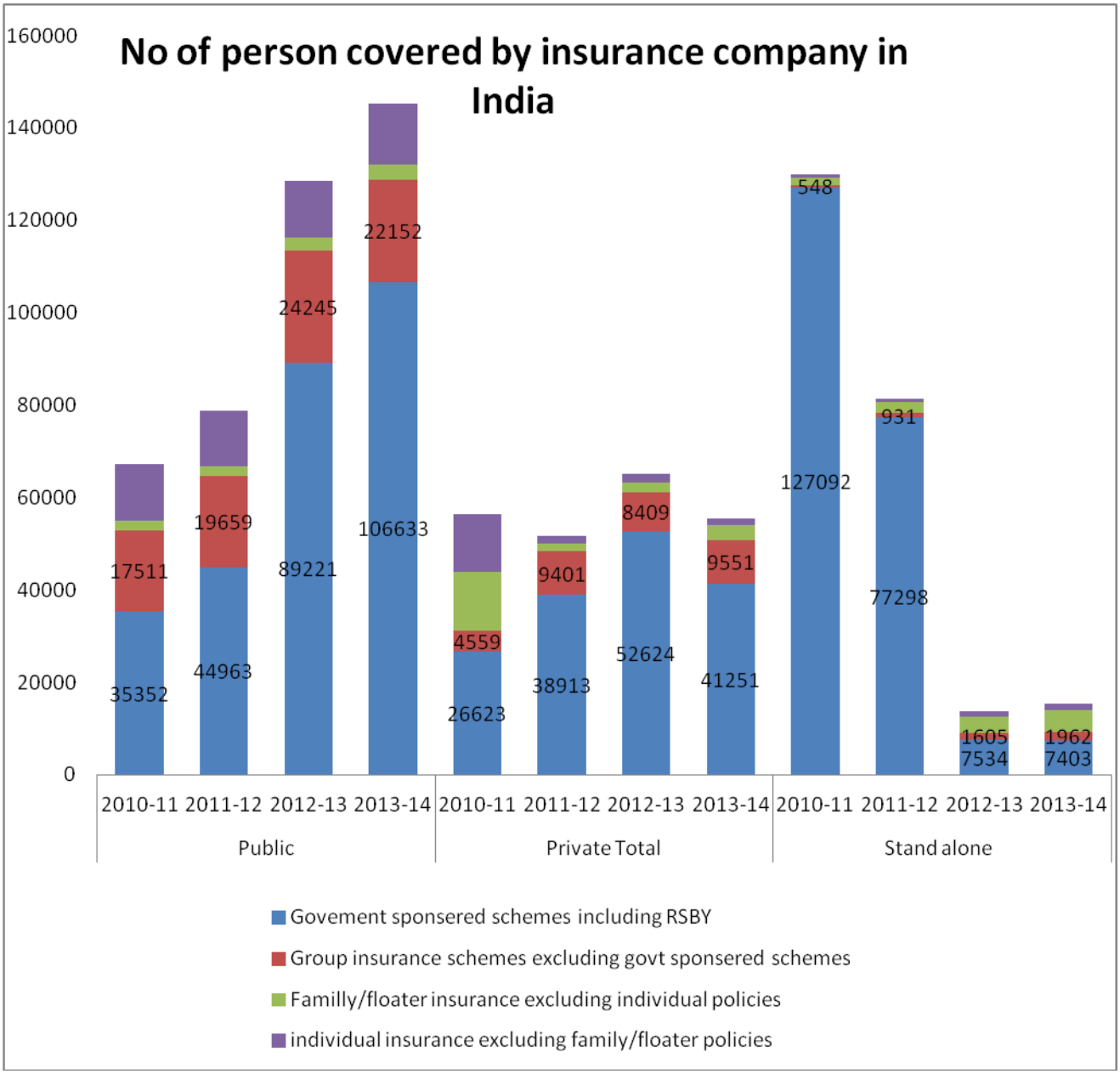

Fig 1.6 Number of persons covered under private and public companies.

Fig1.6 shows that no of person covered by insurance company in India. IN public sector government sponsored schemes including RSBY no of person covered in 2010-11 - 35352cr increase in 2013-14 106633 increasing rate is 33.15%. in group insurance schemes no of person covered in 2010-11 -17511cr and increase in 2013-14 - 22152cr. But in family floater and individual insurance policies no of person covered e almost equal to every year. In private sector govt sponsored schemes including RSBY no of person covered 26623 cr and increase in 2013-14 – 41251 cr.in group insurance schemes excluding govt schemes no of person covered 4559 cr increase in 2013-14 is 41251cr. In family floater and individual insurance policies almost equal in every year. In standalone – govt sponsored schemes including RSBY no of person covered 127092 crand than increase in 2013-14 is 7403 cr. group insurance schemes no of person covered 548 cr in 2010-11 and increase in 2013-14 is 1962 cr. In family floater and individual schemes almost equal to every year.

