

## **Booming Indian Health Insurance Sector in the Wake of Covid-19 Pandemic**

**Dr. Binu C Kurian**

*Assistant Professor, P.G. Department of Commerce, Government Victoria College, Palakkad, Kerala*

**Nirmal Sabu**

*Assistant Professor, P.G. Department of Commerce, Government Victoria College, Palakkad, Kerala*

---

**Abstract:** Covid- 19 pandemic had devastating effect on every sector apart from health insurance. Health insurance sector marked a decent growth during this adverse situation in India. Growing health concern of the people during the pandemic along with variety of products offered specifically tailored to covid situation were the main reasons behind this growth. Health insurance sector overrun other non life insurance sectors for the first time in 20 years. All these indicate the growth and prosperity gained by the industry in the midst of this pandemic. For ushering and maintaining this growth IRDA has a great role to play.

**Key words:** Covid-19 pandemic, health insurance, insurance sector

---

Date of Submission: 02-03-2021

Date of Acceptance: 15-03-2021

---

### **I. INTRODUCTION**

India is an underinsured country. This is same in the case of health insurance too. Majority of the middle income group are outside the preview of health insurance. But recently, when every other sector recorded a downward sling, the health insurance sector grew both in terms of premium and claim settlement. Specifically health insurance premium recorded a growth of 13% compared with the previous year (2018-19). Also health insurance became the forerunner in non- life insurance sector after 20 years (ie.in the first half of 2020).

### **II. REVIEW OF LITERATURE**

Kumar & Ramamoorthy (2013) found that health insurance sector in India is growing. Emergence of new products is the main reason behind this. Government should try to include all people under health insurance.

Swathi & Anuradha (2017) was of the opinion that IRDA should take efforts to promote insurance among people by promoting competition among insurers. Offering variety products at low cost will surely help in this. The government may also take initiatives to cover all under health insurance by offering variety products.

Binny and Gupta (2017) was of the opinion that there is a need for new insurance products and insurance business models to promote health insurance. There is a need for universal health policy to cover all and an information bank through which customers can compare the products offered by different health insurers.

Chatterjee et al (2018) identified that health insurance market has a huge growth potential and the sector will grow in future. Insurance should be available to all irrespective of their status.

Singh & Singh (2020) found that insurance sector in India was unsaturated. But this sector is growing. Private players along with foreign players entering this sector were the main reason for this. IRDA should take steps to promote competition and government should take efforts to include health insurance in the curriculum of school and college students.

### **III. OBJECTIVES OF THE STUDY**

Following are the objectives of the study.

1. To review the growth of health insurance sector in India during Covid -19 pandemic.
2. To identify the reasons for the growth.
3. To identify the future prospect of health insurance sector in India.

**IV. GROWTH OF HEALTH INSURANCE SECTOR IN INDIA**

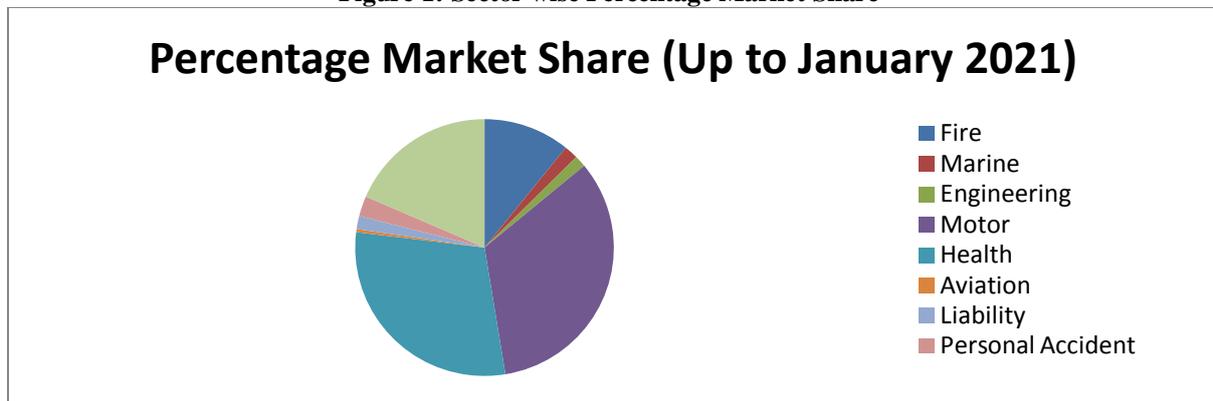
Health insurance sector marked a reasonable growth during the Covid-19 pandemic situation. During the year 2019-20, the health insurance premium collected by the general insurance companies were Rs. 50758 crore. This was over 13% growth from the previous year (2018-19). The health insurance business of life insurers also reported 15% growth during 2019-20. This upward trend is continuing. 2020-21 beginning saw health insurance premium overtaking all other general insurance premium for the first time in 20 years. The following information regarding non – life insurers will make the picture clear.

