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Insurance companies mulling health insurance plans for cashless cover on OPD costs

OPD or outpatient department expenses are a major gap in current health insurance policies, which are focused on hospitalization. This is likely to change soon with insurance companies working on creating products that cover OPD expenses. Insurers like Bajaj Allianz and Royal Sundaram are mulling standalone products that reimburse OPD, consultation and pharmacy expenses to policyholders on a cashless basis.

In 2014, ICICI Lombard had already rolled out a cashless OPD facility for its corporate customers. Bajaj Allianz General is also seriously considering coming out with a standalone OPD product in the next financial year, where the cashless facility would be available in their network hospitals. This trend should catch on this year. Many insurance companies are already providing OPD coverage to large corporate clients and have built their own cashless networks; therefore it is natural to now extend this to retail customers.



But there are certain challenges. For example, Royal Sundaram is in the process of trying to put the IT infrastructure in place to take care of payment mechanisms and sub limits. Also, OPD products have the challenge of overconsumption by customers. Unlike a hospital claim, they can walk into a chemist shop or dentist to avail medicines, tests and consultation where the insurance companies would not have the time to check if the claims were payable or not. Therefore, the claim ratio could be very high.

The solution to this would be to have a reliable network of OPD clinics, doctors and pharmacies. The new OPD products are likely to work like a prepaid card where the policy holders can swipe to pay the bills for allowable expenses up to a pre-defined limit.

Pushan Mahapatra is appointed new MD & CEO of SBI General Insurance

General insurance company SBI General Insurance has appointed Pushan Mahapatra as its new Managing Director and Chief Executive Officer.



SBI General Insurance is a joint venture between State Bank of India and Insurance Australia Group. The post became vacant on the retirement of Bhaskar J Sarma on December 31, 2015. Mahapatra took over the reins on January 1 and has been associated with the company since July 2014 as General Manager and Chief Operating Officer.

He will head the company's growth across State Bank of India' network of 19,000 branches, SBI General Insurance's 90 branches and an additional network of 350+ satellite branches.

The company's gross written premium grew by 28% as on November 30, 2015 at Rs 1,153 crore from Rs 899.5 crore a year ago, which was more than the industry growth of 12.3% during the period.

Telangana the first state to officially recognize e-Motor Insurance policies

Telangana has become the first state in the country to start the recognition of e-Motor Insurance policies in the state. This would be done in collaboration with the IRDAI and the Insurance Information Bureau of India (IIB).



K. T. Rama Rao, Minister of Information Technology for Telangana formally launched the initiative on January 2, 2016. The move will popularize electronic motor insurance, which in turn will help in the issuance of policies at the customer's doorstep. As policies can be issued online across the country, there will be benefits like faster issuance, removal of fraud, higher customer satisfaction, elimination of revenue leakages, analytics and many more.

The e-motor insurance policy would be issued in a digital format, which can be seen in any smart phone. A Quick Response Code would also be issued, that can be scanned for verification of policy details. This measure is likely to add to the citizens' convenience and also improve the compliance levels of motor insurance.

Based on the success of this initiative, other states in the country may also follow suit and adopt this practice in the near future.

LIC profit increases by 10.4% in 2014-15

The financial year 2014-15 saw life insurance giant LIC's profits grow by 10.4% to stand at Rs. 36,087 crores.

In accordance with the LIC Act where it has to distribute 95% of its profits to policy holders, LIC paid Rs. 34,283 crores to its millions of policy holders. The remaining 5% worth Rs. 1,804 crores was paid to the government. This is the government's share of the net profits arising from the actuarial valuation as of March 31, 2015.



LIC is the single largest investor in the market with trillions of rupees invested in many blue-chips and even in mid-caps. That apart, LIC is the proxy investor for the government too in many of the state-run banks wherein its holding is over 15%, while it holds 25% in Corporation Bank.

While LIC is the single largest domestic institutional investor, it also is the largest player in the government securities market, investing more than Rs 2.5 trillion annually.

