



The **ACKO**

Health Insurance Index

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Introduction

The pandemic changed the way that Indians looked at health insurance. From being a product that was popular only among the financially aware, health insurance today has become a must-have and consumers are more aware than ever when it comes to their health insurance.

We wanted to understand how Indians evaluate their health insurance choices, the features that they prioritize and the gaps that currently exist in the industry.

We have created a comprehensive report on how Indians are buying health insurance in 2023, with a focus on the features and benefits that Indians now expect to be a part of their health insurance policies. Our ultimate goal is to enable consumers to make better and more informed choices when it comes to protecting their and their family's health.

[Read on to know more!](#)



Access to timely and quality health care

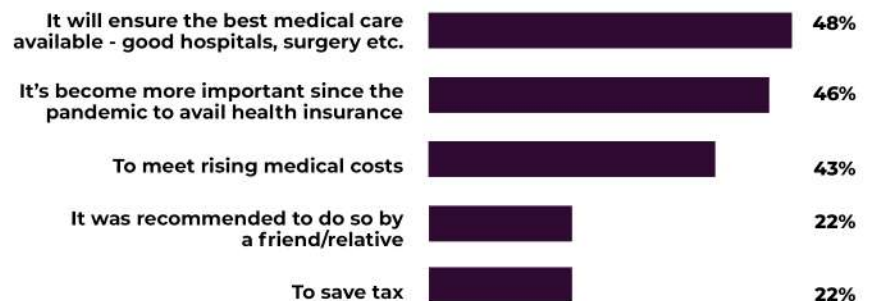
is among the top reasons behind buying health insurance in India

For policyholders, the top three reasons behind buying health insurance is access to timely and quality health care, the pandemic's effect on public health and to meet rising medical expenses.

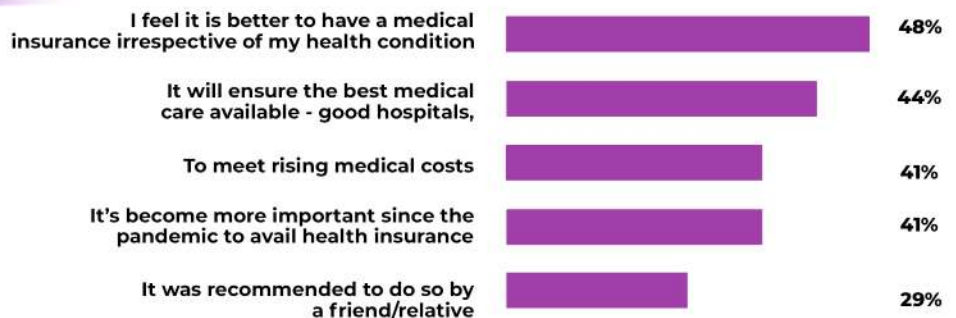
For intenders, who will be buying health insurance in the next 3 months, the rationale behind getting a policy is as a precautionary measure, followed by access to medical care and to meet rising medical costs.



Holders



Intenders



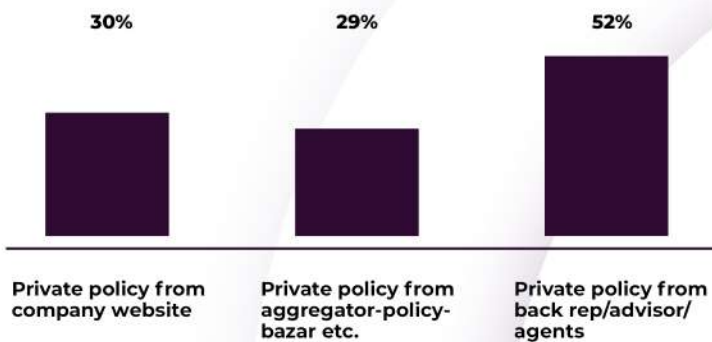
More than 50% of intenders are evaluating health insurance policy on the recommendation of others - like their parents, friends, relatives and financial advisors.

