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OPERATIONAL PERFORMANCE REVIEW OF STAND-ALONE HEALTH INSURANCE COMPANIES IN INDIA IN COMPARISON TO GENERAL INSURANCE COMPANIES SELLING HEALTH INSURANCE

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Abstract

Health issues have been a biggest concern to every individual globally and it is a bigger concern in India because of its geographic size, huge population and demographic exposure to different types of natural catastrophe. Health Insurance segment in India is hugely underpenetrated due to lack of insurance awareness which is considered to be one of the contributing factors. Historically, General Insurance (GI) companies have been marketing health insurance policies for long time. The insurance regulator in India, namely Insurance Regulatory and Development Authority of India (IRDAI) recognized Health Insurance as one of the key segments for public cause and opened up special approval gate for Stand Alone Health Insurance Companies (SAHI) with relaxation in various norms. Following the decision of regulator to allow separate category of SAHI companies, a strong need was felt to evaluate and understand whether this move of regulator is a good move or not. With this objective, an attempt is made to review and understand the contribution of these SAHI companies and their broad performance on few core parameters to know if it is in line with regulator's objective of permitting SAHI Companies. After making the broad study, it is found that, SAHI companies by virtue of its dedication to only health segment, have been reasonably successful in improving the penetration with sustained higher premium growth rate though with the small base. Also, SAHI companies been successful in demonstrating prudent underwriting norms with contained loss ratios so that, they remain financially strong for long time without prejudicing the interest of policyholders.

Keywords: General Insurance, Health Insurance, SAHI, Penetration, Insurance

INTRODUCTION

The most important desire for every person on earth is to live long and lead a good life which mainly depends upon one's own health. Good Health shall be top priority of everyone. Healthcare is a global concern and so also for India. It is a much bigger concern in India in view of vastness of country, large population, varied vagaries of nature etc. Countries do take care of this through public healthcare scheme for poor people and for rest by creating health insurance awareness. Certainly, one way to mitigate the health care concern is by creating awareness about health insurance for purchase of right product and right level of cover by one and all [14] **(**Kumar et al, 2013). Vast majority of people in India do not have access to Health Insurance. In India, health Insurance is being marketed by both General Insurance (GI) Companies who sell all General Insurance products which include property, marine, liability etc apart from Health Insurance Products and also by Stand Alone Health Insurance Companies (SAHI) who sell only Health insurance products. The penetration level of Insurance and in particular Health Insurance is abysmally low in India as compared to global market and also in comparison to few Asian countries too[1] (IRDAI Annual Report 2021-2022). The penetration level of General Insurance which also includes health insurance is just 1% as at Mach 2022, against a global average of around 3.9%. [1] (IRDAI Annual Report 2021-22). Per se, the penetration level of health insurance is much lower. This has been a major concern for Government of India too. Hence, both at Government level and at Regulator's i.e. Insurance Regulatory and Development Authority of India's level (IRDAI), they have embarked on number of initiatives to improve the Health insurance penetration and consequently financial protection to people. In view of the dire need to develop health insurance segment, the new regulations permitted and encouraged SAHI Companies to set up business in India and operate, while historically only GI companies were there in market which marketed health insurance policies also apart from other policies. First SAHI company started operations in 2006 in the name of Star Health Insurance [14] **(**Kumar et al, 2013) but slowly few other new companies started. As at the end of 31st March 2022, the number of SAHI companies effectively operating in India are five as per IRDAI Annual Report 2021-2022 which includes names like Star, Niva Bupa (called as Max-Bupa earlier), Care Health (called as Religare earlier), Manipal Cigna (called Cigna TTK) and Aditya Birla Health Insurance. Realizing the opportunity in the market, number of SAHI companies have started business of late with focus only on Health Insurance products. Aditya Birla Health Insurance Company is relatively a new company while other companies had change in their joint venture partners. The erstwhile Apollo Munich Health Insurance Company was acquired by HDFC Ergo general insurance company during the year 2020, realizing the growing demand for health insurance.