10. Policy sold under various segment wise anlyses of Health insurance from 2010-14

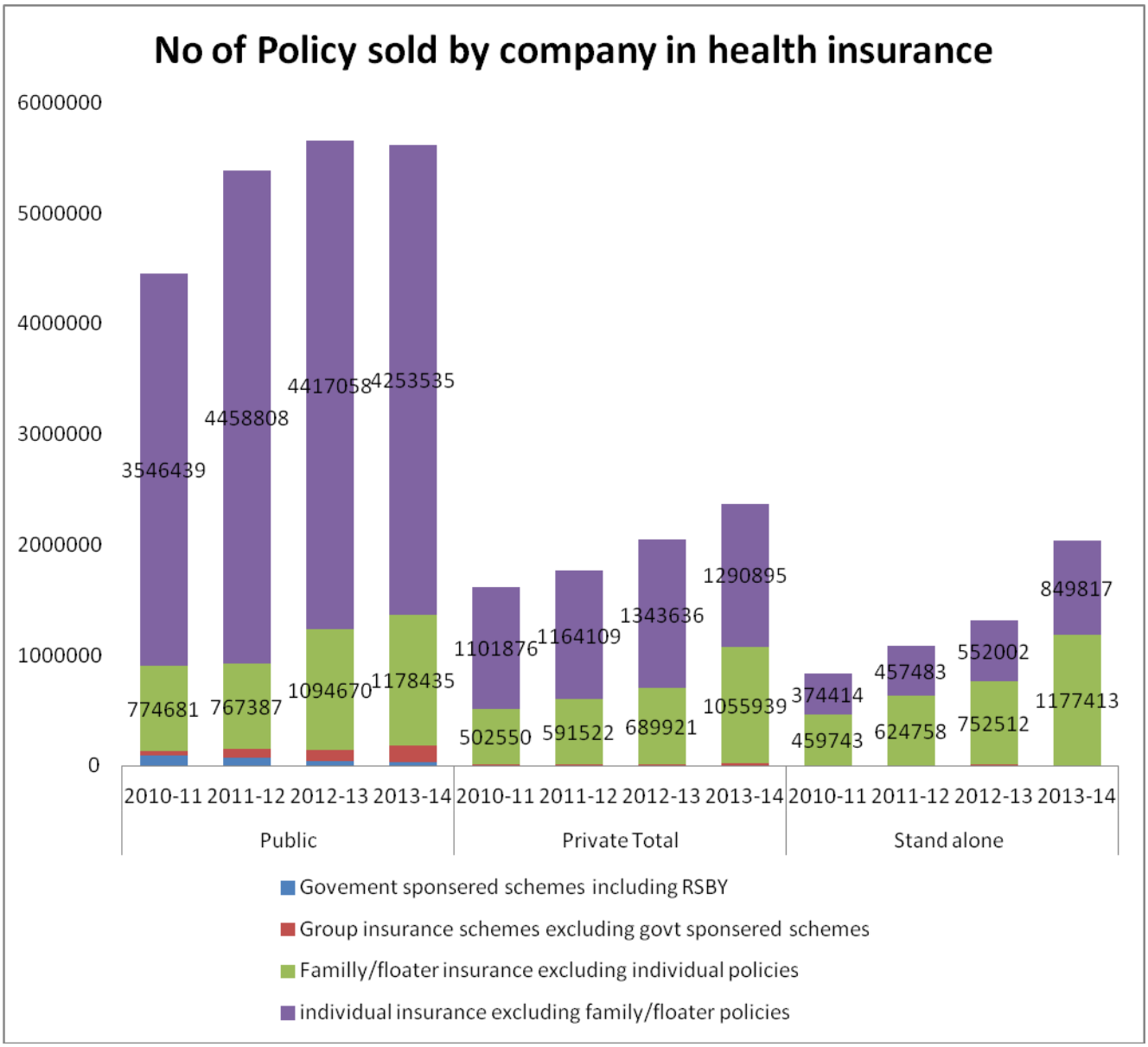

Fig 1.7

Fig 1.7 shows number of policies sold by company in health insurance .It was seen in public sector individual insurance excluding family /floater policies, the number of policies increased from 3546439 in 2010-11 to 425353 in 2013-14. In family floater excluding individual in 2010-11 no of policies 774681 and increase in 2013-14 no of policies 1178435. But in government and group insurance schemes almost equal to every year. In private sector in individual insurance excluding family floater in 2010-11 no of policies 1101876 increase in 2013-14—1290895.in family floater excluding individual policies in 2010-11 no of policies 502550 increase in 2013-14 – 1055939.but in govt and group insurance policies are less in number. In standalone co in individual insurance no of policies in 2010-11 – 374414 increase in 2013-14 –

849817. In family floater, no of policies increased 459743 in 2010-11 to 1177413 in 2013-14 . But less number of policies were sold in govt sponsored and group insurance schemes.

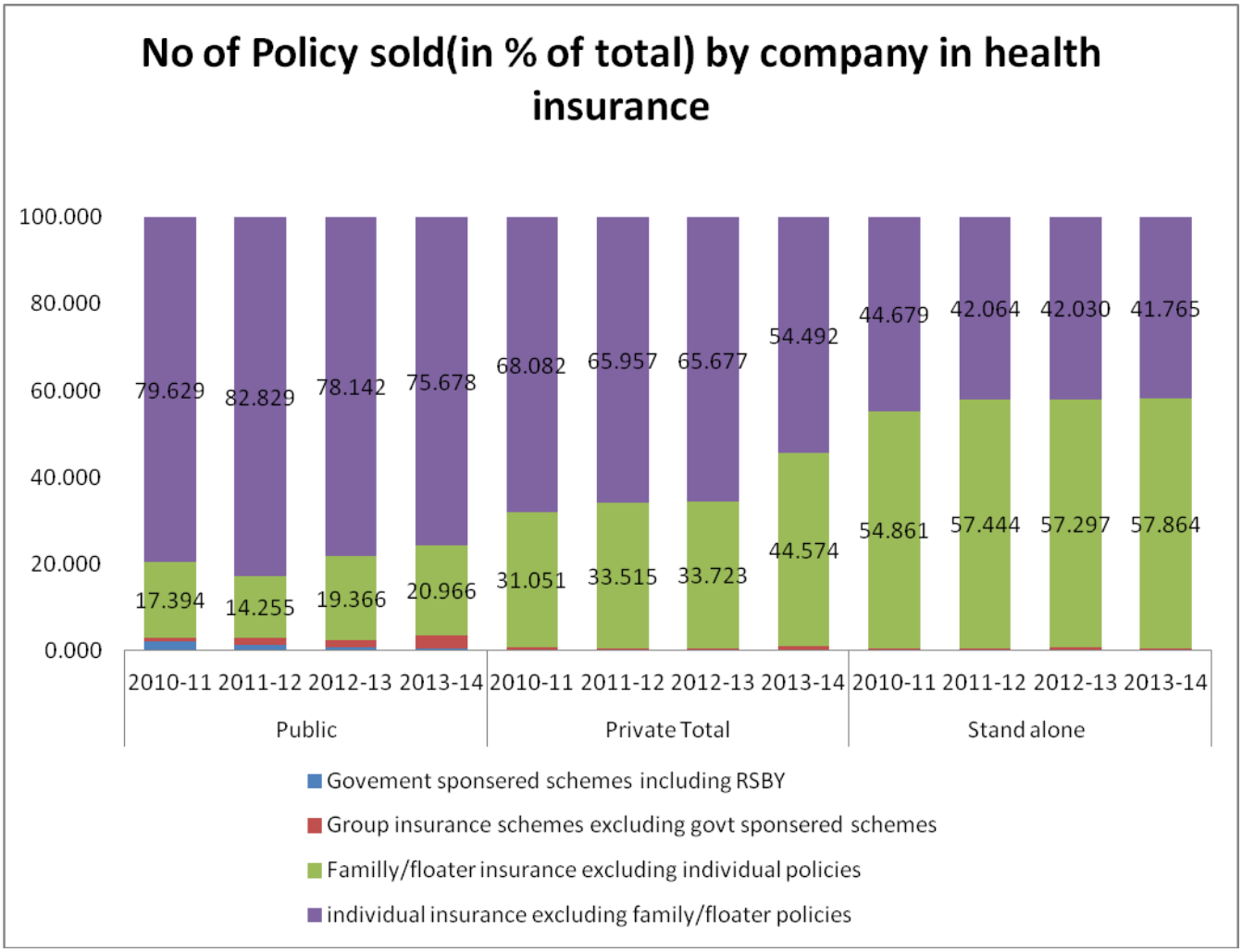

Fig 1.8

Fig1.8 chart show that no of policy sold (in % of total) by company in health insurance. In public sector 2010-11 in individual insurance excluding family / floater no of policies sold 79.69 % no of policies decrease 75.68%. family floater insurance excluding individual policies no of policies in 2010-11 – 17.39% that is increase in 2013-14 –20.96%. govt sponsored schemes and group insurance almost equal in every year. In private sector in 2010-11 no of individual policies 68.08% that is decrease in 2013-14 is 54.49%. in family floater insurance excluding individual policies no of policies 31.05% that is increase in 2013-14 is 44.54%. In standalone health insurance in individual insurance no of policies in 2010-11 is 44.67% that is decrease in 2013-14 is 41.76% and in family floater insurance no of policies in 2010-11 is 54.86% and increase in 2013-14 that is 57.86%.

