

PUZZLEMENT OF HEALTH INSURANCE CLAIM DURING COVID-19



The health and well-being of our clients is our highest priority. In response to the ambiguity around insurance and covered costs, we would like to highlight the complexity around health claims and show the stance of insurance providers for the testing and treatment of expenses related to COVID-19.

As a black swan event, the situation continues to develop, and is changing by the moment. As per the latest data published by General Insurance Council, the number and amount of claims settled by general insurance companies for Covid cases are:

Claims registered		1,520	INR 28.89 Cr	Total claim amount	Data as on 11 th May 2020	
Claims paid		920	INR 12.47 Cr	Total claim amount	📍 Mumbai	284 - INR 3.85 Cr
Avg settled amount		INR 1.35 Lacs			📍 Delhi	88 - INR 1.56 Cr
					📍 Kolkata	98 - INR 1.35 Cr
					📍 Chennai	53 - INR 89 Lacs

Current Challenges

Ambiguity has taken a front seat when it comes to utilization, pricing, and settlement around the additional expenses due to COVID but not necessarily COVID treatment which generally falls under non-payable. Below are a few expenses that are being reported under claims:

1. COVID-19 Test | 2. Personal Protective Equipment (PPE) Kit | 3. Sanitizer, Sanitization/Fumigation of room

We reached out to multiple Insurers/TPA's to understand their stand on claim settlements wrt these additional expenses. Given below is the summary:

Additional Expenses	Average Cost	Average Utilization (Standard Hospitalization)	Average Utilization (Surgical Hospitalization)	Insurance Claim Payability
Covid-19 test	INR 4,500	01	02 to 03	Payable only when OPD covered or symptoms detected
Personal Protective Equipment (PPE) Kit	INR 500 - INR 2,000	02 to 04	04 to 06	Non-payable; some have capped the amount
Sanitizer	INR 250- INR 600	01 to 03	02 to 04	Non payable
Sanitization/Fumigation of Room	INR 2,500 - INR 4,000	01	01	Non payable

Clarity was also sought for above-given expenses when falling under capped ailments/disease sub-limit. Most insurance companies are settling such expenses, if admissible, within the limit specified in the policy.

Due to varying costs and utilization of these expenses, the General Insurance Council is also seeking opinions from insurance companies to form industry-level standard protocols.

It is important to communicate the impact of these expenses on your claims, to your employees, to avoid any dispute at the time of claim settlement. Hence, it is advisable to reach out to your partners (Insurers/TPAs/Brokers) for a detailed application of these claims on your insurance program.

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