Problem Statement

In India, the insurance industry is suffering from severe hygiene problem in maintaining prudent underwriting norms for containing the loss ratio and maintain sustained financial base for long time[15] (Pandey et al, 2013**)**. The reasons for the same are many including reckless competition, lack of awareness and education amongst customers, poor knowledge of product by sales people themselves, lack of confidence by pubic in insurance industry, etc. These problems have resulted in insurance industry not taking off in a big way for long time. Thus, this has greatly contributed to poor and inadequate access to large section of people for quality health care system. Though, currently, the GI penetration level is very low in terms of premium collection, in India the premium collection has grown at the rate of over 10% on an average per year in past 8 to 10 years while global growth rate has remained at around 3%, for the same period (Staib, 2019)[2]. The country is expected to be one of the very big insurance markets in coming years in view of its vast size and population. India is considered to be emerging insurance market. However, the huge challenge is that, vast majority of the people do not have access to health insurance nor means to buy the same. Amongst the people who have insurance, still many people do not have right type of insurance or right level of insurance cover in terms of sum insured. Resultingly, over 80 Million people are pushed to poverty every year after being affected by illness or injury[3] (Nawani,2017). Considering the situation triggered by COVID19, it seems the same has been much worse[16] (Babuna, 2020). People are forced to borrow money at high rate of interest or resort to distress selling of property which can be their life time prized possession in order to avail the required treatment. One of the major reasons is also that, the public health expenditure in India is meagre[17](National Health Profile 2018). Hence, it has obviously taken a hit in terms of ranking on Quality Health care service and delivery

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with India being at 145 out of 195 countries[4] (Varshil, 2018). Nearly 75% of the out of pocket expenses is met by individuals themselves[6] (Sakthivel et al, 2018). While Government has onus for Universal healthcare directly or thr'o affordable health care facilities, the role played by Insurance Companies are no less important. Many Government Schemes are run thr'o Insurance Companies who have better manpower, reach, process, system and experience to administer mass health insurance scheme also. These companies also come out with number of innovative health care solutions too on regular basis both in terms of product features and also service.

OBJECTIVE

The study of performance of SAHI companies is very important especially because of IRDAI's decision to allow separate vertical of Insurance companies through SAHI with relaxed and different norms applicable. The core objective of this study being 'whether permitting separate category of SAHI companies is justified and whether they are able to run the business more efficiently'. Basis this, IRDAI is also planning to have separate property insurance companies and liability insurance companies in future as per chairman of IRDAI.

In order to attain this stated objective, the analysis of performance of SAHI companies is done which encompasses over premium procured, operational results etc. In this study, the performance is analyzed purely from financial angle which also includes claims percentage, management expenses etc.

In this regard, comparison of SAHI companies is done with health insurance portfolio as well as overall portfolio of GI companies as that is deemed to best way to know if allowing Stand Alone Health Insurance companies was a wise move by the regulator.

RESEARCH METHODOLOGY

The methodology adopted is qualitative study by obtaining the financial figures published in the annual reports available in the IRDAI website, analyzing and comparing them on various parameters year-on-year basis. In India, financial year ends by March 31st. The companies have time limit to complete accounting and auditing till following September normally. Thereafter, each company submits their audited financial statements to IRDAI and also upload in their own website as public disclosure document which is mandatory. Subsequently, the IRDAI compiles and publishes the comparative and consolidated annual report for the industry in respect of previous financial year by November or December. Taking this as basis, this paper attempts to review the performance of SAHI companies in last 8 financial years i.e. from FY 2014-15 to 2021-22 on core parameters especially in comparison to General Insurance Companies who also sell health insurance policies.

To have added value to the study, 20 eminent and very senior executives of the insurance companies (currently serving and just retired in last one year) were interviewed to get better and comprehensive understanding on the study and the reports. The in-depth interview was administered by a set of fifteen relevant questions and opinions were gathered which has been recorded in the analysis section of this study.

