CHAPTER – 5

Need and Problems of the Health Insurance in Indian Society
Introduction:

‘Every area of trouble gives out a ray of hope; and the one unchangeable certainty is that nothing is certain or unchangeable.’

These words of John F. Kennedy offer a ray of hope when we look at the health care system in a developing country like India. While considerable progress has been made in improving the health of the Indian population. This is ironical considering that India spends a huge share of its gross domestic product on health and despite the ever newsworthy growth of private health care providers. India’s policy towards health has traditionally identities provision of primary health care as the government responsibility. This is clearly mentioned that in report of government of India committee report of 1946 that in which says ‘no individual should fail to secure adequate medical care because of the inability to pay for it’. This is the responsibility of the government to provide primary health care is a part of a large goal to create ‘equity society’ and also this provision stilted in the preamble and outline principles of the constitution of India. The Role of the central government has been limited to family welfare and health care control programs. The policy has traditionally remained silent on the role of the private sector in the provision of medical care. Health insurance has become a necessity in today’s world. In this way there are several reasons for an individual to have protection of health insurance of all the risks which an individual household faces, healthy risk probably poses the greatest threat to lives and livelihoods. Everyone heeds medical care sometimes and health falls with age¹.

¹. www.expresshealthcare.in
The condition of the health insurance in India is pathetic. A huge part of Indian population does not use health Insurance to finance their medical expenditure. These people pay for their medical expenditure from their pocket as a result, many of these uninsured individuals either end up with poor quality health care or have to bear financial hardship. The financial stress that is engendered due to rising medical expenses is believed to affect the lifestyle of all family members for years. There is need to increase the number of insured individuals in India, working in this direction, every individual, every medical care provider and every health insurance company should play an active role. It is only possible that people would be able to avail quality health care in times of medical emergency. Insurances have designed plans, but people should be encouraged to buy them so that the overall condition of medical care insurance in the country can be improved.  

“The right to health does not mean the right to be healthy, nor does it mean that poor governments must put in place expensive health services for which they have no resources. But it does require governments and public authorities to put in place policies and action plans, which will lead to available and accessible health care for all in the shortest possible time. To endure that this happens is the challenge for both the human rights community and the public health professionals”.

-Mary Robinson, High commissioner for human rights.

2. Ibid,
It is really pathetic to know that many Indian people believe that health insurance is not a worthy investment and thus, do not buy these products. These people realize the significance of these products only when their friend or relatives fall sick and face financial hardship. Learning from the experience of other is always good. It is always a good decision to be a prepared for such circumstances of life that may bring a great change in an individual’s life. A person should buy a health insurance policy so that there is no financial stress faced by the family at the time of setting long hospitalization or treatment bills. One should buy health insurance at the earliest as these product come along with several benefits:

- They endure medical security, which helps the insured seek quality medical treatment without any financial anxiety. This way they make medical treatment affordable and accessible.
- Financial assistance at the time of medical emergency offers peace of mind which helps insured individuals and their family members live their lives to a greater extent.
- A person gets access to several medical facilities on buying these products. One such facility is cashless hospitalization, which permits the insured to seek quality healthcare in network hospitals on a cashless basis. The other facility that has helped a lot of people is helpline. It gives the insured an access to medical experts on phone call, to discuss any health issue that they might be facing.

3. [www.apollomunichinsurance.com](http://www.apollomunichinsurance.com)
• It makes medical checkup easy, as there are many plans that offer routine check up to help the insured stay healthy and get the disease if any diagnosed at the earliest. It has been proven that the person who has health insurance is much healthier than a person who does not have one.

When people see anyone around them fall side usually they either think of themselves in a similar conditions and get scared, or simply take it for granted that they will always be in good health. Hardly ever does a person plan for the bad times. At present health insurance is need of the society when medical assistance is needed. People cannot be complacent and ignore the cell. The asking price of healthcare is a cause of apprehension for everyone. But it does not mean that people need to avoid healthcare. The right way to reduce these expenses is to get medical insurance. There are also a lot of people who are doubtful about the health insurance. The nature of medical insurance has become quite complex over the last few years. There are only a handful of people who accept the fact that investment in mediclaim is good.

