

Proceedings of the Seminar on Medical Insurance

Inaugural Session

Consumers Association of India in association with IRDA organized a seminar under the Responsibilities and Rights Series on Medical Insurance on 9th October at GRT Grand, Chennai. This was CAI's 23rd seminar under this series in the last 8 years and the second one dealing with Insurance. Mr.R.V.Rajan, Trustee, CAI welcomed all the dignitaries present

Mr. Suresh Mathur Jt. Director IRDA inaugurated the seminar. He was pleased that this seminar planned to deal with all aspects of making consumers aware about the need for health insurance. He talked about IRDA's work in the area of health insurance, and the changes they have made, which should be made known to consumers. He also stressed on the need for simple language in policy documents to make them more consumer friendly and understandable.

The opening remarks were given by Mr. V.Ramasaamy, Insurance Ombudsman. He mentioned that health insurance comes second after motor insurance, in respect of revenues totaling nearly 40%. He said that although there was substantial growth, only 11% of the population was covered. He wanted Insurance companies to offer better service for consumers and gave some suggestions such as

- Customer based health insurance
- ID cards which could be used by the consumer during hospitalization
- Recording telephonic conversations to avoid ambiguities and
- Recording Correct factual information

He then pointed out the problems consumers face in mediclaims. He outlined the consumer's responsibilities for e.g. The proposal form should be filled by the consumer and not the agent. He finally added that besides consumers and the insurance companies, even doctors are a reason for the problems faced in health insurance.

"More responsibility rests with the Third Party Administrators of the Insurance companies," he stated. They should explain very clearly the various aspects of the health insurance policy, what areas are covered, what is meant by a cashless policy and rules in respect of hospitalization. 40 – 50% of repudiations arise out of wrong information being filled in, in the proposal forms, and because of pre existing illnesses. Today the IRDA guidelines are very clear and clear cut definitions are available. It is therefore very important

that the consumer goes through the form carefully before signing on the dotted line. He thanked CAI for organizing such an informative seminar for the benefit of consumers.

Mr.G.Srinivasan CMD, United India Insurance Co. rendered the special address. He traced the growth of health insurance from mid 80s when health policies were introduced only for domiciliary hospitalization. In the 90s Mediclaim became synonymous with health insurance and from 2000, with liberalization; a lot of new products are being introduced.

It was only in 2001 that Third Party Administrators and cashless hospitalization were introduced. He mentioned that although the premium collected in health insurance was to the extent of Rs. 6,600 corers, health insurance had not reached a sizeable number of people. A sum of Rs.2 lakh crores was being spent by Indians on medical expenses. While the states of Andhra Pradesh and Tamil Nadu had introduced insurance for BPL families, the number of people taking health insurance voluntarily is miniscule. The reasons for this were awareness barriers, benefits not being known, premium rates being unaffordable, difficult procedures and exclusions due to pre existing diseases. .He was of the opinion that Health Insurance should be taken at an early age instead of when illness hits you. Today IRDA has given clear guidelines and definitions for exclusions, which made it simpler for consumers. He said it was a question of Trust being built between the consumers and insurance companies. He said the way forward was to

- -Have awareness and education programmes, mass campaigns as part of the curriculum in schools and colleges.
- -Education of product features – closing the communication gap between the insurer and the insured
- -Using of vernacular language wherever possible
- -Educating intermediaries to avoid wrong information being carried
- -Simplification of policies and their clauses – use of simple language
- -Improving service – many grievances arise out of poor service. 50% of consumers use cashless service today and the TPAs have a very important role to play.
- -Standardization of forms, procedures, hospital practices. This will lead to better rapport between all concerned.

Mr.K.Shanmugam, I.A.S, Secretary, Dept. of Food, Civil supplies and Consumer Protection, Govt. of Tamil Nadu, gave the presidential address. He congratulated CAI in being the pioneer in organizing series of useful seminars

on various topics of use to consumers. He was very pleased that CAI was playing the lead role in creating awareness, very often resulting in helping the government and other regulators in their policy decisions

He gave a few facts of in health insurance

- It has become unaffordable for a common man
- It has become highly commercial

He also explained briefly about the Insurance which Tamil Nadu government was going to provide which will cover almost one crore families. This was a pioneering effort by the government.

R.Desikan, Trustee, CAI raised the following points before giving the vote of thanks.

- Need for standardization in health insurance
- Lack of standardization in hospitals
- Role of TPA;
- Conditions of cashless settlements

Consumer should be aware that even post hospitalization charges can be claimed from the insurance company.

- Compiled by Club C team from MOP Vaishnava College, Chennai.