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LITERATURE REVIEW

Margan (2017) talks more on changing Customer and Insurer interaction dynamics in the wake of changing demography. It also talks about customer engagement based on business models and the related challenges. This has led to reasonable improvement in the field of health insurance[5]

Sakthivel et al (2018) commented on financial impact of Out-Of-Pocket (OOP) expenses on affected category of individuals and the diseases which has most adverse financial impact across India. Over three fourth of the OOP is met by individuals themselves and 63% of the same is towards medicine. 68% of the population have either limited or no access to essential medicines. Expenses on cancer and CVD (Cardio vascular disease), injuries, mental disorders dominate the list when it comes to analysis of diseases accounting for OOP. There is a steep rise year on year in respect of percentage of OOP as compared to total household expenses. [6]

Capgemini report, (2019) examines the market dynamics in a comprehensive way including increasing competition, consolidations, collaborations, medical inflation, increasing aged population due to increase in life expectancy, market disruptions, life style diseases etc on a global platform. It talks about insurers adopting Artificial Intelligence (AI) for improvement in claims processing and reduced manual intervention. The study says that, by the end of 2019, it is expected that worldwide 245 million wearables will be sold which helps better health management and information to insurers. It also talks of rise in telemedicine which is expected to have market of USD 40 billion by 2021[7]

Surya et al (2019) is of the view that, foreign direct investment (FDI) will support growth of Non-Life Insurance industry which in turn is expected to help insurance reach the last person particularly for health insurance support. They also expressed that; more funds into the industry will help in introduction of innovative products, new ways of customer service, cheaper policies, and better distribution etc [8]

IRDAI Quarterly Journal (2017) records that, the public health care expenditure in India is as low as 1.4% of GDP as against global average of 6%. The same is over 8% in countries like USA, UK, France etc. The Per capita Public expense on Health in India is USD 16, whereas it is USD 63 in Srilanka, 166 in Thailand, 38 in Indonesia. As per National Health Profile 2018, the total (Public and Private) health care expenditure in India is just 3.9% of GDP in the beginning of financial year 2018-2019. This also contributed significantly for lower awareness and poor reach. [9]

Analysis

The theme of this paper is based on the analysis of performance in Health Insurance between the GI and SAHI companies. The data is retrieved from the authentic sources for a period of eight financial years from 2014-2015 to 2021-2022. The analysis carried out under different heads are referred to the respective tables.

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A. Analysis of Data- Understanding of Health Insurance Companies performance in India- In terms of Premium collection:

Table 1: *Premium Collection* in Millions INR / Rs. (Indian National Rupee):

Year	**2014-15**		**2015-16**		**2016-17**		**2017-18**	
Sector	Rs.	%age growth over previous year	Rs.	%age growth over previous year	Rs.	%age growth over previous year	Rs.	%age growth over previous year
GI Industry as a whole	846,860	9.20 %	963,794	13.81%	1,281,283	32.94%	1,506,621	17.59%
SAHI Companies	29,430	31.07%	41,527	41.12%	58,578	41.06%	83,143	41.93%
Year	**2018-19**		**2019-20**		**2020-21**		**2021-22**	
Sector	Rs.	%age growth over previous year	Rs.	%age growth over previous year	Rs.	%age growth over previous year	Rs.	%age growth over previous year
GI Industry as a whole	1,694,484	12.47%	1,889,166	11.49%	1,987,147	5.19%	2,207,002	11.06%
SAHI Companies	113,540	36.56%	144,729	27.47%	157,552	8.86%	208,672	32.45%

Source: IRDAI Annual Reports published separately for each of the above financial years. The data between the years are presented in the table after compilation.

The above Table 1 gives the overview of value of performance and its percentage of growth for the years mentioned. It can be noted that, the GI industry which includes health insurance business written by GI companies, SAHI companies and 2 specialized insurers with larger base clocked a premium collection growth rate of 11.06% for 2021-22 as against a growth rate of 5.19% for 2020-2021 whereas the SAHI companies registered a formidable growth rate of 32.45% in 2021-2022 as against 8.86% in 2020-2021. The overall quantum of premium figures for GI industry is Rs. 1,987 billion and Rs. 2,207 billion for 2020-21 and 2021-22 respectively with premium done by SAHI companies for the same period being Rs. 157 billion and Rs. 208 billion which is a small base, nevertheless.