“The reduction or elimination of the uncertain risk of loss for the individual or household by combing a large number of similarity exposed individuals or households who are included in a common fund that makes good the loss caused to any one member”.

-The International labor Organization (ILO)

In other words people who have a certain risk or event to contribute small amount time to time like health insurance fund. This fund is used to treat patient or other used for other families/ members for particular event hospitalization.

The benefit of the Health insurance fund is that prepayment; the fund is used when they need of health care or when they unable to pay for health care. This way there is no burden at the time of illness. Only 4.05% of India’s GDP spends on health care, which one of the lowest health spending globally, the government contributes a sizable portion of the health expenditure, in India, it is one of the lowers, less than a quieter of the total expenditures. At this line the most common source of health expenditure in our country hold pay at the time of illness. It is accepted that this format payment is very inefficient and inequitable. There is no risk pooling and the patient is not able to purchase care efficiently\(^5\). Data from the national sample survey organization (NSSO), ministry of statistics and government of India indicating that escalating healthcare costs is one of the reasons for indebtedness not only among the poor but also in the middle income group. According to the data to an analysis of financing on hospitalization shows that a large proportion of people either borrow money or sell assets to pay for hospitalization especially among the below poverty line population. In this way through throw light the fiscal crisis facing the government at the urinal and state level, the shrinking public health budgets, health insurance is emerging as an alternative mechanism for financing of health care. Only 4% of the population is covered cancer the health insurance.

\(^5\) RameshVerma, Avnet Singh et al, “health insurance: need of the Hour in India” (2013) vol. 3 (2) may-august. P.P. 161-165
India is very large and diverse population and one single solution will not meet the needs of all its population in stratifies way and design each scheme that the specific for each category. So many options in India for healthcare to be need to explored.

The health of a nation is an essential component of development vital to the nation’s economic growth and interval stability. Assuring a minimum level of health care to the population is a critical constitution of the development process. The strong link between poverty and ill health needs to be recognized. The don set of a long and expensive illness can arrive the non-poor its poverty ill health creates immerse struts even among those who are financially secure. High health care costs can lead to entry into or exacerbating of poverty. The importance of public provisioning of quality health care or enables access to affordable and realizable health services cannot be underestimating. This is especially so, in the context of preventing the non-poor from entering into poverty or in terms of reducing the suffering of those who are already below poverty line, the country has to deal with rising costs of health care and glowing expectations of the people. The challenge of quality health services in remote rural regions has to be urgently met. Given the magnitude of the problem, we need to transform public health care into and accountable, accessible and affordable system of quality services during the eleventh five year plan. The 11th five year plan will provide a opportunity to restructure policies to achieve a new vision based on faster, broad based and inclusive growth one objective of the 11th five year plan is to achieve good health for people. In individual health care, public health, sanitation cleans drinking water, access to food and knowledge of hygiene. The plan will facilitate convergence and development of public health systems and services that are recondite to health needs and aspirations.
of people. Importance will be giver to reducing disparities in health across regions and communities by ensuring access to affordable health care. It need to be achieve these objectives, aggregate spending on health by the center and the state will be increase significantly to strength the capacity of the public health system problem of health care system in rural areas in many status and regions in shambles. Extreme inequities and disparities persist both in terms of access to health care as well as health outcomes. This large disparity across India plans the Burdon on the poor, especially women, schedule caste and tribes. In equally is also reflected in the availability of public resources between the advanced and less develop states. There are so many drawbacks of health schemes like public health system. The health system in our country has conceptualization and planning of all programs is centralized instead of decentralized using locally relevant strategies. Institutions based on population norms rather than habitations and semi used or dysfunctional health infrastructure. In adequate resources also lead to luck of client convenience and not availability of essential consumables and non-consumables. The gap between requirement and availability of human resources at various levels of health care is wide and where they are available. The patient provider instructions are beset with money problems and lack of standard quality.