30% of respondents have bought their policy without any intermediary

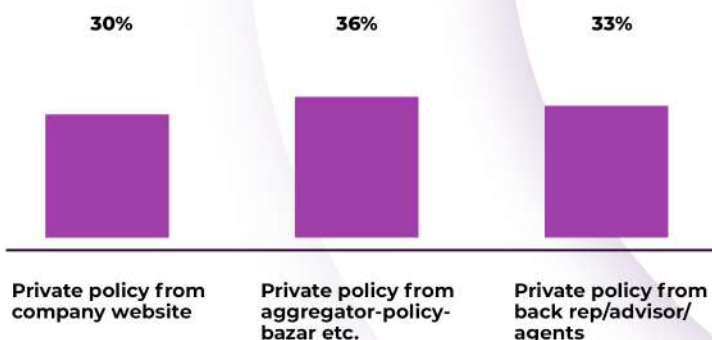
30% of policy holders have purchased their health insurance policy directly from the company's website, denoting the increasing awareness that consumers now have when it comes to buying insurance directly and without middlemen or agents. However, 52% of consumers have purchased their policy from a third party.

Interestingly, amongst intenders, there is an even greater pull away from intermediaries, with 30% preferring to purchase directly from the company and 36% from an aggregator and only 33% preferring to go through a third party or agent.

Holders



Intenders



Health insurance buyers don't want to buy a separate policy for their parents

The most popular plans among both policy holders as well as intenders are the family floater plans which allow the policy holder to add their parents, children and spouse as the case may be to their policy. While the bulk of policy holders have included their spouse and children in their policies, more intenders have expressed interest in including their parents in their family floater plan.

Holders

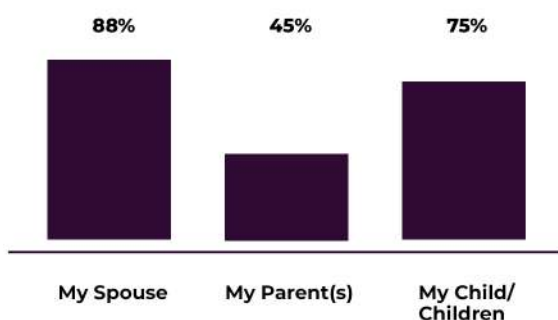


Intenders



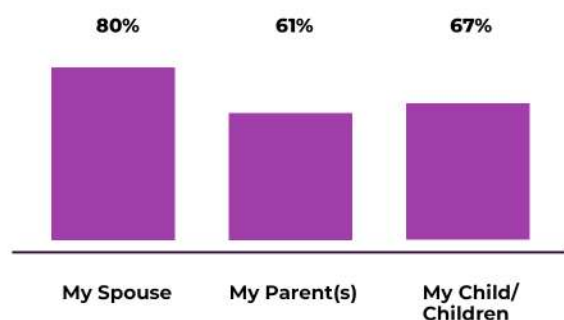
Who does your family floater plan cover?

Holders



Who do you wish to cover in your family floater plan?

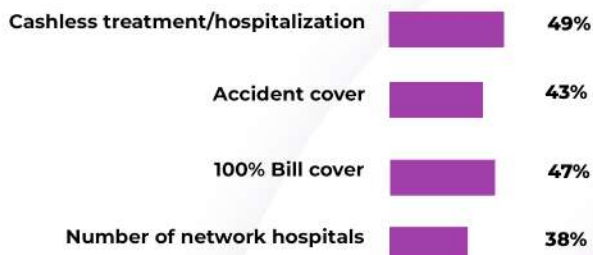
Intenders



More than 60% of respondents say that they understand the fine print

The top features that intenders say they understand or are evaluating, are cashless treatments, accident covers and a 100% bill payment.

Intenders



..and the top 3 features that policyholders said they were aware of were about Cashless Treatments at the time of hospitalization, the presence of an accident cover and the network hospitals. These three features were closely followed by 100% bill payment.