Inferences

The, point to note is that, SAHI companies growth rate is over 40% in 3years and over 30% in another 3 years out of total 8 years reckoned. This growth rate is significantly high as compared to overall growth rate of GI companies. From the published reports of IRDAI it is noted that, majority of the SAHI companies focus mainly only on individual policies but not on group policies, inferring the significance on the contribution of SAHI companies in spreading insurance amongst individuals, which can be in terms of selling policies to a greater number of people. The premium of companies also increase when more people with existing insurance policies upgrade for higher and better levels of health protection through higher sum insured or increase in premium due to change in age band.

The minimum annual growth over all the previous years has been more than 25% for SAHI companies between the years 2014-2015 to 2021-2022 except for 2020-2021 the year which was affected by covid, whereas for the entire GI industry including the whole health portfolio, it has been less than 18% except for 2016-2017 during which year the crop insurance contributed to growth significantly. The good overall growth rate of GI companies is also mainly contributed by growth in health insurance market. Quite rightly so, in view of huge growth, the market share of SAHI Companies are steadily improving notwithstanding the huge base of overall GI industry

B. Analysis of Data- Understanding of *Market Share* of GI Companies and SAHI Companies:

Table 2: Market Share

Sector/ Year	2014-15	2015-16	2016-17	2017-18
Rest of the companies	96.52%	95.69%	95.43%	94.48%
SAHI Companies	**3.48%**	**4.31%**	**4.57%**	**5.52%**
Sector/ Year	**2018-19**	**2019-20**	**2020-21**	**2021-22**
Rest of the companies	93.30%	92.34%	92.07%	90.55%
SAHI Companies	**6.70%**	**7.66**	**7.93%**	**9.45%**

Source: IRDAI Annual Reports published separately for each of the above financial years. The data between the years are presented in the table after compilation.

The above Table 2 shows that, SAHI companies over a period of 8 years between 2014-2015 and 2021-2022 have nearly tripled their market share from 3.48% to 9.45%. This is a phenomenal achievement of numbers in the background of large base of premium for GI industry as a whole.

Inferences

Quite rightly so, in view of huge growth, the market share of SAHI Companies is steadily improving even after considering the huge base of overall GI industry.

We may note here that, greater percentage (nearly 35% till 2020-2021) of premium for the entire GI industry was contributed by Motor segment earlier. However, during the financial year 2021-22, Health segment has overtaken motor for the first time to be biggest contributor with 36% share and motor being pushed to second place at 32%. The health premium was INR 805023 Million and that of Motor was INR 704335 Million in total GI premium of INR 2207002 Million for financial year 2021-22. The increase in premium for this Motor segment is mainly contributed by increase in Third Party premium on account of mandatory revision which happens every year.

However, the growth in market share for Health industry can be attributed to a greater number of policies due to increased awareness, increase in premium due to people moving in to higher age band, introduction of more need-based policies and it’s sales, etc.

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C. Analysis of Data- Understanding of Underwriting results of GI Companies and SAHI Companies:

Table 3: Net Underwriting Results in Million and in Percentage

Sector	2014-15		2015-16		2016-17		2017-18	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%
GI Industry as a whole	-105,760	-15.64%	-149,589	-0.20%	-196,635	-22.16%	-153,414	-15.27%
SAHI Companies	-6110	-28.40%	-2722	-0.09%	-2614	-6.17%	-4357	-7.67%
Sector	**2018-19**		**2019-20**		**2020-21**		**2021-22**	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%
GI Industry as a whole	-223,195	-19.98%	-237,199	-18.80%	-200,388	-14.56%	-318,096	-20.13%
SAHI Companies	-5682	-7.26%	-6512	-6.49%	-23,736	-26.41%	32,633	-20.29%

Source: IRDAI Annual Reports published separately for each of the above financial years. The data between the years are presented in the table after compilation.

Note: For correct figures of 2016-2017, it is suggested to refer to 2017-2018 report which has corrected (revised) figures of 2016-2017 (given in comparison to 2017-2018). So also, for correct figures of 2015-2016, it is suggested to refer to 2016-2017 report which has corrected (revised) figures of 2015-2016 (given in comparison to 2016-2017).

The above Table 3 shows that, for all years, both the GI companies and SAHI companies have been making underwriting loss. The long-term performance of any insurance company is judged mainly by underwriting profit it generates from its core insurance business only. That is, without taking in to account the investment profit or loss. Most of the insurance companies for long time are suffering underwriting loss across the globe but are able to survive in view of the investment profit which is generally more than underwriting loss.

