

“Emerging Trends in Health Insurance in India: Opportunities and Challenges”

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Abstract

Health Insurance has undergone metamorphosis after economic liberalization in 1991. The radical changes in products and services offered by the insurance companies, healthcare delivery, methodology, and process sharing from developed countries became significant in the present environment. However, the survival and growth of insurance companies are becoming stringent due to competitive rates, changing customer needs and highly uncertainty in economic conditions, trend in urbanization of population, and increase in disposable income by the middle class. Hence, it is the need of the hour to analyse issues and challenges on hand to make the health insurance sector more effective and contribute steadily to the GDP growth of Indian economy. This study is an attempt to examine the trends in health insurance, to analyse its opportunities and concerns, and to investigate the challenges faced by health insurance sector.

Keywords: Health Insurance, health care, insurance companies, challenges, opportunities.

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1. Introduction

In today's global environment with rapidly growing economy, the changes in political scenario, changing cultural patterns, social values and the development precipitated in the business scenario predominantly in the information technology have brought a significant transformation in the lifestyles in the urban and rural areas of our economy. These changes have caused an element of uncertainty in every sphere of business, at the same time; the health insurance sector has emerged as one of the important service sector of growth in Indian economy. While health insurance is not an exception to face dynamic global business environment, radical changes are being witnessed in products and services offered by the insurance companies. Further, the appearance of new risks, new types of covers to match the needs and requirements of customers are also being synchronized with innovative ideas. The survival and growth of insurance companies are becoming stringent due to competitive rates, changing customer needs and the highly uncertain economic conditions.

Health Insurance is a subtle aspect and administratively monitored and controlled in India by the Government till the year 2000. Since the decision of the Government was to encourage private players in all segments of the financial sector, it was inevitable that the insurance sector had no option. Subsequently, with the entry of many foreign players in the form of joint ventures with private agencies in the Indian market, the insurance companies have been experiencing fierce competition. As a consequence, the Indian healthcare insurance industry has closely integrated with the world economy.

In this paper, an attempt has been made to analyse the paradigm shifts in Health insurance in India which covers an overview of health insurance, key drivers of growth, present status, and some of the challenges being faced by the insurance sector in India.

2. Scope for Research

With the globalization of Indian economy, a significant change has been observed in the demographics of urban and rural population. It has also been observed that there is a trend in rural population migrating to urban areas for better livelihood opportunities with regards to education, health and other modern facilities. A rise in urban population has resulted in growing middle class with a higher disposable income for their healthcare expenditure in turn growth in health insurance sector. This growth visualizes scope for research in the areas such as increasing demand for health insurance, managing insurance systems and development, role of regulators, accessibility, quality and affordability by the consumers and the like.

3. Statement of the problem

The need of the study is felt to analyse the trends, opportunities, concerns and challenges faced by the health insurance industry.

4. Objectives

The following are the objectives of the research study:

- 1) To study the present trends and indicators of growth in health insurance.
- 2) To arrive at the opportunities for health insurance to meet the growing demand of healthcare.
- 3) To analyse some of the issues and challenges in health insurance scenario in India.
- 4) To suggest feasible measures for improvement in the health insurance sector.

5. Research Methodology

This study is an exploratory research to examine the trends in health insurance, to analyse its opportunities and concerns, and to investigate the challenges faced by health insurance sector. Information sourced for this study is based on secondary data from various means such as books, journals, and internet search, besides personal and telephonic interaction with some of the health insurance personnel.

6. Review of Literature

A detailed review of literature on the subject has given insight into various aspects related to health care and insurance. The summary of the review is presented herewith.

A study conducted by Bhagabat Barik (2014) on 'Emerging Trends in Insurance' emphasizes that People have realized the importance of health insurance due to rise in the healthcare cost. With the advent of latest technology in medical science and demand for good service is the main cause for higher medical cost. Private insurance companies have played a pivotal role in enlarging the vision of the people about healthcare.

A study conducted by Girish (2014) on 'Health Insurance Evolution in India' opined that healthcare transformation must focus on the three key areas namely beneficiaries, cost, and quality. Innovative product development, proximity to the consumer, and championing efficiency will be the critical success factors.