Holders

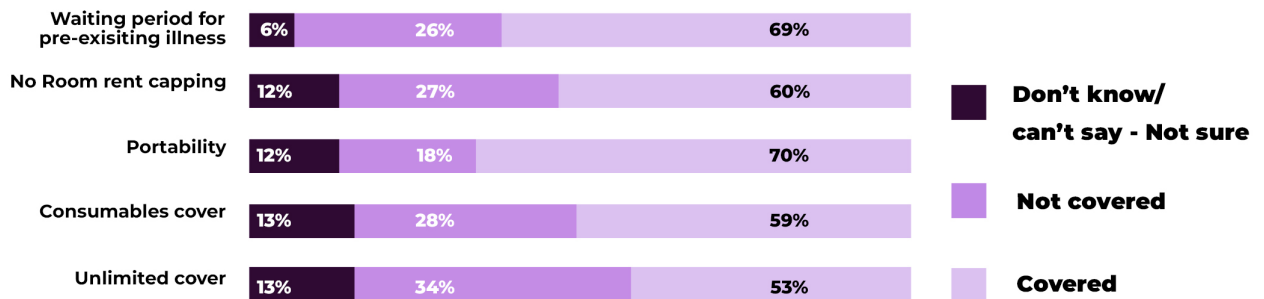


Consumables cover, unlimited cover and portability are the least known terms & conditions among policyholders



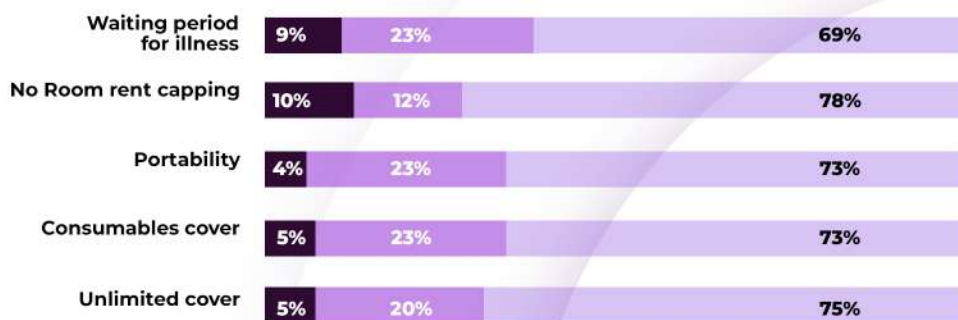
Policyholders who were said that they were somewhat familiar with terms and conditions revealed that they were least aware of the availability of unlimited coverage (13%), consumables cover (13%) and room rent capping (12%).

The lack of awareness of these three terms & conditions has a significant impact on their belief that 100% of their bill will be covered.



Consumers looking to buy health insurance are unsure about room rent capping and waiting periods

Consumers who are looking to buy health insurance on the other hand revealed that the terms and conditions that they were least sure of were Room renting capping (10%) and Waiting periods (9%)



■ Don't know/ can't say - Not sure

■ Do not expect it will be covered

■ Covered

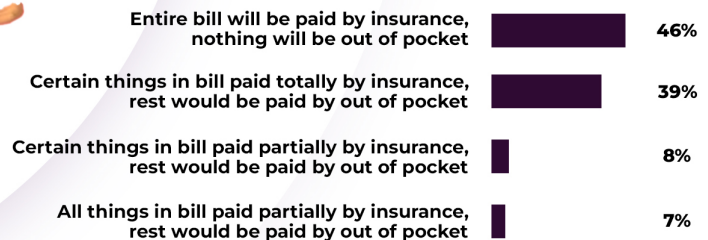


Consumers expect 100% bill payment

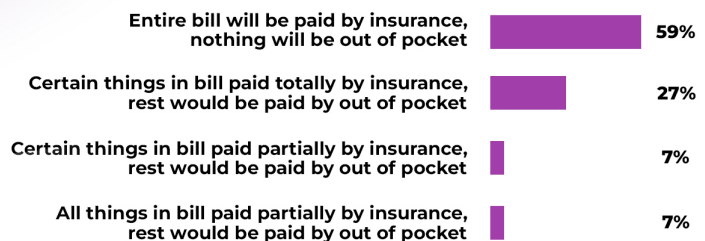
46% of policyholders believe that their health insurance policy will cover their entire bill, including consumables, which displays a lack of awareness around terms and conditions of health insurance policies when consumers buy them.



