

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO. 3472
ANSWERED ON – 8.8.2022

MEDICAL INSURANCE IN RURAL AREAS

3472. SHRI C.N. ANNADURAI:
DR. PON GAUTHAM SIGAMANI:
SHRIMATI MANJULATA MANDAL:
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SHRI SUNIL DATTATRAY TATKARE:
SHRI KULDEEP RAI SHARMA:
SHRI GAJANAN KIRTIKAR:
SHRI SELVAM G.:

Will the Minister of FINANCE be pleased to state:

- (a) the number of people covered under medical insurance in rural and backward areas of the country along with the details of companies providing medical insurance, State/Company-wise;
- (b) whether expenditure incurred only on admission in the hospital is reimbursed under health insurance schemes and if so, the details thereof and the reasons therefor;
- (c) whether the Insurance Regulatory and Development Authority of India (IRDAI) has any proposal of mandating all general and health insurance companies to offer a standard health insurance policy covering hospitalisation, pre & post-admission treatments and if so, the details thereof;
- (d) whether IRDAI has suggested to include the expenditure incurred on OPD treatment and maternity cover etc.; and
- (e) if so, the details thereof and the steps taken/ being taken by the Government to increase coverage of health insurance schemes in rural and backward areas across the country?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(DR. BHAGWAT KARAD)

(a) and (b): (a): Company-wise number of health insurance policies issued in rural sector by non-life and life insurance companies during financial year 2021-22, are at Annexure-I and Annexure-II, respectively.

(b) to (d): Insurance Regulatory and Development Authority of India (IRDAI) has informed that as per the definition of "health insurance business" under Section 2 (6C) of Insurance Act, 1938, insurers can design and market products covering sickness benefit or medical, surgical or hospital benefits, (whether as in-patient or out-patient), travel cover and personal accident cover.

Further, IRDAI has put in place the regulatory framework for insurers to offer a range of health insurance products which can cover many benefits besides expenditure incurred on admission

to the hospital, including expenses on day care procedures/treatments, pre-hospitalization and post-hospitalization expenses, OPD treatment expenses and maternity treatment expenses. These benefits under health insurance policies are governed by the terms and conditions of the respective insurance contract.

However, products offered by Life insurance companies under health insurance portfolio provide only for defined benefit which becomes payable on occurrence of the event as per the terms and conditions of the policy.

IRDAI has further informed that it has mandated all general and health insurers to offer indemnity based standard individual health insurance product named 'Arogya Sanjeevani' to take care of basic health insurance needs of the general public. The features of above product include benefits covering hospitalisation, pre and post-admission treatments, day care treatments, AYUSH treatment, dental treatment and plastic surgery necessitated due to disease or injury, and treatment of cataract.

(e): With a view to increase coverage of health insurance, the Central Government has launched Ayushman Bharat — Pradhan Mantri Jan Arogya Yojana as a centrally sponsored scheme for an annual family health cover of Rs. 5 lakh for 10.74 crore families (approximately 50 crore beneficiaries), thereby massively expanding health insurance coverage. According to information provided by the Department of Health and Family Welfare, 14.75 crore families have been covered under AB-PMJAY against the above target of 50 crore persons.

Also, Sections 32B and 32C of Insurance Act, 1938 mandate every insurer to undertake a percentage of life insurance business from the rural and social sectors. IRDAI (Obligations of Insurers to Rural and Social Sectors) Regulations, 2015 specify the targeted percentages of business to be procured by the insurers each year for rural and social sector obligations.

In addition, IRDAI has taken the following steps to increase coverage of health insurance:

- (i) Insurers have been mandated to have in place a board approved policy for increasing insurance awareness among public.
- (ii) Various distribution channels have been introduced through regulations namely, IRDAI (Appointment of Insurance Agents) Regulations, 2016; IRDAI (Registration of Corporate Agents) Regulations, 2015; IRDAI (Insurance Brokers) Regulations, 2018; IRDA (Web Aggregators) Regulations, 2013 and IRDAI (Registration of Insurance Marketing Firm) Regulations, 2015, who have the ability to provide professional advice to the prospects and distribute insurance products massively leading to increase penetration of health insurance. Insurers have also been permitted to use Common Service Centres (CSC) as a distribution channel for selling and servicing insurance products.
- (iii) To protect the interests of all sections of the insuring public, insurers have been mandated that all health insurance products must allow entry at least upto age 65 years and all policies shall guarantee renewability in order to ensure availability of health insurance protection throughout the life time.
- (iv) Insurers are also encouraged to introduce Wellness and Preventive Features as part of a health insurance policy to enable public to remain active and renew the policies on an ongoing basis.
- (v) In order to provide need-based health insurance coverage, insurers are allowed to launch products under Use and File procedure which will enable insurers to launch the products seamlessly so as to reach all sections of the market segment.