Another problem is that the growth of private health sector in India has been considerable in both provision and financing. There is diversity in the composition of the private sector, which ranges from voluntary, not for profit, for profit, corporate, standalone specialist services, unqualified providers each addressing different market segment.

It is truly that the reason of flourishing private sector, primarily because of a failing in the public sector. The growth of the private health care there cost is much higher than public sector. Many small providers have poor knowledge of health policies. Public spending on health in India is amongst the lowest in the world about 1% GDP it proportion of private spending on Health is one of the highest. Households in India spend about 5-6% of their consumption expenditure on health. The services of the private sector makes unaffordable for the poor and the underprivileged.\(^7\)

Utilization of public health facilities by population for outpatient and inpatient care has not improved. The main reason for the present status of health system only low investment, health financing in India is heavily dependent on out of pocket payments which leads to iniquitous access. Most of the problems that India’s health sector is facing are typically rooted in the inadequate public spending on health.

\(^7\) Ibid
<table>
<thead>
<tr>
<th>Year</th>
<th>Centre’s Expenditure (in Rs. Crore)</th>
<th>State’s Expenditure (in Rs. Crore)</th>
<th>Centre’s Expenses % of GDP</th>
<th>Total Exp (Centre+State) % of GDP</th>
</tr>
</thead>
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<td>2004-05</td>
<td>8085.95</td>
<td>18771</td>
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<td>2011-12</td>
<td>30456</td>
<td>-</td>
<td>0.34</td>
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</tbody>
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Table: Combined expenditure of Centre and states on Health and family welfare.
Source: 12th five year plan, reclaiming public provisioning, priorities for the 12th five year plan.

In 2004-05, only 1.62% of the total union budget was spent on health. The share of the health sector in the total spending of the union government has gradually caressed to 2.4% in 2011-12. However as a proportion of the GDP. The union government’s spending on health shows a less perceptible increase from 0.25% in 2003-04 to 0.34% in 2011-12.

**Reasons for poor penetration of Health Insurance:**

Penetration of health insurance has been slow and hatting. Some reasons that explain for the slow expansion of health insurance in India are as follows:

- Lack of regulations and control on provider behavior. The unregulated environment and near total absence of any form of control over providers regarding quality, cost or data sharing, makes it difficult for proper underwriting and actual premium setting. This put the entire risk on the insurer as there could be the problems of moral hazard and induced demand.
Most insurance companies are therefore wary about selling health insurance as they do not have the data, the expertise and the power to regulate the providers weak manipulation by clients and providers, add to the problems.

- Unaffordable premiums and high claim ratios. Increase use of service and high claim ration only result in higher premium. The insurance agencies in the face of poor information also tend to overestimate the risk and fix high premium. Besides the administrative costs are also high over 30% i.e. 15% commission to agent; 5.5% administrative fee to TPA; own administrative cost 20% etc. patients also experience problems in getting their reimbursements including long delays to partial reimbursement.

- Reluctance of the health insurance companies to promote their products and lack of innovation. Apart from high claim ration, the non-exclusivity of health insurance as a product is another reason. In India, an insurance company cannot sell non-life as well as life insurance products. Since insurance against fire or natural disaster or theft is for more profitable, insurance companies tend to compete by adding low incentive such as premium health insurance products to important clients, cross subsidizing the resultant losses, with a view to get the non-life accounts, insurance companies tend to provide health insurance cover at unviable premiums. Thus there is total lack of any effort to promote health insurance through campaigns regarding the benefits of health insurance and lack of innovation to market the policies suitable to the needs of the people.8

8. K. Sujatha Rao “Financing and Delivery of Health care services in India” Secretary National commission on Macroeconomics and Health, Government of India, New Delhi.
Co-variety risks. High prevalence levels of risks that could affect a majority of the people at the same time could make the enterprise unviable as there would be no gains in forming large pools. The result could be higher premium. In India this is an important factor due to the large load of communicable diseases.⁹