11. Premium earned under various segment wise anlyses of Health insurance from 2010-14

Premium- An amount paid or required often as an installment, for an insurance policy.

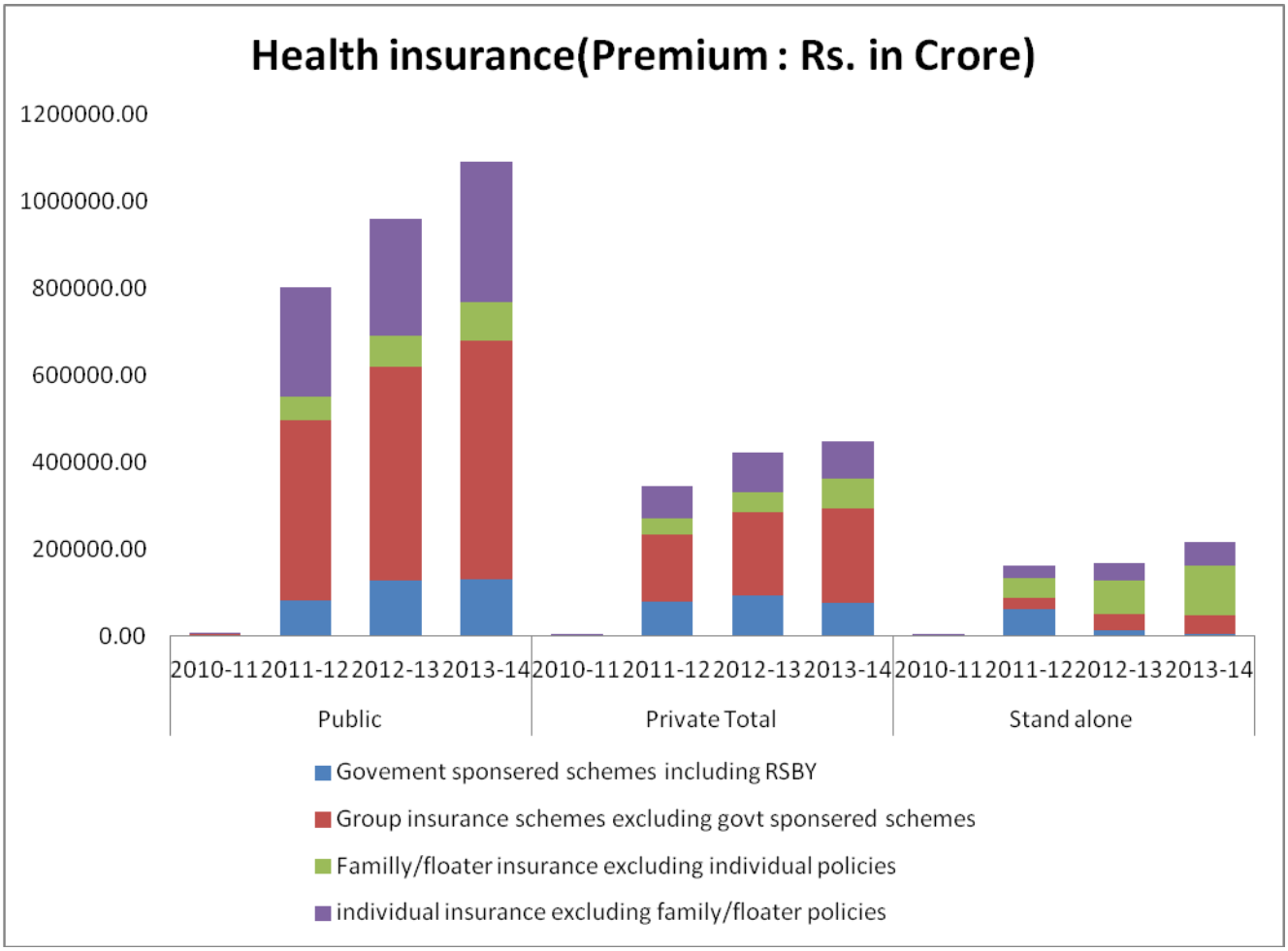

Fig 1.9

Fig1.9 show that in public sector highest premium written on group insurance schemes ,its also in private sector also but now on ward standalone grow much on family floater insurance schemes .trend of premium in all public private and standalone increasing trend from 2010-11 to 2013-14 ,still public sector is much better along with private and standalone,

