A Study on demand of Reliance Indemnity Covid-19 insurance policy in a strive to maintain business continuity in India.

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Objective: To determine the importance of Health Insurance policies in present scenario.

- *A new outbreak termed 'Covid 19' caused by novel coronavirus has been declared as pandemic infecting 88, 07,398 lives.*
- *Covid 19 being third of its kind after SARS and MERS. A study by Noah Peeri states that, We conclude that we did not learn from the two prior epidemics of coronavirus and were ill-prepared to deal with the challenges the COVID-19 epidemic has posed."*
- *As some hard but important measures has been taken like Lockdown, catch and isolate policy, and absence of vaccines, the Covid 19 cases are controlled completely. In this scenario, increase in the coverage of Health Insurance can play an important role in securing the population.*

Need for Health Insurance

- *Low Penetration of health insurance in India i.e. 35%. Private companies cover only 18% of urban population.*
- *It is estimated that due to increase in unemployment, if the unemployment reaches 20%, total 25-43 million people will lose their health insurance in the US.*

  In India, nearly 8.23 crore are under ESIS and only one offers standalone job less cover.
- *Increase in number of cases and treatment cost: Exponentially increasing by 15% per year. Covid 19 expenses can go up to 5-6 lakh. List of consumables itself contributes to 25% of total treatment cost.*
- *Strive to maintain business.*
- *To increase social security amongst population.*

Steps taken by Government:

- *The Finance Minister has announced medical insurance cover of Rs 5 million per healthcare worker.*
- *IRDAI has asked insurers to cover Covid 19 in their existing policies.*
- *IRDAI said coronavirus treatment would be covered like any other illness, ‘’ under products where hospitalization is covered’’*
- *The government has made it mandatory for all the employers to provide medical insurance to their employees.*
- *In the new guidelines under Ayushman Bharat, all the beneficiaries would get treatment & tested in private labs through empanelled hospitals.*

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Dr. Harsh Vardhan, Union Minister of Health and Family Welfare said, “In this unprecedented crisis we have to very actively involve the private sector as key partner and stakeholder in the fight against COVID-19.

In this crisis, when every industry be it Hospital, Diagnostics, equipement manufacturing, or Health Insurance from health sector play their parts, implementation of the plan becomes smooth.

Contribution of Private Health Insurance Companies:

- *It only covers 18% of population, but 25% of policies.*
- *Inquiries about health insurance has increased by 30-40%.*
- *Growth of 20-30% in terms of sales of different policies.*
- *Awareness & demand increased.*

- *There are major 7-8 companies providing Covid 19 policy.*
- *Features:*
- *SI Rs. 25,000 – Rs, 5,00,000*
- *Age group: 18-65 years*
- *Inclusive of 15 days waiting period*

- *Not covered by Covid 19 Insurance plans:*
- *Home quarantine*
- *Non- Regonised quarantine center*
- *Pre existing diseases*
- *Pre – Natal & Post Natal Expenses*
- *Hospitalization without doctor’s recommendation*

Introduction:

Reliance General Insurance

Reliance General Insurance Company Limited is an Indian private insurance company and a part of Reliance Anil Dhirubhai Ambani Group, wholly-owned through Reliance Capital.Reliance General Insurance was incorporated on 17 August 2000. It received the license to conduct general insurance business in India from the Insurance Regulatory Development Authority of India (IRDAI) on 23 October 2000.

About Reliance covid-19 indemnity policy

Reliance General Insurance has launched, Reliance GMC Indemnity COVID-19 Insurance policy which provides coverage in case the Insured Person is diagnosed with Coronavirus, or quarantined irrespective of the expenses incurred.A first-of-a-kind benefit product policy that offers 100% of the sum insured in lump sum on positive diagnosis of COVID-19 and 50% of the sum-insured during Quarantine.