Holders



Intenders



59% of intenders

expect their entire bill to be paid by the insurance company, which indicates that full bill payment is a feature that intenders are actively looking for when buying a health insurance policy.

Lack of 100% bill payment

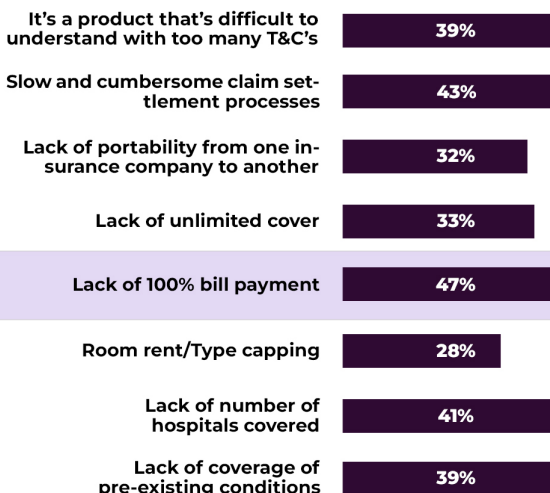
is mentioned as a deterrent or barrier by both policyholders as well as intenders when it comes to buying health insurance policies.



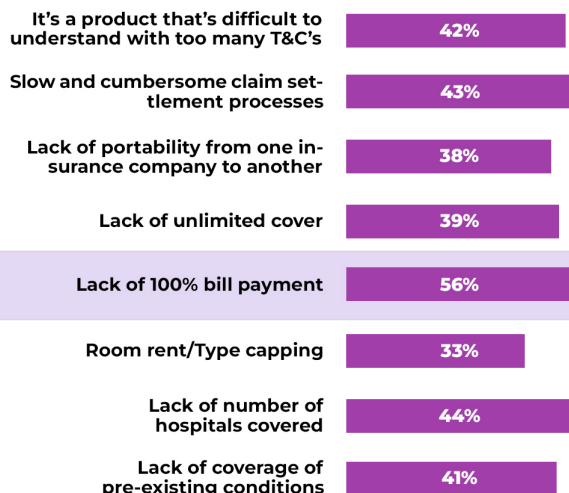
Slow claim settlement processes

are the next big concern for policyholders whereas Intenders express concerns regarding lack of hospital network when it comes to buying a health insurance policy.

Holders



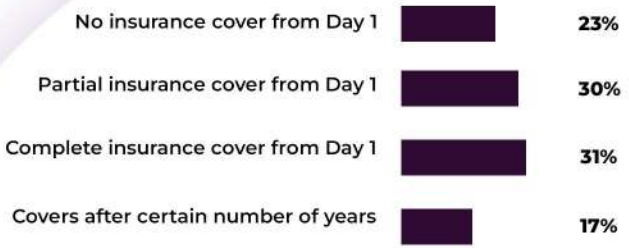
Intenders



31% of policy holders

Believe they are covered from day 1

Holders



More worryingly, 27% of policy holders believe that there are

no waiting periods in their health insurance



Holders



Health insurance policies come with a number of terms and conditions around waiting periods. However, our survey revealed that there is a lack of clarity among insurance policyholders regarding the same, with 31% submitting that they have complete insurance cover from day 1.

What's more 27% of policyholders believe that there are no waiting periods for any of their conditions.

Zero waiting period is the top consideration for health insurance

Among the top considerations for health insurance intenders is zero waiting period.

