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While respiratory ailments are covered under health insurance policies (depending on the provider and plan), vector-borne diseases like malaria and dengue now be added to the list.

Health premiums had gone up by nearly 50% over 6 years, including 8-10% this year alone.

Health insurance premiums in India are expected to surge as soaring heat, non-stop rains and filthy air bump up a variety of diseases, industry executives said.

This year's heat waves killed over 100 and laid low over 40,000 in India, a UN report said in July. A Lancet study in the same month said polluted air kills around 33,000 Indians every year. US-based Health Effects Institute estimates that 464 children under age five die in the country every day because of air pollution. Meanwhile, torrential downpours and waterlogging are causing a rise in water- and vector-borne diseases. Kerala, where monsoon arrives first in the mainland, has seen around 4,306 confirmed and 12,958 probable cases of Hepatitis A this year, against 231 and 894 in 2022.

Claims higher

"This year, the number of claims is higher but we haven't yet seen any major increase in health claims this year due to season-borne phenomena," said Hiten Kothari, chief underwriting officer and chief actuary at HDFC Ergo General Insurance. "Today, in our data, we see respiratory, vector-borne diseases, gastric and abdominal diseases comprise 10-15% of the number of claims that we see. As and when there is a definitive change in trends within several claims, then the premiums for health insurance increase will increase. If there is a 25% increase in the number of such claims, insurance companies will have no choice but to hike prices or premiums automatically. For example, if there is a 10% increase in claims, the premium will increase by 10%," Kothari said.

While respiratory diseases are covered under health policies, depending on the insurance provider and the plan, diseases such as malaria and dengue may also be added to the list.

"Heatwaves may increase not only deaths, but also diarrheal diseases, food-borne infections and diabetes, and lead to higher blood pressure and worsen mental health situation. If mortality increases, health premiums will certainly go up because premiums are dependent on risk of dying or disease," said Dr. Dileep Mavalankar, distinguished professor of public health at the Indian Institute of Public Health, Gandhinagar. He said rising heat will be more lethal for new-born children, pregnant women and older citizens.

Rising premiums

Medical inflation and losses at insurers have already increased health premiums by nearly 50% over the past six years, industry executives said. Medical inflation that shot up to around 32% during the covid pandemic has come down to 14%, but remains high. Higher costs of operations, nursing, use of high-end technology and steep room rents pressure insurance companies, which are passed on to customers in the form of higher premiums, health insurers said. Customers are also seeking out policies which offer wider coverage.

Queries sent to the secretary and spokesperson of the Union health ministry and chairman of the Insurance Regulatory and Development Authority of India remained unanswered at press time.

"Insurance is purely based on large numbers, and these large numbers we can only see when we have sufficient data," said Bhaskar Nerurkar, head of health administration team at Bajaj Allianz General Insurance. "So, the current increase that is happening in health insurance premiums is not because of any rare diseases coming back. During the pandemic, medical inflation went up almost by 32%, and post pandemic, medical inflation did not come down significantly," Nerurkar said.

Health insurance premiums are worked out taking into account demography, scope of coverage and inflation in medical costs, apart from the individual's health status, lifestyle and personal habits. Data analysis is done to arrive at the risk profile of individuals.

While patients earlier used to leave hospitals in a day or two in case of minor infections, now it has become three to four days, Nerurkar said. "Perhaps immunity has gone down, but it is too early to say that. We are seeing a slight shift in attributes like the length of stay."

Erratic climate affects immunity and sickens more people, insurance executives said, adding when the weather is warmer or wetter than usual, infections rise. Though climate-related health risks are still not very high, it could be worrying when another epidemic emerges or when it becomes a trend, they said.

Demand for insurance

People are buying more insurance as they wake up to the rising costs of treatment, said Sandeep Dadia, CEO and India head of Lockton, a global health insurance broker.

"Now, given this situation, the claims and the amount have increased, and it is likely to go up further to catch up with the substantial increase in health inflation and ultimately, the premium will increase substantially. Overall, people should budget for a jump of 5-10% every year. After three years, this may increase by 20-25%," Dadia said.

The increase in premium is driven by increasing diseases, Dadia said, adding companies revise these rates every year. "So, if I make an obscene loss this year, either I stop insuring or I'll start increasing premiums. In health insurance, don't expect premiums to ever come down in our kind of system in India," Dadia cautioned.

India suffered a blistering summer this year with temperatures approaching 50 degrees in major cities in North India, until the monsoon arrived on 30 May. After a slow beginning, the country saw torrential downpour this year, wreaking landslides and waterlogging in metros, and spreading water-borne and mosquito-borne diseases such as dengue and malaria.

Infectious disease burden

"Infectious diseases have gone up, and I think this can be linked to climatic change because during this season, dengue and other infections are on the rise. We are also seeing a slight upward trend in cardiovascular diseases. We are also seeing claims about hospital stay due to malaria, and gastric trouble caused by water and food," Nerurkar of Bajaj Allianz said.

"Given an increase in cardiovascular conditions, infectious and water-borne diseases among others, there could be higher long-term treatment costs, including medications, surgeries, and ongoing care, potentially increasing the frequency of claims. The cumulative effect of these costs could drive up premiums as insurers adjust to cover higher

future liabilities. Hence, insurers may need to consider these factors in their premiums to account for the heightened risk of these outbreaks," Nerurkar added.

Several infections have tripled this year, said Dr. Vikas Maurya, director & head of the department of respiratory medicine and interventional pulmonologist at Fortis Hospital in Delhi's Shalimar Bagh.

"Over the past two-three weeks, cases of respiratory diseases have almost tripled along with respiratory infections, viruses and pneumonia. Similarly, gastrointestinal diseases, abdominal infections or typhoid have gone up three times. We usually notice such diseases in September, but this year, it is taking place in August, maybe because of continuous heavy showers in the city," Dr. Maurya said.

According to him, these cases are likely to go up if weather conditions keep becoming extreme. "Going forward, a long or harsher summer will likely cause less respiratory infection, but more abdominal and gastric infections, more heat stroke and heat-related diseases. If you have a harsher rainy season, respiratory and abdominal cases are expected to increase," Maurya added.