Review of Literature

- *Only 10% of the Indians have some sort of health insurance, according to a research," Awareness of health insurance among Inpatient at a tertiary care hospital in coastal Karnataka", by B Reshmi, R Raghunath.*
- *According to the same, 62% of the respondents from Kasturba Hospital were not aware of health insurance, study population 340.*
- *A study on awareness about health insurance carried out at Jaipur city in Rajasthan state in India shows 43.4% were aware of health insurance.*
- *According to industry experts, Share of tier 2-3 cities in total demand has increased by almost 20 per cent in the last 2-3 weeks-*

Rationale:

This report is intended to look for the demand and awareness of Reliance Covid-19 indemnity policy and how it has influenced the penetration of the same among the Indian population during Covid-19 pandemic.
As we have seen during this point of time, people are more aware about their health and well-being. Feelings of anxiety and panic are increasing which has led to rapid increase in demand of insurance buying.
IRDAI has made it mandatory for every company to cover their employees under the insurance before resuming work which according to some literature review will increase the sense of security in Indian population.

Analyzing the data of the number of people covered themselves through this policy would help us get a better image about the demand and awareness.

Research Question:

What is the demand of Reliance Covid-19 policy and its influence in increasing the security in employer-employee relationship?

Objectives:

1.To analyze the demand of Reliance GMC Covid- 19 Indemnity policy in different geographical zones and in different industries of India.

2.To determine the conversion rate of total proposed lives into approved lives.

Methodology:

Study design- Descriptive cross-sectional study

Study type- Observational

Study location- Reliance General Insurance, Mumbai

Duration of study- 45 days

Study population- Employer-Employee/ Companies of different industries

Population size- 1231

Data Collection:

Sources of data-

inclusion criteria- employees & employers

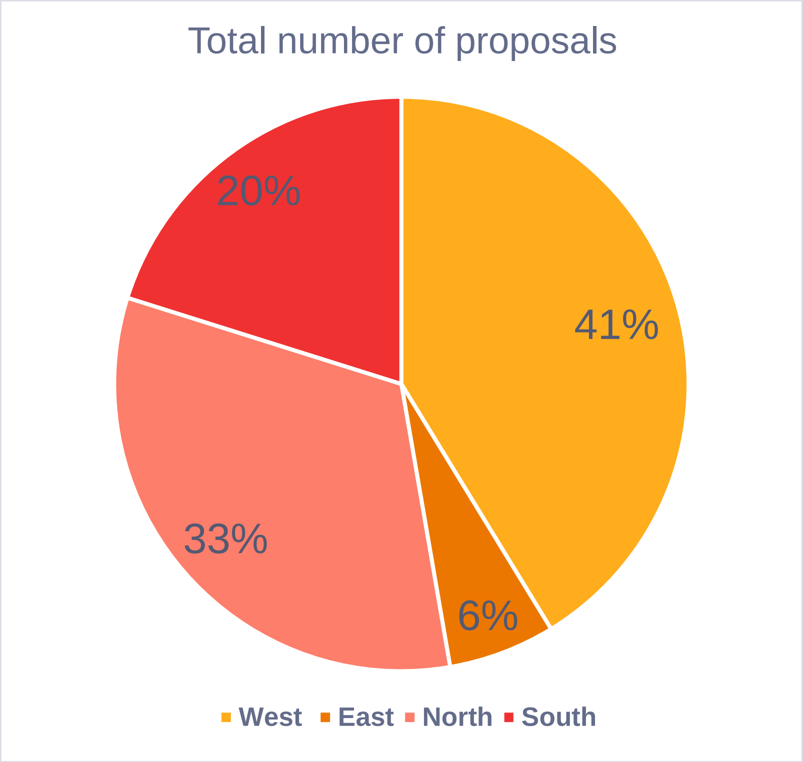
exclusion criteria- individuals, students, doctors, municipal corporation, cab drivers, paramedics, Pre-existing diseased persons, ATM guards,

Research Findings:

Below given tables and charts will specify in details how much this policy was able to penetrate in India during Covid-19 crisis and awareness amongst Indians. This policy was basically for employees and will help in analysing the number of employees being covered under the same.

Zones	Total number of proposals
West	508
East	74
North	401
South	248
Total	**1231**

Representation of the above table in pie chart:



This chart helps us to determine that out of total 1231 proposals, north and west together contributes more than 70% hence can be assumed that due to high rates of covid-19 cases the awareness amongst north and west are higher comparatively.