Inferences

The true measure of quality of operations or success of business is to know the pure underwriting profit and sustaining the same for long time which indicates proper pricing of policies, control of cost, right level of top line numbers etc. While, historically, the insurance companies are surviving with investment profit only, due to fast erosion of reserves, there is an increased realization on the part of the insurance companies to contain their combined operating expense (Claims cost+ Business acquisition cost + Management expenses) and keep the same at less than 100% as compared to net earned premium so that, they can earn profit.

The figures given in Table 3 above indicate that, underwriting loss of SAHI companies as a percentage is much less than overall loss for GI industry except for 2014-15, 2020-21 and 2021-22. The loss in the latter two years can be attributed to onslaught of covid with huge number of claims which can be considered as aberration. This is despite few companies being relatively new companies in respect of whom, the operating expenses in initial years is bound to be very high due to various reasons including depreciation, etc. Normally, the gestation period in insurance industry is very long. This indicates proper pricing and better control on expenses and right top line levels are very important.

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Note: Underwriting Profit /Loss= Net Earned Premium -Net Incurred Claims- Commission- Operating Expenses related to Insurance business- Premium deficiency.

D. Analysis of Data- Understanding of Claims Data:

Table 4: Net Incurred Claims Ratio in percentage:

Sector	2014-15	2015-16	2016-17	2017-18
GI Industry as a whole	81.70%	85.06%	90.91%	85.26%
GI Industry -Health	96.93%	98.46%	101.05%	92.21%
SAHI Companies	62.18%	58.21%	56.47%	59.58%
Motor	77.14%	81.18%	88.17%	83.45%
Sector	**2018-19**	**2019-20**	**2020-21**	**2021-22**
GI Industry as a whole	89.16%	85.90%	81.06%	89.08%
GI Industry -Health	89.34%	85.70%	89.51%	105.68%
SAHI Companies	60.68%	64.13%	75.43%	79.06%
Motor	90.60%	85.61%	75.61%	81.30%

Source: IRDAI Annual Reports published separately for each of the above financial years. The data between the years are presented in the table after compilation.

The above Table No. 4 shows that, the Net Incurred Claims figures for SAHI companies is relatively under check. The claims outgo happens to be one of the major expenses for Insurers. Hence, adequacy of pricing, prudent underwriting, claims control, etc assumes significance which is reflected in Net Incurred claims figures (Paid claims+ closing outstanding -opening outstanding) for the particular year. This is one of the most fundamental requirements in any insurance company. This needs to be kept under control continuously which is extremely critical, at the same time being fair to customers. The above table No. 4 shows that, for GI companies for all the eight years (except for 2019-2020 with marginally better health claims ratio) the health claims ratio is more than overall claims ratio. Health claims ratio of GI companies has been even worse at over 100% in 2016-17 and 2021-2022. However, it is extremely good to note that, the claims percentage for SAHI companies is around 60% (with +/- 5%) for first six years which indicates high level of efficiency. The effect of covid during last two years is understandable.

Inferences

Health and Motor segments happens to be two important departments under retail segment which are being focused by almost all GI companies extensively. All companies are spending heavy money on advertisements of their Motor and Health Products which are focus products. The figures in respect of Motor is far higher than that of Health figures for SAHI companies including the years of covid effect. In terms of premium, both motor and health together contributes over 65% premium to the industry. Hence, both these segments have higher importance in the industry. One prime reason that can be attributed for better performance of SAHI companies is, it's focus on monoline health products with all people from Top to Bottom and process being aligned to health set of products alone.