A study conducted by Aanchal Aggarwall (2013) on 'Health Insurance: Innovation and Challenges Ahead' summarizes that the Indian health insurance scenario today is a mix of Governmental insurance schemes, Social Health Insurance (SHI), voluntary private health insurance and Community-Based Health Insurance (CBHI). As per the recommendations of Universal Health Coverage Committee on institutional reforms, insurance companies should strive to make quality health care affordable, insurance penetration should increase to at least 50 per cent of the population by 2020 and 80 percent by 2030 from the current 15 per cent. It may be necessary to pool various health insurance service providers to effectively use their services to ensure the healthcare of people. For Indians the healthcare insurance is the need of the hour. Product innovation would be one of the key drivers to reach this penetration target.

A study conducted by Onicra Credit Rating Agency (2013) on 'Emerging Trends in Healthcare Industry' reports that there is an increased demand of Health Insurance by virtue of an increased healthcare awareness level among people about its need which in turn has increased the demand. As a result, Insurance Regulatory and Development Authority (IRDA) insurance premium received over the period from 2006 to 2010 has shown a Compound Annual Growth Rate (CAGR) of 39 percent.

A study conducted by KPMG (2011) on 'Emerging Trends in Healthcare' indicates that the healthcare sector, in India, is at an inflection point and is poised for rapid growth in the medium term. However, Indian healthcare expenditure is still amongst the lowest globally and there are significant challenges to be addressed both in terms of accessibility of healthcare service and quality of patient care. While this represents significant opportunity for the private sector, the Government can also play an important role in facilitating this evolution.

A study conducted by R D Lele (2004) on 'Health Insurance as an Integral Component of Health Maintenance Organization (HMO)' highlights that the Institute of Medicine (IOM) in USA presented in its report that the healthcare system fails to fulfil six aims of quality health care viz., safety, effectiveness, efficiency, timeliness, patient centeredness and equity. As regards safety the IOM document- 'To Err is Human', in 1999, noted that almost 100,000 deaths occur yearly in USA alone due to medical errors, most of which are preventable. It was also noted that "Healthcare insurance is seen more as a troublesome, and routinely fails to deliver its potential benefits". IOM calls for a "high quality, safer and more integrated twenty first century healthcare delivery system by collaborating and communicating appropriate information to the customers.

A Study conducted by Dileep Mavalankar (2000) on 'Health Insurance in India Opportunities-Challenges and Concerns' emphasize that health insurance, which remained highly underdeveloped and a less significant segment of the product portfolios of the nationalized insurance companies in India, is poised for a fundamental change in its approach and management. Further, the privatization of insurance and constitution of IRDA envisages in improving the performance of the state insurance sector in the country by increasing benefits from competition in terms of lowered costs and increased level of consumer satisfaction.

Thus, the review of literature indicates that the health insurance is a growing sector and it is the need of the hour to analyse the issues and challenges on hand to make the system more effective and patient centeredness. Hence this research study seems to be significant and the perspectives and suggestions of this study will enable certain improvements for growth in health insurance sector.

7. Concept of Insurance

Insurance is a product and service term related to finance which has gained its popularity in India. The insurance is the term used to express a contract between insurers and insured. The insurer is the company and the insured are the customers. It compensates the financial loss due to any uncertain death or other situations of the insured person. The insurance is for the specified period needs a careful planning in both design and implementation. Insurance is classified as Life Insurance and General Insurance. Over a period of time, Health insurance has come out of General insurance, which a medical insurance is given by an insurance company, wherein it reimburses the medical expenses incurred for a valid hospitalization.

In a global perspective, health insurance is very well established in many countries. But in India it is yet to take big leap except for the organized sector employees. In India only about 2 to 3 per cent of total health expenditure is funded by public/social health insurance while around 18 per cent is funded by government budget. In many other low and middle income countries contribution of social health insurance is much higher.

8. Linkage and Functions of Healthcare Insurance Companies

Health insurance companies: The health insurance companies are generally involved only in selling the insurance policies and to some extent handling of claims not made to third party administrators. The process of medical underwriting is carried out which pertains to the selection of customers to insure and assigning them to specific risk pools for which insurance premiums can be specifically determined. Once the underwriting is done, the actuaries perform the role of understanding the various kinds of financial risks associated with the policy, and use statistical methods to arrive at a suitable premium. At present in our country four insurance companies are managed by Government and twenty one insurance companies are operated by private agencies.