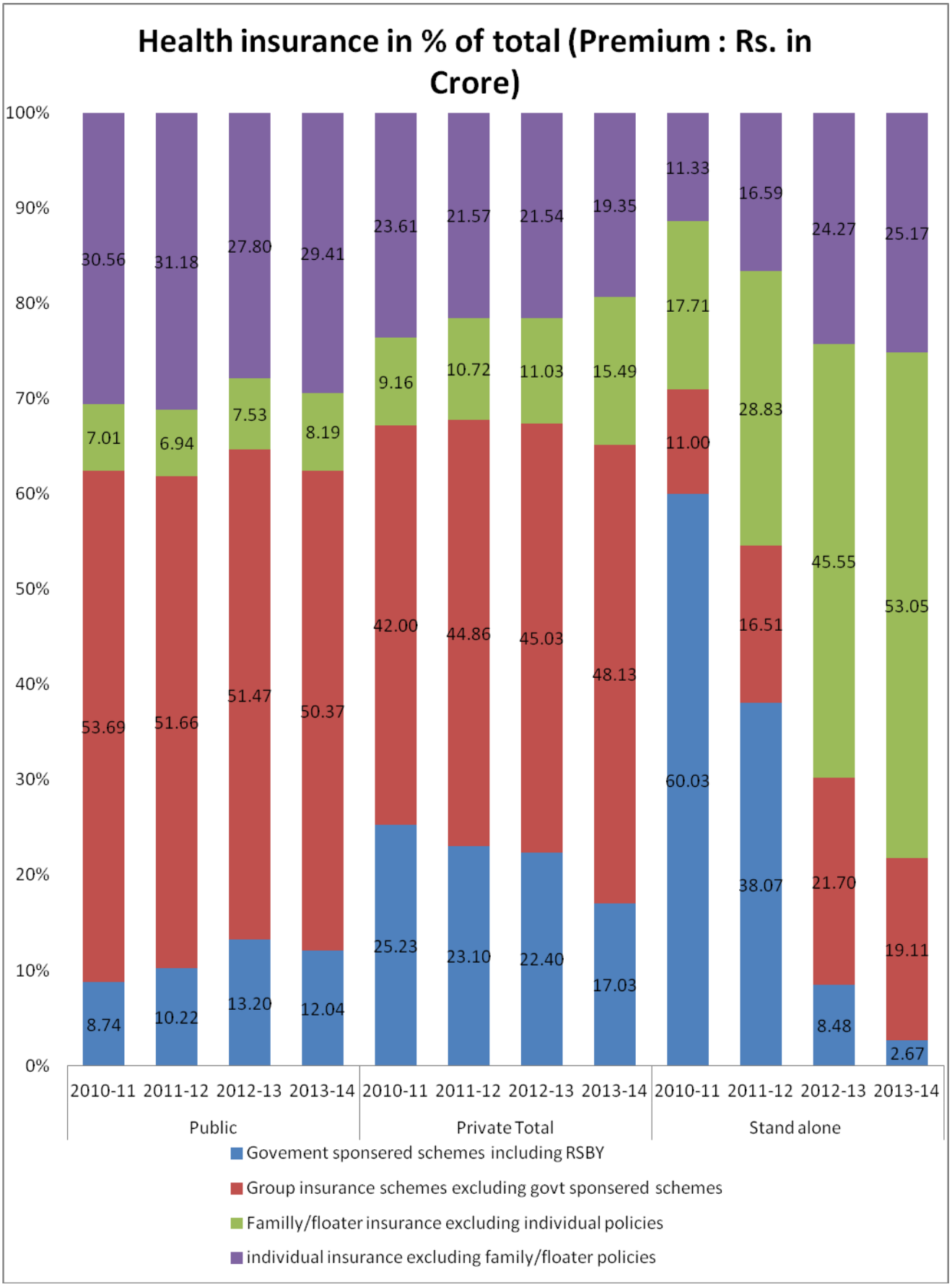
Health insurance in % of total (Premium : Rs. in Crore)
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
30.56
31.18
27.80
29.41
23.61
21.57
21.54
19.35
11.33
16.59
24.27
25.17
7.01
6.94
7.53
8.19
9.16
10.72
11.03
15.49
17.71
28.83
45.55
53.05
53.69
51.66
51.47
50.37
42.00
44.86
45.03
48.13
11.00
16.51
21.70
19.11
8.74
10.22
13.20
12.04
25.23
23.10
22.40
17.03
60.03
38.07
8.48
2.67
2010-11 2011-12 2012-13 2013-14 2010-11 2011-12 2012-13 2013-14 2010-11 2011-12 2012-13 2013-14
Public
Private Total
Stand alone
Govement sponsered schemes including RSBY
Group insurance schemes excluding govt sponsered schemes
Familly/floater insurance excluding individual policies
individual insurance excluding family/floater policies

Fig 1.10 show that public sector group insurance lead but trend of it 2010-11 to 2013-14 was decreasing, but in private sector its increasing ,in standalone business family floater insurance growth is fare better in 3 times .

Claim ratio- claim ratio is claims payable as a percentage of premium income .This is the equivalent of the gross profit margin or an insurance business. An insurer`s investment income is also parts of its core business so the comparison with gross profit is not exact.

12. Claim Ratio under Various segment wise business of Health insurance in India 2010-14

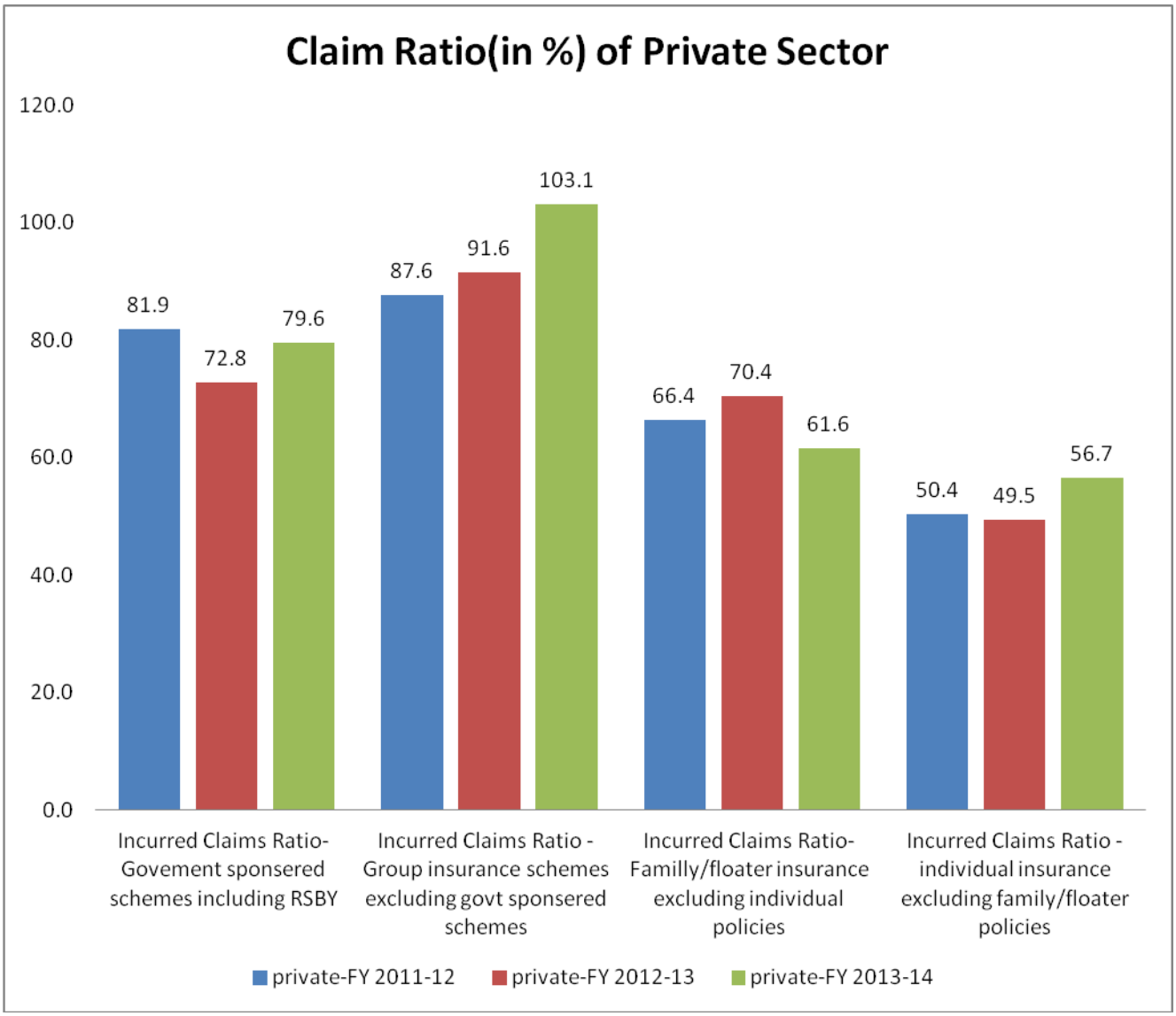

Fig 1.11

Fig 1.11 shows the claim ratio in private sector. In incurred claims ratio –govt sponsored schemes includind RSBY % in 2011-12 –81.9% ,in 2012-13 – 72.8% and 2013-14 – 79.6%. In incurred claims ratio group insurance schemes excluding govt sponsored schemes in 2011-12 – 87.6% ,2012-13-91.6% and 2013-14—103.1%. Incurred claim ratio-family /floater insurance excluding individual policies 2011-12-66.4% ,2012-13—70.4% and 2013-14 – 61.6%. Incurred claims ratio-individual insurance excluding family / floater policies in FY 2011-12 – 50.4% ,2012-13 –49.5% and in 56.7%.