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E. Analysis of Data- Understanding of cost of business acquisition-Commission/Brokerage etc.:

Table 5: Amount of expenses towards cost of business acquisition-Commission/Brokerage etc-In Million INR:

Sector	2014-15	2015-16	2016-17	2017-18
GI Industry as a whole-All department	52,120	57,865	66,016	100,303
% to total premium shown in Table 1	6.15%	6.00%	5.15%	6.66%
Health Premium all companies	226,360	274,570	345,266	419,806
Commission on Health Premium	18,385 (Revd)	21,677	26,497	34,348
Overall % of Health Commission	8.12%	7.89%	7.67%	8.18%
SAHI Companies	3,120	4,567	6,641	9,878
% to total direct premium shown in Table 1	10.60%	11.00%	11.33%	11.88%
Sector	**2018-19**	**2019-20**	**2020-21**	**2021-22**
GI Industry as a whole-All department	122,774	138,931	154,095	169,311
% to total premium shown in Table 1	7.25%	7.35%	7.75%	7.67%
Health Premium all companies	508,335	568,651	637,530	805,023
Commission on Health Premium	40,576	48,516	57,715	67,662
Overall % of Health Commission	7.98%	8.53%	9.05%	8.40%
SAHI Companies	14,114	18,216	21,349	27,587
% to total direct premium shown in Table 1	12.43%	12.59%	13.55%	13.22%

Source: IRDAI Annual Reports published separately for each of the above financial years. The data between the years are presented in the table after compilation.

The above table no. 5 gives the amount spent on payment of commission or brokerage for procuring the business. The overall commission percentage for GI companies as a whole is less in view of impact of property premium for which commission is generally less or in view of government business where there is no commission. In case of the property business underwritten by GI industry, the net commission/brokerage may be less or at times it may be negative in view of the commission which they get from reinsurers. Hence, it may not be prudent to compare with overall figures for GI industry but nevertheless it may give some indication. However, the comparison of the same for Health segment of all companies with SAHI companies will be very appropriate. The IRDAI figures considered includes Personal Accident premium and Travel Premium for some years and excludes these for some years. That has small impact only as premium from Personal Accident and Travel is quite less.

Inferences

The percentage of premium amount spent on pay-out (commission or brokerage) is between 10.60% to 13.55% for SAHI companies. The GI industry pay-out for Health business is less comparatively as huge amount of Group health insurance premium is accounted by them for which the percentage of pay-out allowed as per regulation is very less. Whereas, the amount of group business done by SAHI companies is very, very limited. Nevertheless, the same is less than the overall percentage of pay-out allowed as per regulation. Hence, it may be said that the performance of SAHI companies is in fact good on this count also.

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F. Analysis of Data- Understanding of Expense of Management:

Table 6-Total Operating Expenses in Million INR and Percentage - GI and SAHI Companies-

Sector / Year	2014-15	2015-16	2016-17	2017-18
GI Industry as a whole	202,060	232,447	255,943	256,114
Percentage to total GDPI as mentioned in Table 1	23.86%	24.12%	19.98%	17.00%
SAHI Companies	12,240	13,968	16,962	22,920
Percentage to total GDPI as mentioned in Table 1	41.59%	33.64%	28.96%	27.57%
Sector / Year	**2018-19**	**2019-20**	**2020-21**	**2021-22**
GI Industry as a whole	286,241	358,449	382,814	414,550
Percentage to total GDPI as mentioned in Table 1	16.89%	18.97%	19.26%	18.78%
SAHI Companies	30,656	36,200	36,628	49,250
Percentage to total GDPI as mentioned in Table 1	27%	25.01%	23.25%	23.60%

Source: IRDAI Annual Reports published separately for each of the above financial years. The data between the years are presented in the table after compilation.

Lastly, the above Table 6 gives the understanding of total operational expenses incurred by the Company for managing the entire business affairs. This need to bear logical relationship with the top line for the company except for first couple of years during which the revenue is expected to be less but expenses in the form of rent, salary, advertisement, depreciation etc are expected to be very high.

Inferences

The operational expenses of the SAHI companies is significantly high. This is much more than what is allowed under Section 40 C of Insurance Act. One possible reason for high cost is less focus on Group Policy which can generate very high premium per policy. Further, in case of GI companies, higher ticket size policies (Average premium per policy) in case of Property, Marine, Engineering, Speciality lines etc contributes to overall Management cost at lower level. Notwithstanding this inherent advantage of GI industry, it is very important that, SAHI companies focus more on this to keep the expenses cost at lowest level so that, overall combined operating ratio (total of claims cost +cost of business acquisition +operating expenses) is less than the net earned premium level allowing itself to generate profit. This is certainly an area where the SAHI companies needs to improve very much.