Third Party Administrators: Third party administrators serve as facilitators in claims processing between the insurers and patients. The primary role of a TPA in India is to enable cashless hospitalisation for the patient. The services rendered by TPA shall include services in connection with health insurance business. However, this shall not include the business of insurance company or the soliciting, directly or through an insurance intermediary including an insurance agent. TPA's may recommend through its association with hospitals to IRDA regarding standard and quality of treatment, period of treatment, and rates. TPAs get a fixed commission of 5.5% for handling claims. Some of the claims in India are still handled by the insurers themselves. Some of the TPA's include MediAssist, Raksha, Medicare, Paramount health services, etc.

Intermediaries: Intermediaries can be brokers or agents. While agents are individuals who work on a commission basis for a single insurance company, insurance brokers may form a group and sell products belonging to different companies. The insurance brokers and agents are like salesmen for the insurance company, and are required to pass the licentiate exam by the Insurance Regulatory and Development Authority. More than the knowledge of medical terminology, they need to know about the terms and conditions governing any insurance policies. Some of the intermediaries include Prudent Insurance Brokers, Optima Insurance Brokers, Vantage Insurance Brokers, universal insurance brokers, etc.

Insurance Regulatory and Development Authority (IRDA): Is a body that regulate the insurance business in India. The objective of IRDA is to promote and ensure orderly growth of the insurance and reinsurance businesses across the country which is specified under Section 14 of IRDA Act, 1999. It is also the responsibility of the body to look into the training issues and concerns of the intermediaries and agents of a given insurance company. The IRDA introduced regulations for licensing of Third Party Administrators (TPA) during 2002 in order to popularize health insurance.

Pattern of health insurance

The health insurance covered under various schemes for the people working in the organized sector is outlined as follows:

The health insurance covered for the employees working in central government or state-based systems include Central Government Health Scheme (CGHS) and Employees State Insurance Scheme (ESIS). These schemes cover approximately 5 per cent of population in various ways. It is estimated that employer managed systems may cover about 20-30 million of population.

Market-based systems (voluntary and private) have Mediclaim scheme which covers about 2 million of population. There are many firms which reimburse costs of medical expenses of the employees with or without contribution from the employee. It is estimated that about 20 million employees may be covered by such reimbursement arrangements.

There are several government and private employers such as Railway and Armed forces and public sector enterprises that run their own health services for employees and families. It is estimated that about 30 million employees may be covered under such employer managed health services.

General Insurance Corporation (GIC) and its four subsidiary companies and Life Insurance Corporation (LIC) of India have various health insurance products. These are Ashadeep Plan II and Jeevan Asha Plan II by Life Insurance Corporation of India and various policies by General Insurance Corporation of India as under: Personal Accident Policy, Jan Arogya Policy, Raj Rajeshwari Policy, Mediclaim Policy, Overseas Mediclaim Policy, Cancer Insurance Policy, Bhavishya Arogya Policy and Dreaded Disease Policy, etc.

Mediclaim Insurance: The healthcare demand is steadily rising in India due to increase in urbanization of population. It is estimated that only 10 per cent of health insurance market has been tapped till today. Still there is a scope of rise up to 35 per cent by 2017. The most popular health insurance cover is Mediclaim Policy. The government insurance companies started first health insurance in 1986, under the name Mediclaim; thereafter Mediclaim has been revised to make it attractive product. Mediclaim is a reimbursement base insurance for hospitalization. It does not cover outpatient treatments. First there is used to be category-wise ceilings on items such as medicine, room charges, operation charges etc. and later when the policies were revised these ceilings were removed and total reimbursements were allowed within the limit of the policy amount. The total limit for policy coverage was also increased. Now a person between 3 months to 80 years of age can be granted Mediclaim policy up to maximum coverage of Rs. 5 lakh against accidental and sickness hospitalisations during the policy period as per latest guidelines of General Insurance Corporation of India. This scheme is offered by all the four subsidiary companies

9. Emerging Trends in Health Insurance

The health insurance, which remained highly underdeveloped and a less significant of the product portfolios of the nationalized insurance companies in India till 1990, gained momentum with the economic reforms and liberalization of insurance sector by the Government of India since 1991 and paved the way for privatization of insurance sector in the country. Further, The Insurance Regulatory and Development Authority (IRDA) Act passed in the Indian Parliament during 1999 was the beginning of new era in health insurance to introduce changes having significant implications for the health sector.

The following are the some of the trends in health insurance

- 1) **Increasing rate of illness and diseases:** The Health insurance is gaining its significance nowadays due to increasing rates of illness and diseases and high expenses incurred in hospitalization and treatments for certain diseases.