334795

Total number of proposed lives

25971

Total no of lives under Reliance policy

7.8%

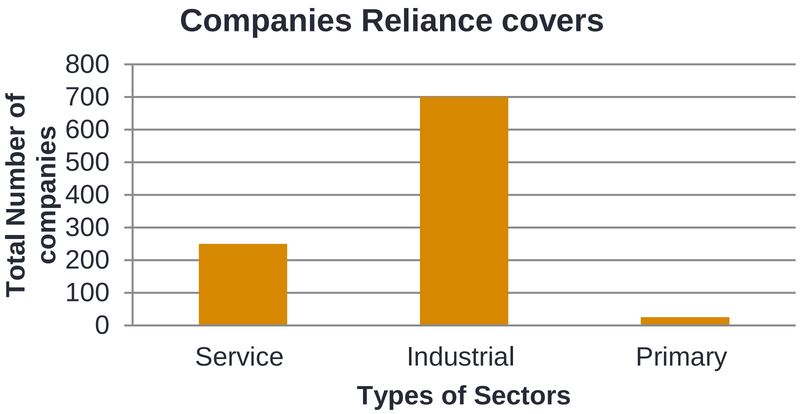
% under Reliance policy

In this slide:

1.Since penetration of health insurance in India is low i.e, 35% , where most of the population are covered under Government schemes. It is very important and essential for continuous increase in number of covered people.

2.Above table clearly shows the number of lives or employees Reliance GMC covid-19 indemnity policy tries to cover and insure i.e, nearly **7.8%.**

Types of industries covered by Reliance:



70% - Industrial Sector
25% - Service Sector
5% - Primary Sector

Here in this chart, data available for analysis consisted of TOTAL: 980 companies in which, maximum i.e. 700 companies belonged to industrial sector, followed by 250 companies from Service sector. Least contribution from Primary sector.

Continued...

		Industry wise division of the companies			
Service Sector		Industrial Sector		Primary Sector	
Industries	No. of companies	Industries	No. of compa	Industries	No. of con
IT/ Software	53	Steel/Power	100	Agricultural	5
Healthcare	40	Equipment	70	Mining	20
Management	31	Const./Eng.	105		
Finance	48	Packaging	20		
Export	17	Automobile	70		
Others	20	Textile	50		
		Chemical	50		
		Others	60		

This table determines the integration of Reliance Covid 19 Indemnity Policy within the sector in context of number of companies covered in different industries.

Reliance has maximum cliental of **Steel & power industry** followed by **Construction and Engineering.**

Result:

- *In this crisis, private sector can play an important part of active key partner and stakeholder.*
- *Some common features that the private insurance companies excludes from their policies are: Home quarantine, Pre existing diseases, Non-recognized quarantine centers.*
- *Total of* ***1231*** *clients in form of proposals indicates awareness of Reliance Covid 19 Indemnity Policy, in which more than 70% comprise of North & West.*
- *Number of lives or employees Reliance GMC covid-19 indemnity policy covers and insures i.e, nearly 7.8% out of total proposed lives.*
- *Out of total coverage, 70% companies belongs to Industrial sector followed by Service sector.*

Opportunities:

- *Rise in Covid cases has resulted in increase in awareness of single disease policy & more precisely – the importance of Health Insurance. This provides the opportunity to penetrate and strengthen the coordination amongst the network hospitals of Tier I & II cities.*
- *Post Covid pandemic will witness rise in some industries like IT, Education, & Entertainment and this opens the doors of opportunity for some untapped industries.*
- *Service sector is the backbone of our economy right now and contributes 50% in GDP & lockdown forced industries to shut down. This altogether has increased the area of penetration.*

Conclusion:

In this kind of scenario, it is very essential to introduce less complex Health Insurance policies into the population. For this purpose, contrivution of different stakeholders is very important. There has been increase in the awareness and importance of health insurance amongst population of India.

The Covid- 19 outbreak has changed the perspective of health insurance. This study was done in Reliance general Insurance for duration of 45 days and this project mainly focuses on awareness & demand of Reliance Covid 19 Policy. Even though, there is wide spread of Covid – 19, maximum proposal constituted of North & west.

Another main observation was that, Reliance covid policy was able to penetrate to a whole lot of sectors in India, industrial sector being the highest contributor.

Covid 19 along with economic downfall has bought immense opportunities for health insurance sector to grow and increase in market share for private health insurance companies.

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Thanks!