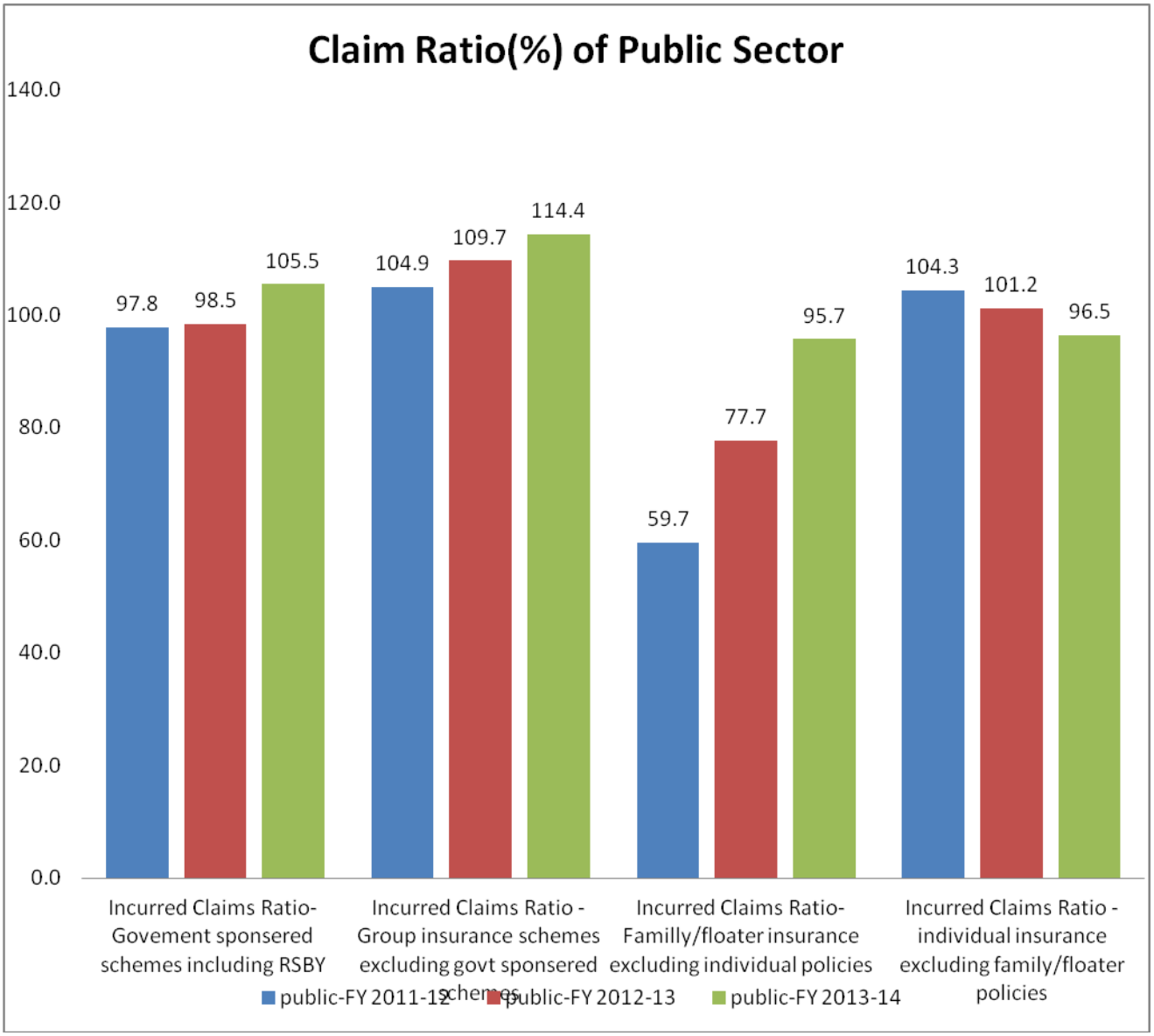

Fig 1.12

Fig1.12 show that claim ratio % in public sector. In public sector Incurred claims ratio – govt sponsored schemes including RSBY in FY 2011-12 –97.8%, 2012-13—98.5% AND 2013-14 –105.5%. incurred claims ratio – group insurance schemes excluding govt sponsored schemes in 2011-12 – 104.9%, 2012-13 - 109.7%,and 2013-14 –114.4%. Incurred claims ratio-family/floater insurance excluding individual policies in 2011-12 –59.7%,2012-13—77.7% and 2013-14 – 95.7%. incurred claims ratio –individual insurance excluding family/floater policies fy 2011-12-104.3%,2012-13—101.2% and 2013-14 – 96.5%.

