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'Mandate cos to give health covers to all staff'

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Mumbai: The head of the General Insurance Council has suggested expanding health insurance by requiring employers to provide coverage, allowing them to use CSR funds to help pay premiums, and combining corporate health insurance with state govt plans.

"The 'missing middle' in health is widely discussed. In the US, it is mandatory by law for employers to provide health cover. While this will cost govt nothing, there could be a backlash because of the additional costs. The way out is to allow it as part of the corporate social responsibility budget or link

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— Tapan Singhel | Head, GI Council



them to low-cost govt insurance cover," Tapan Singhel, head of GI Council and MD & CEO of Bajaj Allianz General Insurance, said. Singhel is also the chairman of the CII national committee on insurance and pensions, member of Irdai's insurance advisory and PFRDA's pension advisory committees, and a founding director of

Bima Sugam.

"Similarly, for households, if employers are provided tax breaks for the insurance cover they buy for their house help, it would increase coverage," he added. The council chief's suggestions come at a time when there have been several calls for a reduction in the GST on health insurance to offset rising costs.

According to Singhel, as health insurance coverage expands, it generates more demand and cash flow in the healthcare system. This increased demand and funding can incentivise the creation of more hospitals, clinics, and medical infrastructure to cater to growing healthcare needs. He noted that the over Rs 75,000 crore paid out in health insurance claims in FY24 has led to the creation of new hospitals across the country.

"If India gets insured, the economy will grow faster," said Singhel. He added that without insurance, generating income is like collecting water in a leaking bucket. "To increase insurance penetration, we

need to follow what has happened in banks and increase the number of players. Now if you put up 1,000 insurance companies, if they come, they have to do business, so the market will expand," he said.

The council is also asking govt to utilise the insurance industry database to issue notices to vehicle owners who have not renewed the mandatory insurance to reduce the number of uninsured vehicles. The data is available at the state level, allowing authorities to identify the uninsured vehicles. "Each insurance company, which has been assigned a state, they're talking to the respective state secretaries," Singhel added.