There are some other factors responsible for inequality of Health services in terms of availability and quality. Weakening of public provisioning of health services: The Behavior of public services in terms of interactive quality is of serious concern and is an important factor that influences health seeking behavior, increasing investment is necessary in this field because of the major problem is financing, but the question is arise how much investment in this field. Increasing Investment is necessary, but may not be sufficient to address some of the systemic problems that health services fall today. Inequality of these among the states has sufficient resources, drugs supplies and some states have less resources drugs and no finance to invest in this field this is some major points these mainly influence the health services. While the public sector is nationally supported to provide health services free of cost the direct and indirect expenditures have been increasing.¹⁰

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⁹. Ibid.
¹⁰. Rama V. Baru, Ramila Bisht “Health services Inequities as challenges to Health security” Oxfam India working papers series September 2010 OIWPS-IV
• Commercialization and Inequities: Inequality or Inequities in access to health services cannot be attributed entirely to weakness in the public sector. The process of commercialization encompasses the both public and private sector, their growth, interrelatedness and transformation. ‘commercialization’ rather than ‘privatization’ because it captures the role of markets and market relationships, both within and outside the boundaries of public services commercial were accommodated in provisioning from the time of Independence. The health policy document of 1983 is the first recognition of not only the importance of the private sector but a frank admission of the inability of the public sector to deliver services. This document not only legitimizes commercialization but has little to offer in terms of improving public service.

The trends in commercialization get further accelerated and the boundaries between the public and private get barred. This is seen in the future and extent of private practice by government doctors across most states. These practices have also undergone transformation in light of the trends in private sector growth.

The institutional weaknesses in public provisioning and the growing commercialization of health services gets reflected in the utilization of immunization and antenatal care across the identified axes of inequalities. Though India has made rapid strikes in the health sector since independence the cost of health care is burdensome for most families in rural India. Around ‘to percent of India’s population level in villages in these’ percent are insured. Though the rural health insurance market is huge, it has so far remained untapped Recently IRDA has constituted a committee to check out a plan for spreading health Insurance in rural areas. Today the health Insurance providers face lot of hurdles and problems reaching the rural urban population
due to various factors such as lack of health care facilities, belief in non-medical means, problems of accessibility to institutional health care, improper agent service and the problem of affordability. Health Insurance is one of the mechanisms for financing health care requirements based on pooling of risks at a certain price, enabling purchasing of health care ‘efficiency’. For most people living in developing countries that, with the exception of the upper classes, people cannot afford such type of social protection this is unfortunate as also poor people demand protection against the financial consequences of illness. Most of the people living in poor developing country like India illness still represent a permanent threat to their Income earning capacity. Besides direct costs for treatment and drugs, indirect costs for the missing labor force of the ill and the occupying person have to be shouldered by the household. Insurance in rural household is viewed as a means to save money to meet long time family goals.\textsuperscript{11}

Such as buying a piece of land or meeting the cost of daughter’s marriage. Other side urban areas, where the purchase of insurance is influenced by tax considerations. Health insurance in essential form of care, it gives rural poor cover against health related aspects. Poverty is not just a state of deprecation but has latent vulnerability, low income households are predisposed to cope with risk though their own means like savings, asset, sales, reduced, consumption and credit as well as other means and lack access to need based insurance. People’s first option is their own savings they used to pledge or sell some household items or Jewels & raise money to meet the health

\textsuperscript{11} Santhosha and M.G. Krishnamurthy “Indian Rural Markets: Developing sustainable Health Insurance for Ensuring Financial security to the poor” vol.1 issue 1, October 2010.
related emergencies. So needed people to be seen need financial tools to protect themselves and their families against the health related risks. The concept of the health insurance word is new for poor insurance till now, India needs health insurance to cover the following risk:

- Lack of proper Medicare facilities
- Due to lack of infrastructural facilities it is very difficult to get health care facility.
- Rural peoples income is seasonal they may not able to pay during the medical emergencies.
- Higher cost of health care system.
- Higher mortality rate in rural areas.

For health insurance is the most happening class presently in the Indian insurance domain, one disappointing factor, however is that despite all the positive visible signs, it continues to be the most hotly debated domain as far as consumer grievous and their disillusionment are concerned.