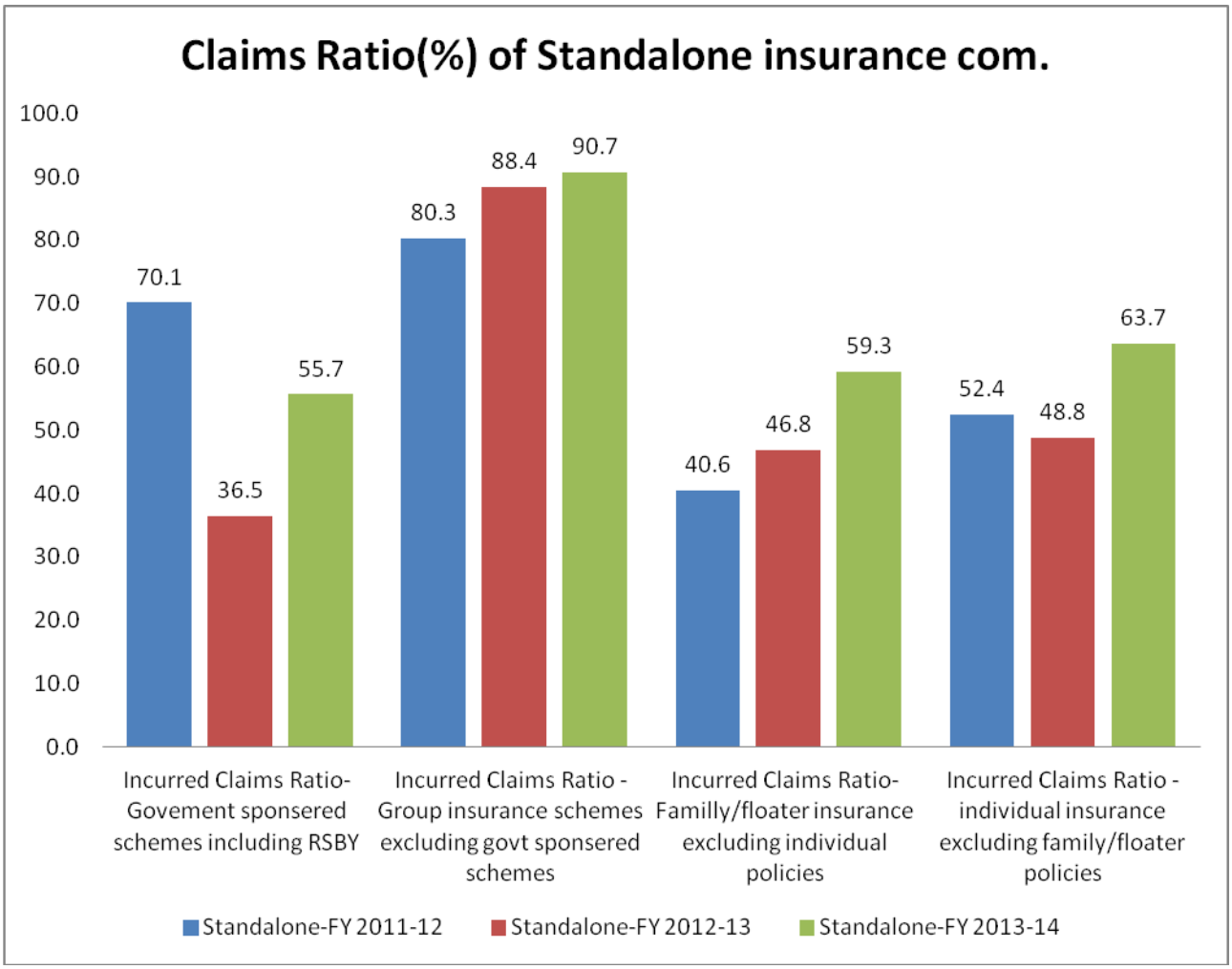

Fig1.13

Fig1.13 show that claim ratio % in standalone insurance company. Incurred claims ratio-government sponsored schemes including RSBY in 2011-12 – 70.1% in 2012-13—36.5% and in 2013-14—55.7%. incurred claims ratio-group insurance schemes excluding govt sponsored schemes in 2011-12—80.3% in 2012-13—88.4% and 2013-14 –90.7%. incurred claims ratio-family/floater insurance excluding individual policies in 2011-12—40.6% in 2012-13-46.8% and in 2013-14 – 59.3%. incurred claims ratio-individual insurance excluding family / floater policies inFY 2011-12 –52.4% ,in 2012-13—48.8% and 2013-14—63.7%.

13. Market Share of Company in industry

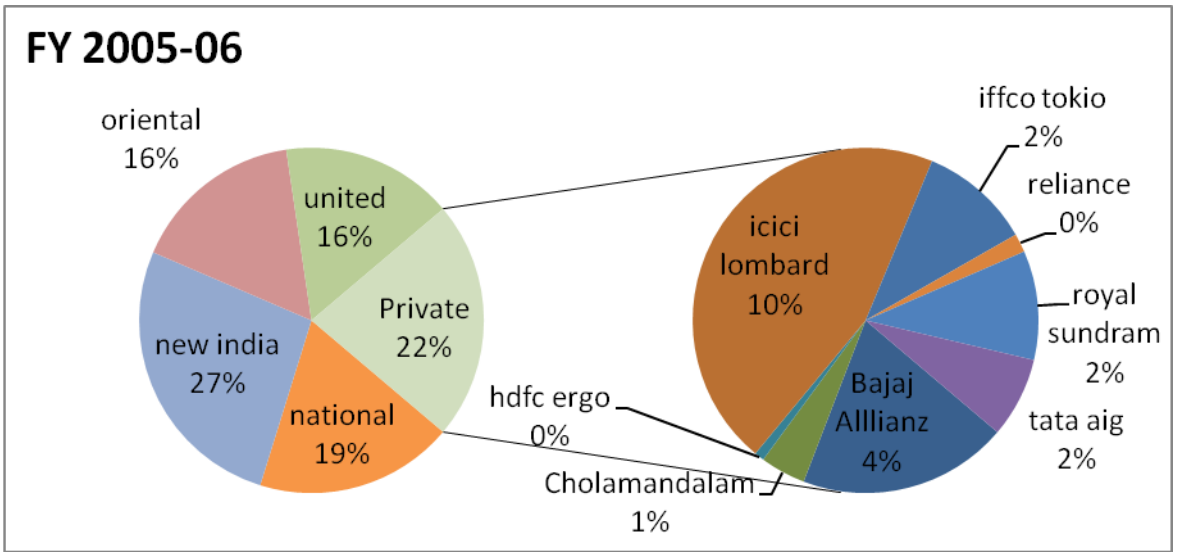

Fig 1.14 Fy 2005-06 market share of health insurance in Public and Private sector company in India