- 2) **Insurance cover for Critical illness:** The insurance companies are providing various health insurance schemes to individuals considered as individual policy as well as to an entire family known as floater policies. Some of the benefits extended for critical illness cover blindness, deafness, brain diseases, kidney transplant, organ transplant, paralysis, etc.
- 3) **Health Insurance portability:** This will allow the health insurance policy holders to freely switch their policy to another insurance company, without losing on benefits like the credit earned on pre-existing diseases and no claim bonus etc. Thus, if one shift location, change jobs, or dissatisfied with insurer, option is available to switch from present insurance policy. Further, if there are different or more suitable features in another policy, one may shift from your present insurance policy after analysing the pros and cons of the same.
- 4) **Health Insurance for the Poor:** with an objective to provide protection to below poverty line households from financial liabilities arising out of health shocks that involve hospitalization, Rashtriya Swasthya Bima Yojna (RSBY) was launched as a National Health Insurance Programme during 2008 by Government of India. Beneficiaries under this scheme need to pay only Rs. 30/- as registration fee while Central and State Government pays the premium to the insurer selected by the State Government on the basis of a competitive bidding. Government has even fixed the package rates for the hospitals for a large number of interventions. Pre-existing conditions are covered from day one and there is no age limit. Coverage extends to five members of the family which includes the head of household, spouse and up to three dependents. Beneficiaries under RSBY are entitled to hospitalization coverage up to Rs. 30,000/- for most of the diseases that require hospitalization.
- 5) **Star Shri Individual Care:** Shriram Life Insurance company has ventured into a combination of health insurance as well as life insurance cover under one policy also known as hybrid product. The beneficiary is provided with regular hospitalization benefits like any other medical insurance policy and also provides for payment of lump-sum in the event of death.
- 6) **Critical illness cover for HIV positive patients:** Critical illness insurance or critical illness cover is an insurance product, where the insurer is contracted to typically make a lump sum cash payment if the policyholder is diagnosed with one of the critical illnesses listed in the insurance policy.
- 7) **Aam Admi Bima Yojana:** The head of the family or one earning member in the family of rural landless household between the age group of 18 to 59 years is covered under the scheme against natural death as well as accidental death and partial / permanent disablement. The scheme was launched by the Government of Shimla during 2007.

10. Key Drivers of Healthcare insurance

As seen in the above discussion, the healthcare insurance is augmented its growth significantly in the last decade and contributing towards growth in economy. Observing the trends occurring in this service sector, the following are the key indicators with a combination of demographic and economic factors drive health insurance in India.

Demographic Factors:

Increase in Population: The present population of our country is around 1.24 billion is expected to increase by 13% by 2026 i.e., to 1.4 billion. The increase in population is a boost to the healthcare sector to bring product innovation and features to meet the growing market needs.

Expanding middle class: The expanding middle class is an important factor driving the growth of the healthcare sector. The urbanization of rural population will further expand the middle class, which results in population having higher disposable income to spend on healthcare. The purchasing power of the Indian households is further boosted by the large number of women entering

the workforce. According to 2001 census, 26% of the total workforce was constituted by women as compared to 22% in 1991, i.e. an increase of 400 basis points.

Shift in demographics: While the advantage of India is its demographic dividend which is around 60 percent of the population in the younger age bracket. At the same time, It is expected an increase of geriatric population from current 96 million to around 168 million by 2026. This represents a huge patient base and creates a market for preventive, curative and geriatric care services.

Increasing literacy rate and awareness: The literacy rate of our country has increased from 52.2% in 1991 to 65.4% in 2001, driving the attention of the people towards healthcare services and leading to an increased spending on the healthcare services. People in India, especially in urban areas, have greater access to means of information such as the internet. Currently, the level of penetration of insurance into the Indian population is low, but is expected to grow going ahead. For instance, Healthcare Insurance Premium collection is growing at a rate of 35% over the previous years.

Lifestyle-related diseases: The increase in number of lifestyle-related diseases, such as cardiovascular, oncology and diabetes, when compared to the communicable and infectious diseases is also an important factor for growth in health insurance. The present generation which is accustomed to sedentary work, alcohol consumption and smoking are more prone to such life-style related diseases. According to world health statistics 2012 about 61.3 million people in India are diabetic amongst whom about 11 percent of the male population and 10.8 percent of the female population have shown a significant rise in blood glucose. Similarly, as per National Family Health Survey (NFHS) about 13 percent of the women population and 11 percent of the men population in India is obese.