DISCUSSION AND OPINION

To cross verify and validate the understanding, few Very Senior Executives heading Finance, Underwriting, Claims and Operations functions like Chief Finance Officer, Chief Underwriting Officer, Chief Operations Officer, Chief Distribution Officer from all Major GI companies (7) and SAHI companies (5) were also interviewed to confirm their point of view with regard to few major points.

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Their opinion is below.

Sl. No.	Question	Strongly Disagree		Disagree		Neither Disagree nor Agree		Agree		Strongly Agree	
		No.	%age	No.	%age	No.	%age	No.	%age	No.	%age
1	Do You believe, initiative of IRDAI in allowing SAHI companies is a good move?	0	0	0	0	1	5%	4	20%	15	75%
2	Do you think that, SAHI companies are more professional in their approach as compared to GI companies?	0	0	0	0	1	5%	7	35%	12	60%
3	Have SAHI companies been successful due to complete company being focussed on developing health insurance business alone?	0	0	0	0	1	5%	6	30%	13	65%
4	Do you think SAHI companies have relatively more need based and innovative policies?	0	0	1	5%	1	5%	4	20%	14	70%
5	Have SAHI companies introduced better distribution process and packages?	0	0	0	0	2	10%	3	15%	15	75%
6	Are SAHI companies able to contain the loss ratio better?	0	0	0	0	0	0	4	20%	16	80%
7	Is the growth of SAHI company's impressive in given market condition?	0	0		0		0	1	5%	19	95%
8	Have SAHI companies been able to contain the management expenses?	1	5%	7	35%	5	25%	5	25%	2	10%
9	Will SAHI companies do much better in long run to improve health insurance penetration?	0	0	0	0	1	5%	2	10%	17	85%
10	Do you think the role of SAHI companies is very	0	0	2	10%	3	15%	5	25%	10	50%

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	important for addressing health insurance industry challenges and developing need-based policies in long run?										
11	Do you think SAHI companies have capabilities to improve distribution process and make insurance buying easy and transparent?	1	5%	4	20%	2	10%	3	15%	10	50%
12	Can SAHI companies make need-based insurance policies affordable for people to buy in long run?	2	10%	2	10%	3	15%	5	25%	8	40%
13	Do you think, SAHI companies did a good job during covid times in terms of settlement of claim			2	10%	1	5%	5	25%	12	60%
14	Do you think, SAHI companies can do well in terms of supporting public health care scheme	1	5%	1	5%	4	20%	2	10%	12	60%
15	Do you think SAHI companies are able to do better job in terms of maintaining good solvency margin in the long term interest of policy holders	1	5%	3	15%	4	20%	6	30%	6	30%

CONCLUSION

With the data on the performance of GI & SAHI companies for the period of eight years between 2014-2015 to 2021-2022, and with the reports published in IRDAI for these years, the analysis could be concluded as below.

1. SAHI Companies are doing well in terms of
   - ✓ Premium Collection and therefore they are able to improve their market share.
   - ✓ Improving health insurance penetration and thereby avoid or reduce adverse financial impact caused to individuals on account of hospitalization due to disease or injuries.

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- ✓ Underwriting results in comparison to overall GI industry. But need to work more on improving bottom line thr'o control on management expenses and generate operating surplus. This is very important for long term survival.
- ✓ Containing claims ratio to much less than the overall GI industry ratio and also in comparison to health segment claims ratio of the industry as a whole. The point to note here is the claims happens to be biggest outgo. Hence, they can provide stability in the market for long time.
- ✓ They really did an excellent job in supporting the people in distress during covid times

2. However, SAHI companies need to improve in respect of,

- Overall expenses of management, as it appears that, the management expenses are far in excess of industry average and disproportionate to premium figures.
- They need to join hands with government in supporting public healthcare schemes and demonstrate their social responsibility. As of now, their role is negligible based on IRDAI reports both in respect of government schemes and group health policies.

From the above-mentioned points, we can conclude to confirm that, the decision of IRDAI to allow establishment of SAHI companies have been fairly right in improving penetration of health insurance. This has helped in mitigating the adverse financial impact due to health emergencies. However, the SAHI companies need to do more for economically weaker section of the society.

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