**Table 1: Sector wise Details of Premium Collected from Non Life Insurers ( Upto January 2021)**

Insurer	Percentage Premium Growth
Fire	30.41
Marine	-7.28
Engineering	9.81
Motor	-4.57
Health	14.59
Aviation	9.68
Personal Accident	-4.49
Miscellaneous	-9.09

Source : General Insurance Council

**Figure 1: Sector wise Percentage Market Share**



Source : General Insurance Council

**Table 2: Percentage Market Share Comparison**

Insurer	Current Year % Market Share	Previous Year % Market Share
Fire	10.82	8.54
Marine	1.73	1.92
Engineering	1.46	1.37
Motor	33.42	36.07
Health	29.52	26.53
Aviation	0.39	0.36
Liability	1.65	1.49
Personal Accident	2.54	2.74
Miscellaneous	18.51	20.96

Source : General Insurance Council

From the above, it is clear that health insurance is second in terms of percentage premium growth. Only fire insurance is above this sector in terms of percentage premium growth. When comparing market share also health insurance is leading. Only motor insurance sector is above it. Percentage market share has increased from the previous year figure of 26.53% to 29.52%. From all these, it is clear that health insurance is leading in terms of premium and market share. Even enquiry of the people regarding the schemes of health policies have risen to 40%.

## **V. REASONS FOR THE GROWTH**

There are many reasons for the growth of health insurance sector in India. The following are the main :

### **1. Growing Health Concern**

There was already a trend regarding health concern among people. With the spread of the pandemic people became more cautious regarding their health. This became one of the impetuses for the growth of health insurance sector in India

### **2. Concern Regarding Economic Difficulties**

People became more cautious about the monetary difficulties that may arise due to hospitalization and related expenses. This became another reason for the growth.

### **3. Variety of Products**

Now a days variety of insurance products suited for different categories with different features are available. Even special products suited to the pandemic situation like ‘ Corona Kavach’ and ‘Corona Rakshak’ are available.

### **4. Competition**

With the growth in the number of private player, the competition increased many fold. This led to variety products and favorable terms and conditions to customers which in turn led to the growth.

### **5. Growing Awareness**

Awareness of the public increased a lot. The propaganda through various communication media regarding the pandemic has led many to probe into various schemes. Also the government’s effort in this direction has increased peoples’ awareness and subsequently the growth.

## **VI. FUTURE AHEAD**

The future of health insurance sector in India is very bright. There is a huge growth potential. There is a chance for the provider to add more and more variety to attract specific brackets. Since the awareness of people increased, there is a chance to make more profit with less publicity. Publicity regarding the need has already given by the pandemic. There is only the need for propagating and distinguishing product varieties offered by different providers. So in future this sector is going to take a leap.

## **VII. CONCLUSION**

Covid-19 pandemic gave an impetus to the growth health insurance sector in India. People became more aware about the need for health insurance. IRDA came with many new regulations which were beneficial to the policy holders. This attracted many people. Also government is taking much effort to cover all the people under any type of health insurance. An insurance to cover all, both rich and poor is the need of the hour. All these indicate the bright future of this sector in the coming years.

## **REFERENCES**

- [1]. Binny & Gupta,M. (2017). Health insurance in India – Opportunities and Challenges, International Journal of Latest Technology in Engineering, Management & Applied Science, Volume VI, Issue VIII
- [2]. Chatterjee et.al (2018). Health Insurance sector in India: A Study, TECH VISTAS, Vol.1.
- [3]. Devi,S. (2015). The problems with health insurance sector in India. Indian journal of research, Vol. 4, Issue 3.
- [4]. Gill, H. & Kansra, P. (2014). Prospective Growth of Health Insurance in India: Trends and challenges. Pacific Business Review International. Vol. 7, Issue 1.
- [5]. IRDAI Annual report 2019-20
- [6]. Kumar,S.A & Ramamoorthy,R. (2013) Health Insurance Market in India – The way Forward, Language in India, Vol. 13.
- [7]. Singh & Singh (2020). A Study of Health Insurance in India, International Journal of Management IT & Engineering, Vol.10, Issue 4.
- [8]. Swathi,K. & Anuradha,R.(2017). Health insurance in India – An Overview, IOSR Journal of Business and Management, PP 49-52.
- [9]. [www.gicouncil.in](http://www.gicouncil.in)
- [10]. [www.rbi.org.in](http://www.rbi.org.in)
- [11]. [www.irda.gov.in](http://www.irda.gov.in)

Dr. Binu C Kurian, et. al, “Booming Indian Health Insurance Sector in the Wake of Covid-19 Pandemic.” *International Journal of Business and Management Invention (IJBMI)*, vol. 10(03), 2021, pp. 16-18. Journal DOI- 10.35629/8028