Economic factors:

Increased demand of Health Insurance: With the increasing awareness of healthcare among people about its need has increased the demand. According to IRDA the insurance received shown a compound annual growth rate (CAGR) of 39% compared with previous years.

Growth in Medical Tourism: one of the economic factors which is driving the growth of healthcare sector is the rise in medical tourism. According to the studies, the medical tourism market is expected to expand a CAGR of 27 percent to reach USD 3.9 billion in 2014 from USD 1.9 billion in 2011. India as a well educated, English speaking nation offering quality private hospitals and medical facilities at a relatively lower cost is able to attract foreigners. According to industry estimates, in some of the cases India provides best in class treatment at one tenth of the cost incurred in USA.

Increasing demand speciality healthcare: There is a significant demand for good quality and speciality healthcare facilities like oncology, nephrology, and ophthalmology in Tier-II and Tier-III cities in India which will be a revenue generating factor for healthcare sector.

Tax benefits: Government is extending lower direct taxes, higher depreciation on medical equipment, and income tax exemption for 5 years to hospitals in rural areas. Lower direct taxes, higher depreciation on medical equipment, income tax exemption which is also a source economic benefit for healthcare sector. Besides this, the insured can also claim an income tax benefit of Rs. 15,000 and 20,000 for senior citizen.

Increase in Insurance coverage: In view of the increase in demand for healthcare insurance, the revenue in health insurance coverage is also increasing with number of private players and foreign players entering the market to cater to increased demand. The sector is expected to see an increase in the penetration from the current 10-15 percent to almost 50 percent at a CAGR of 24 percent. At an institutional level, insurance penetration is likely to continue to increase from 5-15 percent to 20 percent. In tertiary care this is almost as high as 40-55 percent with the inclusion of employer paid coverage by 2020.

Day Care concept: well-equipped and managed hospitals attempt to reduce the average length of stay (ALOS) of patients in hospitals as a cost containment measure. This has led to the development of the concept of day care centres with diagnostic and ambulatory care facilities wherein patients need not be admitted for more than one day. This not only helps hospitals increase their revenues by increasing the number of patients who can be treated but also helps them increase the utilisation of operation rooms. For patients, it is less costly, entails a lesser waiting time and is more convenient as they can return home the same day. This concept of home-based treatment as against hospital-based treatment is likely to expand further in India and will thus lead to the requirement of skills to sustain such an arrangement – for example, there will be an increasing need for nurses who can take care of patients at home, personnel employed at hospitals across all functions will need to ensure that patients who have undergone a treatment can be discharged the same day, etc.

FDI on Health Insurance: As Health Insurance is priority to Government; it is setting to raise the Foreign Direct Investment (FDI) from present 26% to 49% with two riders. All companies will have to provide health insurance, and voting rights of foreigners will be limited to 26 per cent, the current investment cap. Further, the government is also working on a three-pronged strategy to make health care affordable. First, ensuring availability of products by making it mandatory for all companies to provide stand alone health insurance. Second, it will encourage people to go for health insurance by offering tax sops in the Budget. The exemption limit for self, spouse and dependent children might be raised from Rs 15,000 a year. The limits for additional deduction of Rs 15,000 (if parents are dependent) and Rs 20,000 (if the individual or one of the parents is a senior citizen), could also go up. Third, the finance ministry will work out a mechanism in consultation with the health ministry to ensure patients are not overcharged by private hospitals.

Digital Insurance Policies to start soon: IRDA is planning to introduce digital insurance policies which will ease out an insurance repository to store all policies electronically under a single electronic insurance account (e- insurance account).