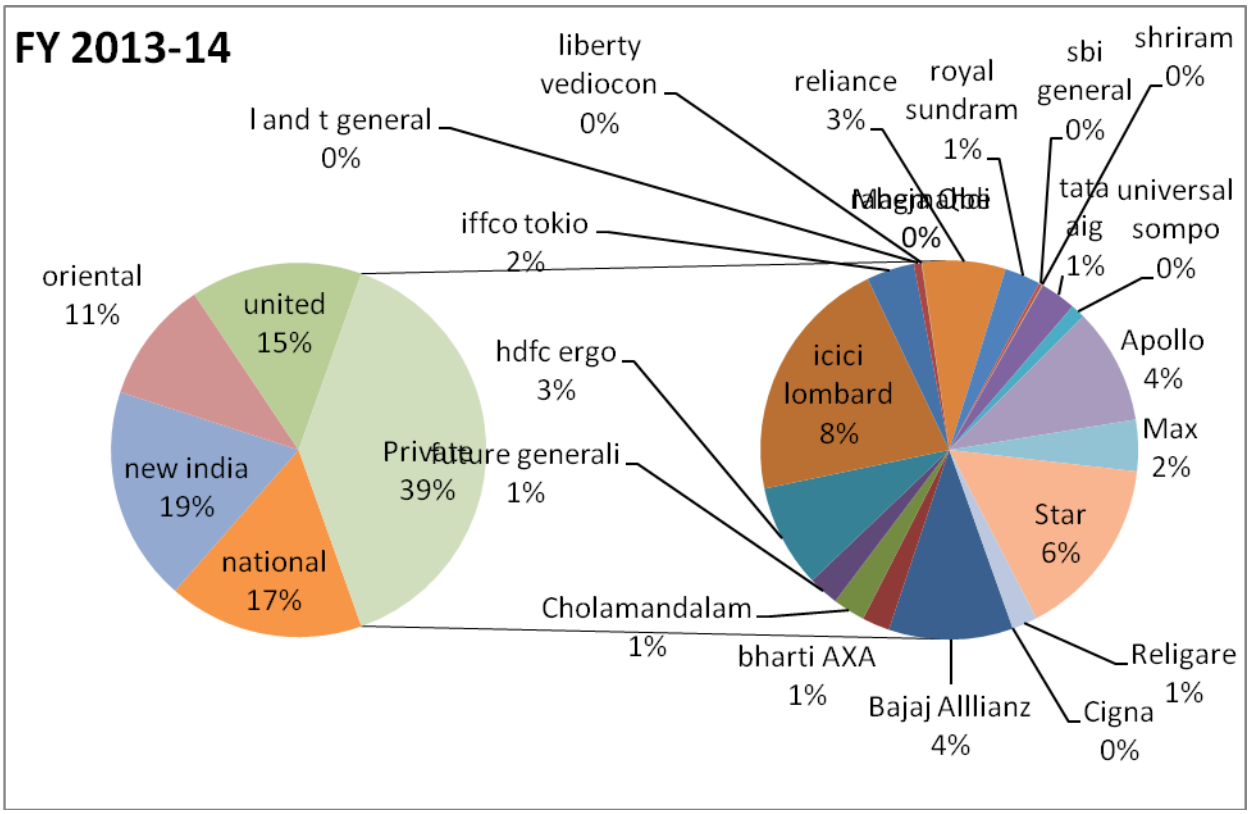

Fig 1.15 Fy 2013-14 market share of health insurance in Public and Private sector company in India

Fig 1.14 and 1.15 shows that in FY 2005-06 private insurance share 22% and other public insurance share 72% now in FY 2013-14 pie chart shown that private reach 39% and public reach 59% because good and attractive scheme and concentrated in rural area also .

Table 3

insurer	Health (in Cr)	Gross Direct underwritten premium							
year	2005-6	2006-7	2007-8	2008-9	2009-10	2010-11	2011-12	2012-13	2013-14
Bajaj Allianz	4.40	3.12	2.90	5.02	1.65	2.96	3.18	3.79	4.15
bharti AXA				0.02	0.27	0.46	1.08	1.26	0.92
Cholamandalam	0.95	0.76	1.30	2.50	0.83	1.29	1.70	1.79	1.08
future generali			0.04	0.76	0.46	1.26	1.31	1.29	1.02
hdfc ergo	0.20	0.20	0.34	0.84	1.50	2.86	3.06	3.32	3.45
icicilombard	10.12	13.13	9.73	14.65	4.79	11.15	10.69	10.15	8.29
iffcotokio	2.33	1.42	1.36	2.12	0.92	1.56	1.21	1.34	1.59
l and t general				0.00		0.00	0.06	0.17	0.26
liberty vediocon				0.00		0.00	0.00	0.00	0.02
Magmahdi				0.00		0.00	0.00	0.00	0.00
rahejaQbe				0.00		0.00	0.00	0.00	0.00
reliance	0.39	1.33	3.29	4.68	1.33	2.21	1.68	1.88	2.78
royal sundram	2.28	1.90	1.30	1.72	0.70	1.56	1.72	1.37	1.19
sbi general				0.00		0.00	0.03	0.04	0.12
shriram				0.00		0.00	0.00	0.00	0.03
Tata aig	1.67	1.05	0.81	1.11	0.46	0.96	1.02	1.16	1.20
universal sompo				0.05	0.10	0.20	0.27	0.35	0.48
national	18.64	9.47	8.23	13.50	6.02	14.63	15.48	16.31	16.93
new india	26.64	15.11	14.42	20.40	8.67	17.44	17.48	17.54	18.52
oriental	16.20	8.85	6.35	10.68	6.06	13.19	11.07	10.41	10.60
united	16.18	9.20	8.29	13.55	7.07	14.90	16.61	16.83	14.86
Apollo		0.00	0.06	0.72	1.37	2.46	3.54	3.95	3.87
Max		0.00	0.00	0.00	0.00	0.22	0.74	1.32	1.72
Star		0.67	3.32	7.67	11.47	10.68	8.08	5.48	6.09
Religare		0.00	0.00	0.00	0.00	0.00	0.00	0.24	0.84
Cigna		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
grand total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
stand alone	0.00	0.67	3.38	8.40	12.84	13.37	12.35	10.99	12.52
public total	77.66	64.60	61.74	58.13	59.39	60.16	60.64	61.09	60.90
private total	22.34	34.72	34.88	33.47	27.78	26.47	27.01	27.91	26.58