Quick News

IRDA asks insurers to report ownership structure by January 18

IRDAI has asked each insurer to report their ownership structure and control within the deadline of January 18. Insurance companies are working on the same to comply with the IRDAI demand within the deadline. The guidelines on Indian-owned and controlled insurers, signed by IRDAI Chairman T S Vijayan, were issued by the regulator on October 19, 2015, and the three-month deadline ends on January 18.

Kotak Life Insurance launches Kotak Premier Life Plan

Kotak Life Insurance has announced the launch of Kotak Premier Life Plan. This is a limited premium payment, participating whole life plan. The plan is completely aligned with the firm's core purpose, which is to add value to lives of customers by providing Protection and Long Term Savings. This plan provides customers the option to save and protect up to 99 years of age.

Shriram Capital Ltd. weighs Sanlam's interest in insurance business

Financial services firm Shriram Capital Ltd. Has reportedly said that its South African partner Sanlam will finalize their decision to invest directly in the former's insurance business by April. 2015. Currently, Sanlam holds 26% stake in the Rs 70,000-crore SCL, the holding company of Shriram Life Insurance and Shriram General Insurance.

Max Bupa invites India to Walk for Health

Max Bupa has organized a first of its kind 33 day walkathon from Mumbai to Delhi. The walk will be led by noted Olympic Walkers including Manish Rawat, Sandeep Kumar and Khushbir Kaur. The 1600 km inter-state walk was flagged off in Mumbai on 10 January and will touch on 15 cities including Pune, Surat, Ahmedabad and Jaipur and will finally culminate in Delhi with a mega walk on 14th February 2016.

Karnataka Chief Minister introduces insurance scheme for accident victims

Chief Minister of Karnataka, Siddaramaiah has introduced the Accident Insurance Scheme, which will cover all motor vehicle accident victims in Karnataka.

Under this scheme, the State government will pay a sum of Rs. 25,000 to each of those injured in a motor vehicle accident for the initial 48 hours of treatment at the nearest hospital, this period being crucial to the recovery of victims. The scheme would be implemented by the Suvarna Aarogya Trust. The state government has earmarked Rs. 73 crores for this scheme and has already released Rs. 10 crores for immediate dissemination.

In his recent Man Ki Baat program, Prime Minister Narendra Modi has praised this initiative and has appreciated CM Siddaramaiah for this.



The trust had tied up with 284 private hospitals for implementing the scheme. The cost of treatment would be paid soon after the accident victim gets admitted at any empanelled hospital. If the hospital to which the victim gets admitted is not empanelled, then the necessary formality would be carried out before releasing the amount to the hospital.

India's largest TPA launches eCashless feature

India's largest Third Party Administrator (TPA), Medi Assist, has launched a new feature on their MediBuddy mobile app called "eCashless". This feature will let members get provisional preauthorization for cashless hospitalization before admission in the hospital.



Hospitalization always evokes a certain amount of anxiety around the estimated cost of treatment, availability of a preferred room type and out of pocket expenses that the patient would have to incur. Family members often have to leave their unwell relatives unattended and wait at the insurance desk to get approval for their preauthorization for cashless treatment.

eCashless enables the patient and the hospital to plan the hospitalization in advance. Members can use MediBuddy to raise a preauthorization request at least 48 hours before hospitalization and also indicate their preferred room type. Hospitals receive this request from Medi Assist online, confirm availability of room and provide an estimate for the treatment. Based on the confirmation from the hospital, Medi Assist sends a passcode protected provisional preauthorization request to the hospital. Simultaneously, the member receives a secure passcode on the mobile app. The hospital can open and confirm the provisional preauthorization letter from Medi Assist only after the member walks into the hospital and presents the secure passcode along with a valid photo ID proof.

The use of a secure passcode ensures full security of the transaction. The hospital "unlocks" the provisional preauthorization only upon receipt of the passcode and after due validation of the patient at the time of walk-in. MediBuddy also allows members to track their claims subsequently any time and from anywhere, independently.

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