There is serious need for introspection on the part of the players to analyses the reason for such a phenomenon and take measure to set it straight. For a long, one very common reason attribute to several such misgivings in the field of insurance was the low awareness levels of the customers. There are several measures were taken to overcome gained a lot of ground in this regard.12

Societies are changing and so are its needs, Innovations and competition are the flavor of the day and as expected the approach of insurance sector is changing. Although the objectives of each stake holder are one and same, possible complexities in product design, insufficiency in distribution channels and deficiencies in developing satisfaction to the customers are expected to rise side by side.\(^{13}\)

**Problems in healthcare delivery in India** can are broadly divided into problems of inequality, social economic political problems and unregulated growth of private health care\(^{14}\).

**Problem of Inequality:**
Equity in health is an important and long standing goal for society. However in the 1990, user fee was introduction the public health facilities. Out patients facilities cropped up mostly in the private sector. This resulted in large socio economic inequalities in access and affordability of health care and even public sector hospitals were used more by the better off. The poor were squeezed out of the public hospitals partly because there was not too much difference in costs between the public’s and private health facilities. The poor, by virtue of lower incomes, unsanitary living conditions, poor access to health care not only tend to have higher levels of morbidity and mortality but despite needing it more, have lower levels of health care use compared to those who are better off.

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They also spend higher proportions of incomes on the little health care that they access. Health equity is most often measured as inequalities in health outcome, health services utilization, out of pocket expenditure and use of public sector subsidies between the poor and the non-poor. In case of out of pocket expenditures, the focus is on achieving progressivity of health care expenditures. If health expenses incurred are proportionately higher for higher incomes and lower incomes, health expenditures are progressive, in order to improve inequities in health services use, public sector facilities among the poor, by keeping drug prices low and thus health expenditures low. This is the nature of the every state to the major responsibility for proper financing. Administration of health services with the respective states, that inference availability, accessibility and acceptability of services.

The effect of social economic inequality on health is profound poverty. Which is a result of social and economic inequality in a society, is detrimental to the health of population? The outcome indicators of health like mortality, morbidity and life expectancy are all directly influenced by in equality in a given population. There is no other country where the distribution of the health care resources is appallingly unequal as in India. A person from the poorest quintile of the population, despite more health problems is more time less likely to access hospitalization than a person from the richest quintile. This means that the poor are unable to afford and access hospitalization in a very large proportion of illness episodes, even when it is required.

**Socio-economic problems:**

The state of economy has a direct effect on the state of health in a country. The health care infrastructure directly depends on the economic robustness. Health sector policies in India have tended to stress on reducing population growth. Stabilizing growth of population is a matter of importance for a large
country like India, as there are links between overall health status of population and population growth rate. In many of the Indian states where stabilization of population growth is not a priority there health and social status is among the worst in the world. Discuss of poverty continue to affect more than half the population while environmental degradation; occupational hazards and new contagious diseases such as AIDS are starting to have a serious impact on the population. The phenomenon of urbanization has added to problems of health care. Illiteracy and lack of awareness amongst masses poses constant threat to the fabric of the society. The poor lack adequate access to health care facilities, possess low education levels and awareness, live in poor environmental conditions and lack the social opportunities to change their current predicament. As the result, social inequalities persist and these affect the health of the poor were severely than it does more affluent groups. 15

Political will:

In large developing country like India there are numerous gaps left by the government in the development process – sometimes by intention, sometimes due to lack of funds. Sometimes due to lack of awareness. India is a representative rather than a participatory democracy. Once the election are over, the politicians who run the federal and state governments do not really need to go back to the electorate for every major decision. So, in the five years between one election and another there hardly are any means available to the citizens to voice their opinions on any decision taken by a government.

15. Ibid,
Most Indian politicians are hesitant to take harsh but health decisions as the politics of vote dominates the agenda. In the process, equality and social justice is an unavoidable casualty. As in any reforms, a strong political will is of essence in health policy reforms too. The political will should be real and sustained over a period of at least one to two decades to bring about any perceptible change in the system.

