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Waiting period for pre-existing diseases (PED) was cut down from 48 months to 36 months. After the expiry of this period, all diseases will be covered in the insurance net whether or not they were revealed at the time of buying the policy.

Thanks to the wider scope of policies, premiums for health insurance policies may see a significant jump in the near future.

It is worth noting that the Insurance Regulatory and Development Authority of India () removed the age bar recently to buy health insurance.

This means individuals can buy new health insurance even after 65 years of age. Earlier, individuals falling in this group were generally kept outside the purview of insurance.

Insurance companies need to introduce health insurance products which take into account the unique needs of demographic groups, particularly senior citizens, students, children, and maternity needs.

Waiting period slashed

Additionally, the waiting period for pre-existing diseases (PED) was cut down from 48 months to 36 months. After the expiry of this period, all diseases will be covered — whether or not they were revealed at the time of buying the policy.

Although these new regulations are set to make more inclusive, there could be more competition, more options and perhaps – higher insurance premiums.

Let us understand this in detail. Insurers have traditionally been reluctant to offer insurance to vulnerable groups such as those suffering from chronic diseases and older populations because they are more likely to make a claim.

Higher the rate of claim, higher would be the cost for insurance companies. This cost can understandably be compensated by charging a higher insurance premium.

We spoke to a few industry experts and some believed that there could be some adjustments in premium.

“This might lead to some adjustments in premiums. It's important to remember that health insurance premiums can rise modestly over time to keep pace with medical inflation,” said Bhaskar Nerurkar, Head, Health Administration Team, Bajaj Allianz General Insurance.

Another expert asserted that the higher cost may get absorbed by the economies of scale.

Kapil Mehta, who is an IIT Delhi and IIM Ahmedabad alumnus, and Co-founder of SecureNow Insurance, explained, “Logically the premiums should increase slightly to accommodate these changes but I think that competitive intensity will prevent price increases and the economics of health insurers allow them to absorb these additional costs.”

Siddharth Singhal, Business Head of Health Insurance at Policybazaar.com, stated “not necessarily” on being asked about the prospect of higher insurance premiums ahead.

“Despite the potential rise in claims stemming from the inclusion of individuals with pre-existing conditions and senior citizens in the insured pool, this doesn't necessarily imply an increase in health insurance premiums. Thankfully, there's a collective effort from the government, regulators, and all stakeholders to enhance the efficiency and timeliness of the health insurance system,” Singhal said.