Source IRDA statistical book 2013-14

14. State wise Health Insurance Penetration and Density in India

Fig 2. State wise Health Insurance Penetration and Density in India

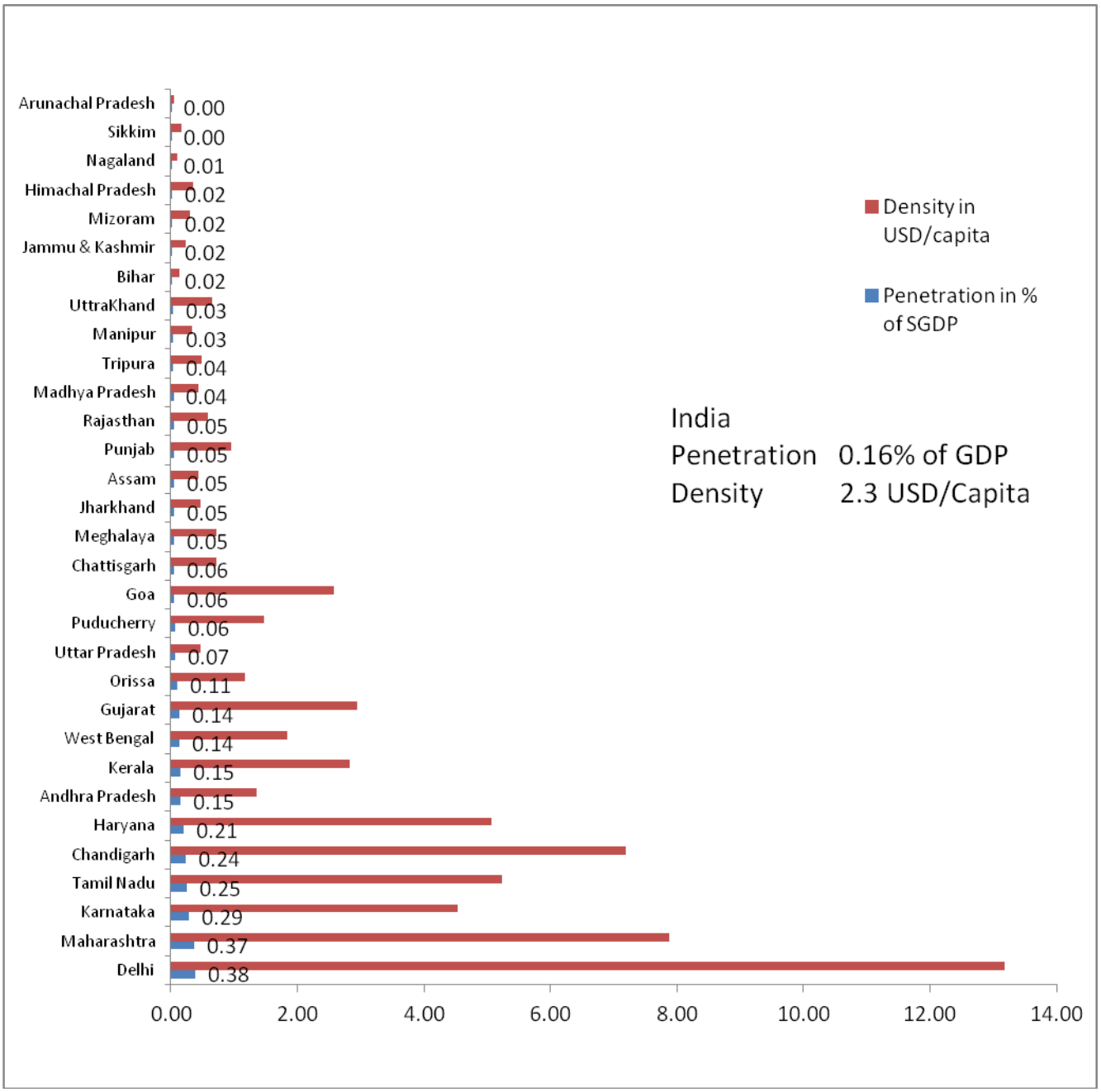

Table 4

State and UT	Penetration in % of GDP					Density in USD				
	2009-10	2010-11	2011-12	2012-13	2013-14	2009-10	2010-11	2011-12	2012-13	2013-14
Andhra Pradesh	0.29	0.33	0.29	0.17	0.15	2.0	2.7	2.6	1.5	1.4
Arunachal Pradesh	0.00	0.00	0.19	0.01	0.00	0.0	0.0	3.4	0.1	0.1
Assam	0.00	0.00	0.05	0.05	0.05	0.0	0.0	0.4	0.4	0.4
Bihar	0.01	0.01	0.11	0.11	0.02	0.0	0.1	0.6	0.6	0.1
Chattisgarh	0.01	0.10	0.01	0.05	0.06	0.1	1.1	0.1	0.7	0.7
Goa	0.22	0.19	0.26	0.25	0.06	8.2	8.0	13.3	10.8	2.6
Gujarat	0.00	0.00	0.13	0.13	0.14	0.0	0.1	2.8	2.7	3.0
Haryana	0.00	0.00	0.20	0.23	0.21	0.0	0.0	5.0	5.6	5.1
Himachal Pradesh	0.00	0.00	0.03	0.04	0.02	0.1	0.1	0.6	0.7	0.4
Jammu & Kashmir	1.79	1.95	0.09	0.01	0.02	16.0	21.5	1.1	0.2	0.2
Jharkhand	0.01	0.01	0.03	0.05	0.05	0.1	0.1	0.3	0.5	0.5
Karnataka	0.16	0.17	0.26	0.27	0.29	1.9	2.6	4.1	4.3	4.5
Kerala	0.08	0.16	0.14	0.18	0.15	1.1	2.8	2.7	3.2	2.8
Madhya Pradesh	0.00	0.01	0.04	0.04	0.04	0.1	0.4	0.3	0.4	0.4
Maharashtra	0.00	0.00	0.31	0.33	0.37	0.0	0.0	6.8	7.0	7.9
Manipur	0.67	0.28	0.03	0.07	0.03	4.9	2.3	0.3	0.7	0.3
Meghalaya	5.65	6.49	0.42	0.02	0.05	59.2	80.1	5.8	0.2	0.7
Mizoram	3.49	3.76	0.36	0.09	0.02	39.5	53.1	5.2	1.4	0.3
Nagaland	0.00	0.00	0.03	0.02	0.01	0.0	0.0	0.4	0.3	0.1
Orissa	0.04	0.05	0.02	0.05	0.11	0.4	0.5	0.3	0.5	1.2
Punjab	1.26	1.44	0.11	0.06	0.05	19.3	26.2	2.1	1.0	1.0
Rajasthan	0.00	0.00	0.03	0.04	0.05	0.0	0.0	0.3	0.4	0.6
Sikkim	0.01	0.01	0.01	0.01	0.00	0.2	0.2	0.3	0.3	0.2
Tamil Nadu	0.00	0.00	0.18	0.24	0.25	0.0	0.0	3.7	4.8	5.2
Tripura	0.02	0.01	0.13	0.11	0.04	0.1	0.1	1.5	1.2	0.5
Uttar Pradesh	0.00	0.01	0.06	0.07	0.07	0.0	0.1	0.4	0.5	0.5
UttraKhand	0.01	0.01	0.02	0.03	0.03	0.1	0.1	0.5	0.7	0.6
West Bengal	0.01	0.02	0.15	0.16	0.14	0.1	0.2	1.8	2.0	1.8
Andaman & Nicobar Islands	1.51	2.19	0.27	0.00	0.00	28.1	43.5	5.8	0.0	0.0
Chandigarh	0.00	0.00	0.27	0.23	0.24	0.0	0.1	8.9	7.1	7.2
Dadra & Nagra Haveli	NA	NA	NA	NA	NA	770.3	901.0	32.5	1.0	0.8
Daman & Diu	NA	NA	NA	NA	NA	3.9	6.5	1.6	1.9	2.8
Delhi	0.11	0.20	0.43	0.42	0.38	3.0	6.1	14.4	14.1	13.2
Lakshadweep	NA	NA	NA	NA	NA	40.1	69.2	2.3	0.0	0.0
Telangana	0.00	0.00	0.00	0.00	0.00	NA	NA	NA	NA	NA
Puducherry	3.30	4.29	0.46	0.06	0.06	67.6	92.7	10.1	1.4	1.5
ALL INDIA	**0.13**	**0.15**	**0.15**	**0.16**	**0.16**	**1.4**	**2.0**	**2.3**	**2.3**	**2.3**

15. Key findings:-

- Lots of opportunities for the growth of health insurance sector in India. More risk pooling win-win situation of buyer and seller
- Attractive product have more chances to grow in the market; like standalone with family floater policy
- Government intervention required for creating awareness about insurance and sponsored schemes.

Summary

Health insurance done gross progressed in India in last five year, with lots of innovation and market research ,Private player doing more growth because lots of innovation in aspect of customer behavior, as compare to other country our penetration and density low but its grow from last 5 year, still lots of new step required like

-universal health coverage in aspect of only given RSBY policy to BPL its expanded with all with minimum premium to other with high coverage.

-Prevention aspect is still missing in communicable and non-communicable diseases it's doing with good step

-still life insurance business it's on top as compare to non-life ,health is comprehensive aspect in life so it's necessary of cover of insurance money in India

-customer now more focus on family scheme because of economy,