**Emergence of private health care / unregulated growth of private health care:**
A burgeoning middle class increasingly prefers private medical care. Medical care in India has been in recent past professed by private health care providers. The role of the private sector is getting stronger in view of the government’s financial constrains in expanding the health infrastructure and increasing health costs. The understandable inadequacy of resources in government run medical care infrastructure has also shifted the demand towards private concerns. The emergence of private insurers and increasing spread of medical insurance is also giving about to private medical care.\(^{16}\)

The much respected investment and credit rating Agency (ICRA) has recently undertaken a study of emerging private sector in the health care industry. Note of the study, “The necessity appropriateness and efficiency of care delivered by medical care facilities are increasingly under question.

There is a widespread belief that most facilities over change by way of unnecessary diagnostic tests and by stretching the patient’s length of stay. The problem is exacerbated by lack of regulation and institutional pressure

\(^{16}\) Ibid,
to lower ‘cost per illness episode. The (ICRA) analysis need for some form of quality checking mechanism, either by way of licensing or by eradication. In spite of these concerns the private health care sector is growing and becoming stronger. The growth of private healthcare sector has been largely seen as a boon. The Relation between quality and price that exists is the private health care system. The services offered at a very high price are excellent but are unaffordable for a common man. This re-emphasizes the role socio economic inequality plays in healthcare delivery.\(^{17}\)

**Policies in India**

Health is an asset, we are happy. Only if we are healthy investment in health insurance plan is investing for the production and wellness of you and yours family health. The word ‘Protection’ means, the financial recurring in case of an unexpected or exigent situation\(^{18}\). Indian health insurance policies are benefic able for the individual who take health insurance policies. India has become indispensable for every individual keeping in mind the rising medical cost. Medical emergency can strike anyone, anytime leaving you devastated emotionally as well as financially.

In common sense that health insurance policies provides financial security to individuals during the most critical time when required funds\(^{19}\).people in general consider investment in health insurance as an additional expenditure. Instead of widely available health insurance information, people still prefer paying for the medical bills from one’s own pocket.

\(^{17}\) Ibid,

\(^{18}\) www.apollomunichinsurance.com

\(^{19}\) www.maxbupa.com
Health insurance policy is easy on pocket allowing people to get insured while taking care of one’s pocket size. Different types of insurance policies have been formulated by insurance companies and different their coverage forms. They featured varied benefit as per the kind of illness covered. Health insurance companies or policymaker designed at reasonable premium cost. Framed in different sum insured options. They allow of all income groups to buy the plan that can easily fit into the budget frame of the each seek individual they choosing plan according to the pocket size and get insured about health.

Premium is important feature of the policy there are several different types of insurance policies available for health security. Health risk arise at different circumstances there are various forms of circumstance in our life treatments are not always planned, risk is come up due to unexpected circumstances. So to meet the respective health care needs, it is must for people to buy suitable health policy. So according to circumstances insurance sector have been designed various health product such options in health insurance provide wide, range of choice to buyer. So people can choose the plan according their needs or requirements.

When you need financial security, health insurance provides financial security when you need it the most. This can we secure our health for long time. But it is true that buying health insurance policies so confusing because we confused what type of policy are better for our family. There are various factors, which depend upon which health insurance plan are right for you and our family. Mainly your age, situation, you are employer, your income etc. there are some guidance when you choose the health insurance policies.
Choose an adequate sum insured policy:- Firstly you know your priorities. You should be aware about your personal needs this way you able to choose best health insurance plan that fulfil your needs. You must ensure that that plan you want to take must be adequate and proper health coverage.

Understand the time limit and exclusions:- When you buy such policy you should understand the time limit and exclusions, you should refer to your policy documents to determine which health care services care covered and to what extent before buying policy you should know the depth knowledge of its terms and condition, exclusions benefits, words of policy and compare the different insurance policies offered by other companies.

