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## Consumers opt for higher sum insured after Covid: Experts

Since pandemic, more people opting for policies in the ₹25-50 lakh range

**SUBRATA PANDA**  
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The Covid-19 pandemic has not only increased awareness of health insurance among those who were earlier averse to buying such policies, especially among those aged below 45, but there also appears to be an increase in people opting for higher sums insured in products.

Consider this, the median sum insured that people opted for earlier was ₹5 lakh. Since the pandemic, more people are opting for policies in the ₹25-50 lakh range, say industry insiders.

"We are seeing a trend

wherein people are now opting for a sum insured of more than ₹20 lakh. The reason behind such an increase is the sensitivity of people because of Covid," said Gurdeep Singh Batra, head of retail underwriting at Bajaj Allianz General Insurance. "The premium rates for higher sum insured policies are quite competitive now. That is why people are opting for higher sum insured," he added.

**Among cities, those residing in the Delhi-NCR are buying more of higher sum insured policies than others regions, data showed**

Experts feel the increased spending on medical expenses because of Covid has made people realise that they need to have adequate sum insured. And, it is in the middle range (₹20-50 lakh)



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► Consumers are opting for higher sum insured in the range of ₹20-50 lakh

► Affordability and Covid are the contributing factors

► More and more young people are opting for higher sum insured policies

► Demand for ₹1 crore sum insured health policies is also picking up in the market

where the maximum traction is being seen. However, people should move to ₹1 crore sum insured option because the added price that one has to pay for that is not very significant, experts believe.

Amit Chhabra, head of health insurance at Policybazaar.com, said, "Another factor

contributing to this trend is that high sum insured plans have become more affordable. Furthermore, the various options that have come up with regard to paying premiums (EMIs), have helped in making high sum insured plans more affordable."

According to data compiled by Policybazaar.com, people in the 30-40 age group account for the highest share (52 per cent) of those buying high sum insured policies. Among this cohort, only 13 per cent have pre-existing diseases. The adoption of higher sum insured in this group could be because of the realisation that plans become more expensive as one ages.

Of the high sum insured policies sold on Policybazaar.com, around 47 per cent had sum insured in the ₹25-50 lakh range, while policies with sum insured of ₹1 crore

constituted 53 per cent.

Batra said there was an increase in demand from those aged below 45.

"So naturally this trend of opting for higher sum insured is being seen in the age group of 25-45. There is also demand for further high sum insured in the range of ₹50 lakh-₹1 crore," he said.

Among cities, those residing in the Delhi National Capital Region (Delhi NCR) are buying more of higher sum insured policies than others regions, data revealed.

The share of such plans bought in Delhi NCR was 47.2 per cent, while it was 22 per cent Karnataka, 26 per cent in Telangana, and 18.2 per cent in Maharashtra.

A few months ago, the regulator also removed the cap on sum insured that insurers can offer for Arogya Sanjeevani health policies. Initially, the regulator had capped the sum insured at ₹5 lakh.