Number of health insurance policies issued in rural sector* by non-life insurance companies during financial year 2021-22

S. No.	Name of Non-Life Insurance Company	Number# of health insurance policies issued in rural sector*
1	Acko General Insurance Ltd.	1,110
2	Bajaj Allianz General Insurance Co. Ltd.	77,189
3	Cholamandalam MS General Insurance Co. Ltd.	21,463
4	Navi General Insurance Ltd.	22,494
5	Edelweiss General Insurance Co. Ltd.	2,530
6	Future Generali India Insurance C. Ltd.	77
7	Go Digit General Insurance Ltd.	2,434
8	HDFC ERGO General Insurance Co. Ltd.	114,212
9	ICICI Lombard General Insurance Co. Ltd.	1,285,359
10	IFFCO Tokio General Insurance Co. Ltd.	48,264
11	Kotak Mahindra General Insurance Co. Ltd.	649,973
12	Liberty General Insurance Ltd.	378
13	Magma HDI General Insurance Co. Ltd.	11,391
14	Raheja QBE General Insurance Co. Ltd.	334
15	Reliance General Insurance Co. Ltd.	548
16	Royal Sundaram General Insurance Co. Ltd.	79,113
17	SBI General Insurance Co. Ltd.	341,910
18	Shriram General Insurance Co. Ltd.	0
19	Tata AIG General Insurance Co. Ltd.	9,960
20	Universal Sompo General Insurance Co. Ltd.	65,859
	Private Total	2,734,598
21	National Insurance Co. Ltd.	50,711
22	The New India Assurance Co. Ltd	30,690
23	The Oriental Insurance Co. Ltd.	77,718
24	United India Insurance Co. Ltd.	23,797
	Public Total	182,916
25	Aditya Birla Health insurance Co. Ltd.	30,139
26	ManipalCigna Health Insurance Co. Ltd.	20,360
27	Niva Bupa	155,706
28	Care Health Insurance Ltd.	154,333
29	Star Health and Allied Insurance Co. Ltd.	1,517,794
	Stand-alone Health Insurers Total	1,878,332
	Grand Total	4,795,846

Source: IRDAI

*As per IRDAI (Rural and social sector obligations) Regulations, 2015, "Rural Sector" means the places or areas classified as "rural" while conducting the latest available decennial population census (Census of India).

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Number of individual health insurance policies issued in rural sector* by life insurance companies during financial year 2021-22

S. No.	Name of Life Insurance Company	Number# of individual health insurance policies issued in rural sector*
1	Aditya Birla Sun Life Insurance Co. Ltd.	534
2	Bajaj Allianz Life Insurance Co. Ltd.	47
3	Canara HSBC Oriental Bank of Commerce Life Insurance Co. Ltd.	664
4	Edelweiss Tokio Life Insurance Co Ltd	2
5	Future Generali India Life Insurance Co. Ltd.	82
6	HDFC Life Insurance Co. Ltd.	146
7	ICICI Prudential Life Insurance Co. Ltd.	5024
8	Ageas Federal Life Insurance Co. Ltd.	19
9	Kotak Mahindra Life Insurance Co. Ltd.	1260
10	Max Life Insurance Co. Ltd.	681
11	Reliance Nippon Life Insurance Co. Ltd.	2236
12	SBI Life Insurance Co. Ltd.	7045
13	Shriram Life Insurance Co. Ltd.	6
	Private (Total)	17746
14	LIC of India	33170
	Industry (Total)	50916

Source: IRDAI

*As per IRDAI (Rural and social sector obligations) Regulations, 2015, "Rural Sector" means the places or areas classified as "rural" while conducting the latest available decennial population census (Census of India).

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