11. Issues & Challenges of Health Insurance

- 1) To meet the growing demand in healthcare, Insurance companies in India will have to develop appropriate channels to tap the huge market, as the core of insurance business hinges on an efficient distribution.
- 2) Further, in the insurance business, cost control and ability to service a large number of customers are crucial issues. Hence, modern technology must be adopted so as to handle both these services effectively.
- 3) In today's world, customers are well-equipped with information. Insurance companies need to reposition different products by changing customer attitudes.
- 4) In the global scenario, India cannot remain isolated. The existing players need to gear up to face the competition. They would have to take care of customer-specific issues and requirements. The insurance industry is going to witness a sea change in its marketing setup as also in marketing strategies. The existing and new players will need to devise different strategies to retain and enhance their market share.
- 5) They would have to introduce new practices, set up new service standards and create new benchmarks. The opening up of the insurance sector to private players in India is certainly a great leap forward. It has led to harnessing the potential and talent of a lot more people, the gains of which have accrued not only to the insurance sector, but also to the consumers and the society at large.
- 6) Providing quality healthcare services at reasonable cost to meet the aspiring needs of the consumer is a bigger challenge in front of the burgeoning health sector. To meet these challenges

Reforms through Research

insurance providers have to come up with commercially viable and customizable models to match the growing demand for better healthcare, which calls for looking beyond traditional healthcare services.

- 7) Affordable premium and comprehensive coverage are two crucial concerns of every customer buying policy which is a major challenge for insurance companies to convince with viable solution to the policy buyer.
- 8) Lack of skilled and experienced manpower to market product and services of insurance and reaching out to the customer with viable options is one of the concern and major challenge in health insurance sector.
- 9) The insurance companies also faces a number of other challenges which includes increase in healthcare costs, high financial burden on poor effecting their incomes, need for long term and nursing care for senior citizens because of increasing nuclear family systems, increasing burden of new diseases and health risks, limited government funding leading to negligence of preventive as well as primary care and public health functions.

12. Findings& Suggestions

- 1) The summary of findings and suggestions of this study are outlined as follows:
- 2) The health insurance has undergone metamorphosis in the last decade with radical changes in products and services offered by the insurance companies.
- 3) The survival and growth of insurance companies are becoming stringent due to competitive rates, changing customer needs and the highly uncertain economic conditions.
- 4) The health insurance is a growing sector and it is the need of the hour to analyse the issues and challenges on hand to make the system more effective and patient centeredness.
- 5) The Indian healthcare industry, which comprises hospitals, medical infrastructure, medical devices, clinical trials, outsourcing, telemedicine, health insurance and medical equipment, is expected to reach US\$ 160 billion by 2017.
- 6) The Indian healthcare sector is expected to grow at about 15 percent year-on-year, on account of factors such as rapid growth in infrastructure development, creation of demand for higher levels of healthcare, rising awareness of end users, and launch of innovative insurance, reimbursement, and financing policies. The growth of the Indian healthcare sector is further driven by the 300 million strong middle class populations with significant disposable income, which is likely to demand superior healthcare services.
- 7) The role of IRDA is becoming significantly important to promote and ensure growth of the insurance and reinsurance businesses across the country and support by monitoring the systems and procedures of the insurance companies, TPA's and intermediaries.
- 8) The innovative products and features offered by the insurance companies should reach out the growing demands covering rural population apart from major and metro cities.
- 9) The need of the hour is to develop appropriate channels by the insurance companies to tap the huge market and to meet the growing demand in healthcare.
- 10) To meet the aspiring needs of the consumer is a major challenge of the insurance companies which can be looked into by offering commercially viable and customizable models to match the growing demand for better healthcare, which calls for looking beyond traditional healthcare services.
- 11) It is obvious that every customer looks for affordable premium and comprehensive coverage which is a major challenge for insurance companies to convince with viable solution to the policy buyer.

- 12) Insurance companies are not an exception to hunt for skilled and trained staff. Attracting and retaining skilled and trained manpower to offer their product services is a major concern in the present context.
- 13) Cost control and ability to service a large number of customers are crucial issues which can be effective only when insurance companies adopt modern technology and upgrade from time to time.

13. Conclusion

It is imperative that insurance companies need to revisit the way it is operating its business to meet the growing needs and demands of the customer not only limiting to urban population but also rural population. Though, the insurance companies have made an impact in meeting the needs of the consumer in urban areas to certain extent, it is inadequate when compared with products, services offered by global insurance companies. It is also important to look beyond traditional insurance business by offering innovative products and services to generate more revenues and increase contribution towards growth in GDP of India in healthcare. Further, the insurance companies need to strive to offer viable benefits to people below poverty line and rural population in terms of better coverage and health services at lower costs without comprising on the quality healthcare. It is deemed necessary and need of the hour to maximize the services in meeting the growing medical tourism. To increase the FDI on insurance by the Government may be a step forward to bridge the rising demand in healthcare insurance. However, the healthcare insurance has to go a long way in meeting the customer needs and growing population.

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