Claim limitation related to treatment:- You should know carefully about claim limitation related to treatment in your policy you choose. Certain policy caps the Amount you can claim for a particular surgery. Such limit would restrict your claim, even if there is a large sum insured under your policy.

Health network of the insurance company:- This is important to take or acquire important details about hospital network of the insurance company.

Choose a policy with no sub limits:- when you choose a policy with no sub limit will help you avoid unpleasant situation at the time of claims. You find such plan to be expensive, but they will help you to secure greater financial risks as well as provide you with the freedom to
pick for efficient medical treatment, that too at the best health care provider.

- **To take policy for additional coverage:** Additional coverage like maternity cover critical illness etc. maternity coverage for medical expenses incurred at the time of pregnancy and delivery. Critical illness such as heart attack, cancer, diabetes, kidney failure, organ transplant or paralysis in any case of these situation, you can benefit from these riders over and above your existing health insurance policy.

- **Fill up the proposal from yourself:** This is very important for you that you fill up the proposal form by yourself this way you know the actual term and condition above policy as you want to buy. It require that you fill all the details are correct. You should never hide any information or do not over write on the proposal form.

- **Read understand the policy wording:** It is very important that you should read and understand the policy wordings before fill up the form.

- **Gradual (Serial) increase in sum insured:** You should compare various policies available from the website of different companies and speak to your insurance advisor to know what the apt sum is assured for you and your family.

Clear all your doubts before taking the final decision before making decision of buying a health insurance policy. You should read all your policy documents once again and do confirm yourself. Satisfy your query to ask questions about your policy as you want to purchase. It will clear any confusion or doubts that may exist.

Health insurance policies are very import one for an individual or for our family. It covers adequate in-patient and outpatient service. Some policies are
covers full expectation of an individual and entire family. An affordable health policy makes you free from medical expenses when you are not well. All the expenses related medical bills. Doctor’s fee medical test is to be done by this policy. In other sense when we take insurance of our health en insure about our health and financial plan its heals to certain circumstances when unwanted risk has come in future.

We can say that health insurance as an insurance against the future medical expenditure of a person. It means that anybody who take health insurance plan they expects a certain amount of medical. Expenses to be there in future and that individual are paying for that in the present in the form of premium. The present form of premium main aim of this to make sure that people have enough money to take care of their emergency medical requirements when they need it is the main aim of the health insurance plan.

In reality it is universal truth that people can fall prey to a disease or other physical problem at any time, nobody can sure about his life fully of such issues because life is uncertain.

The best time to take policy when the individual (insured) is still in a good physical condition. But people think opposite the normal logic behind the people is that since they are rarely afflicted by physical ailments they do not need such a plan.

**Benefit of the Health Insurance Policy:-**

Major advantages of health insurance policy may be enumerated are as follows:-

- Assists in securing the future through premiums.
• Payments for medical and hospitalization bills.
• Saves lot of future financial losses due to costly medical and post treatment expenses.
• Custodial and disability bills.
• Heightened sense of security.
• Tax benefits as per Indian Income tax acts section 80D.
• Greater financial security.
• These policies can ever be availed after crossing 60year.  

Health insurance is provided through several private insurance companies and four public sector general insurance companies. These are as follows:-

1. National Insurance Company Limited
2. The Oriented Insurance Company Limited
3. The New India Insurance Company Limited
4. United India Insurance Company

20. Business Maps of India.com/insurance/health-insurance/
(1) The National Health Insurance Company: -

This public health insurance company offers the policy name is Varistha Mediclaim policy for senior citizens. The policy has been introduced by the national insurance company specially meant to cater to the senior section of our society, the age limit for entry being 60-80 years this policy covers hospitalization and domiciliary hospitalization expenses as well as expenses for treatment of critical illness. The key features of this policy are that the sum assured under the hospitalization and domiciliary hospitalization is Rs 1,00,000 and under critical illness Rs 2,00,000. Ambulance charges would be reimbursed to a maximum of Rs 1000 and the company would not provide any excess amount other than the assured sum as mentioned in the schedule. However there are a separate set of premium needed to be paid by the different age groups of senior citizens for Mediclaim they fall under 60-65 Rs 4180, 66-70 Rs 5196 and group 71-75 Rs 5568 age group 76-80 Rs 6890 and for critical illness they would Rs 2007, 2130, 2200 and 2288 respectively under the same age groups.21

