

Health insurance should be customer and community driven, says IRDAI Chief

NEW DELHI, 10 December 2015: Mr. T S Vijayan, Chairman, Insurance Regulatory & Development Authority of India (IRDAI), today recommended that health insurance should be driven by the consumer and the community it serves. He said that health insurance is a financing mechanism where in the community pools its funds to be made available to those who need to pay for their medical expenses.

Addressing the 8th **FICCI Health Insurance Conference**, the annual flagship event on the theme '**Creating Value through Customer Centricity**', the IRDAI Chairman said that apart from product innovation, affordability of health insurance is the need of the hour. He suggested that the insurers should work towards increasing the voluntary customer base, from the current 8 per cent to at least 20-25 per cent of India's population in order to increase affordability.

He emphasized that a balance needs to be created between the expectations of the consumer and aspirations of the industry. FICCI Health Insurance Conference has emerged as a Public Private Platform that has brought together the stakeholders from the government and private sector to collectively derive solutions for the challenges and barriers faced by the sector in its growth.

On the occasion, the Chairman along with other dignitaries released two papers, namely the **FICCI-Feedback Consulting Report, 'A Guiding Framework for OPD and Preventive Health Insurance in India- Supply and Demand Analysis'** and the **FICCI Report on 'Critical Illness'** titled '**Amended and Additional Definitions for the Indian Market**'.

The objective of the preventive care report was to analyse the demand and supply needs for primary and preventive care insurance and suggest the business potential for the insurers and government stakeholders by introducing OPD insurance covers for primary care. The report on Critical Illness is the work of FICCI's Task Force set up to review the existing definitions of critical illness and also identify and define new conditions.

Mr. G Srinivasan, Chair, FICCI Health Insurance Committee and CMD, The New India Assurance, in his theme address, elaborated on the challenges being faced by the health insurance sector. He suggested that the industry needs to understand the expectations, needs and fears of the consumer and work towards simplifying the insurance policies. He recommended that standardization of all procedures and forms should be carried out across the industry to bring in greater transparency.

Dr. A Didar Singh, Secretary General, FICCI, in his welcome address said that continuous stakeholder collaborations, standardization of processes and transparency in the health insurance sector will lead to satisfied customers. He mentioned that over the last eight years, FICCI under the patronage of IRDAI has created a successful PPP platform that has suggested guidelines which have been notified by the regulator after due diligence to facilitate ethical and transparent practices.

During the inaugural session, a panel on '**Voice of Consumer**' highlighted that the major problem being faced by the consumer today is related to the communication gap between the insurer and customer, apart from the need for simpler policies and products for pre-existing and specific diseases. The panel suggested that 'Digitization' of the sector is the way forward.

The industry panel on '**Reacting to the Voice of the Consumer**' was cognizant of the consumer issues and assured that the industry is constantly working towards addressing them. They also highlighted that the sector needs 'zero tolerance' at all levels in order to reduce frauds and increase the trust amongst its customers. The industry recommended that health insurance should be kept out of the purview of service tax since it brings in additional 14.5 per cent burden on the customer, hence increasing the out of pocket expenditure.

Also present on the dais were **Mr. Antony Jacob**, Co-Chair, FICCI Health Insurance Committee & CEO - Apollo Munich Health Insurance; **Dr. Narottam Puri**, Advisor - FICCI Health Services; Board Member & Ex-Chairman, NABH & Advisor

- Medical, Fortis Healthcare Ltd and **Ms. Shobha Mishra Ghosh**, Senior Director, FICCI.

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