

INTRODUCTION OF HEALTH INSURANCE INDIA

In mid 80's most of the hospitals in India were government owned and treatment was free of cost. With the advent of Private Medical Care the need for Health Insurance was felt and various Insurance Companies (New India Assurance, National Insurance Company, Oriental Insurance & United Insurance Company) introduced Mediclaim Insurance as a product.

According to recent news report Health insurance continues to be the fastest growing segment with annual growth rate of 55%. Health Premium has risen to Rs. 3300 crores in 2006-2007. As per the recent reports from various agencies the Health sector has the potential to become a Rs. 25000-crore industry by 2010.

On August 15, 2007 Prime Minister has announced Rs 2000 Crores for Health Insurance for poor citizens. We foresee that this amount will be partly in form of subsidy therefore during calendar year 2008 we can expect Health Insurance premium to touch figure in the range of Rs 10,000 Crores.

In 2001 with entry of various private Insurance companies now the customers have choice of buying this insurance from 14 Insurance companies.

The Companies, which offer Health or Mediclaim Insurance, are;

Apollo DKV Insurance Company Limited.
Agriculture Insurance Co. of India Ltd.
Bajaj Allianz General Insurance Company Limited
Bharti AXA General Insurance Company Limited
Cholamandalam MS General Insurance Company Limited
Export Credit Guarantee Corporation of India Ltd.
Future Generali India Insurance Company Limited
HDFC General Insurance Company Ltd.
ICICI Lombard General Insurance Limited.
IFFCO Tokio General Insurance Company Limited
National Insurance Company Limited
New India Assurance Company Limited
Oriental Insurance Company Limited
Reliance General Insurance Company Limited
Raheja QBE General Insurance Company Limited
Royal Sundram Alliance Insurance Company Limited
Shriram General Insurance Company Limited
Star health and Allied Insurance Company Limited
TATA AIG General Insurance Company Limited. (Overseas Health Insurance only)
United India Insurance Company Limited
Universal Sompo General Insurance Company Limited

India is the only country where hospitalization insurance policy was being sold as Mediclaim Insurance Policies. The very name gives a feeling to the insured that claim has to be lodged. If motor insurance policy is not sold as motor insurance claim policy and household insurance policy is not sold as household claim policy then why this be named as Mediclaim?

In the recent years the trend has emerged that some Insurance companies have started calling this product as Health Insurance.

Health Insurance and Mediclaim are two different names for the same product. The change has started coming and now we have started calling it Health Insurance. ICICI Lombard has even named it as Health Insurance Policy.

Calling is as Health Insurance is a positive way of looking at this Insurance. It also giving us a feeling that we as a society have started moving from curative medical care to preventive medical care.

According to sources in Oriental insurance it is being felt that mindset has started changing over the last couple of years “ The new middle- class of of India aspires for quality healthcare service and doesn't mind going to expensive hospitals like Apollo or Escorts. There is no reason why healthcare insurance should not be successful with this class.