(2) Oriental Insurance company Ltd.:-

- Comprehensive health Insurance scheme
- Group Mediclaim policy
- Individual Mediclaim Policy

21.India.gov.in/people-group/life-cycle/senior-citizen
• **Comprehensive health Insurance scheme:**- Comprehensive health insurance Scheme (CHIS) quality health care comes at a cost that is unaffordable those sections who not afford the any health policy and economically weaker section of society. Through this policy provide free health care in government hospitals. The scheme is launched on January 11, 2012.

• **Group Mediclaim policy:**- Group Mediclaim policy covers a large number of people under a single policy. It is available only to any association/institution/corporate body provided it has a central administration and subject to minimum number of person to be covered.  

• **Individual Mediclaim Policy:**- Individual Mediclaim policy is a health insurance cover which takes care of medical expenses of the insured in case of sudden illness, accident or surgery which is required in respect of any disease which has arisen during the policy period.

(3) **New India Insurance company Ltd.**:

The policies are available Mediclaim and overseas Mediclaim policy. The policy provides for reimbursement of hospitalization/domiciliary hospitalization expenses for illness/diseases suffered or accidental injuries sustained during the policy period. The insurance is available to persons between age of 5 and 80 years. Children between the age 3 month and 5 years can be covered provided one or both parents are covered concurrently.

22. www.medimanage.com (Health insurance po.htm)
23. Ibid,
24. New india.co.in/content.aspr?pageid=114
I have analysed the family Medicare policy from united India Insurance Ltd. Mediclaim 2012 policy from new India Insurance Company Ltd. And happy family floater policy from oriental insurance company ltd. And parivar Mediclaim policy from national insurance company ltd. There are some features of this public sector insurance policies.

- **Coverage:** All policies cover the spouse and the dependent children of the policy holder. Parents are covered only by new assurance and oriental insurance policies.

- **Entry age and age on renewal:** This type of policies has been introduced in national health insurance and also mostly insurance companies covered old age policy.

- **Sum Assured:** This is a weak point in general for most public sector health policies. With that offered by national insurance company being the poorest at maximum Rs 5 lakh. Others have the maximum sum assured option up to Rs 10 lakhs. The amount of coverage you need depends on your needs family size.

- **Premium per annum:** This is a positive feature for public sector policies, as the premium is lower when compared to private policies for the same amount of cover. The amounts are almost comparable across all the policies analysed.

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25. Smitha Hari “Review of public sector health insurance policies”, she is associated with a financial planning, she is personal finance consultant.
• **Co-payment required:** This is the amount the policy holder will have to shed from his pocket in case of a claim. It is the highest in the new India Assurance policy, with co-pay clause application age as well as location specifications. The other plan have co-pay requirement of 10%. The gold variant of the happy family floater plan of oriental insurance does not come with this condition.

• **Benefits:** No claim discount works out to be the best for the oriental insurance policy ranging up to 20%; this policy comes with additional covers like daily cash allowance, attendant, allowance, personal accident cover and cover of life hardship survival benefit. Domiciliary hospitalization is also possible. Other policies have a no claim discount up to 15%. Subject to certain conditions, free health check-up benefit is available under united India Insurance and new India insurance. The latter also offers discount on family member’s premium. The national insurance policy seems to be restrictive in terms of extra benefit offered.

• **Claim settlement ratio:** The higher the claims settled, the better it is for the policy holder. In this respect, oriental insurance and new India Assurance are better at 92% and 89% respectively.

• **Other features:** Pre and post hospitalization time period is 30 days and 60 days respectively for all policies, except the national insurance policy, where it is 15 days and 30 days respectively. This is again restrictive pre-existing disease are covered only after 4 years of the policies for all the policies analysis. The exclusion is also pretty standard across all the policies.