43% have stated that they expect their policy to provide them with complete cover from the date of buying their policy.

Intenders



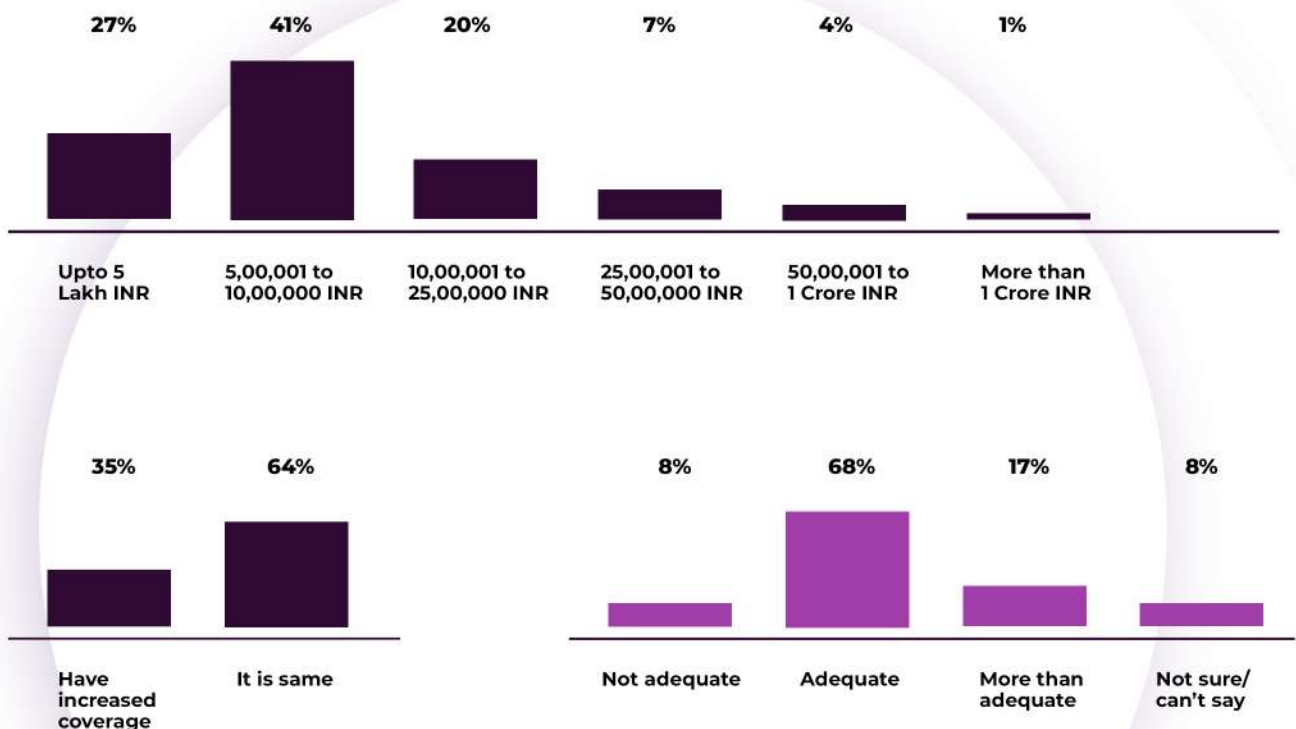
Indians are underinsured.

Majority of purchasers have not increased their coverage in the last 12 months. A majority say their coverage is adequate- this is true even for those with coverage of up to 5 lakhs INR only

Around 2 in 3(68%) of health insurance purchasers say their coverage in 10 Lakhs INR or less.

Among the more worrying data points that emerged in our survey is that Indians are not adequately covered for future medical emergencies. The bulk of policyholders (68%) have coverage less than 10 lakhs with 68% submitting that it is adequate for their health needs. What's more, 64% of policyholders have not increased their coverage.

Holder's



Indians are putting themselves at risk without sufficient coverage

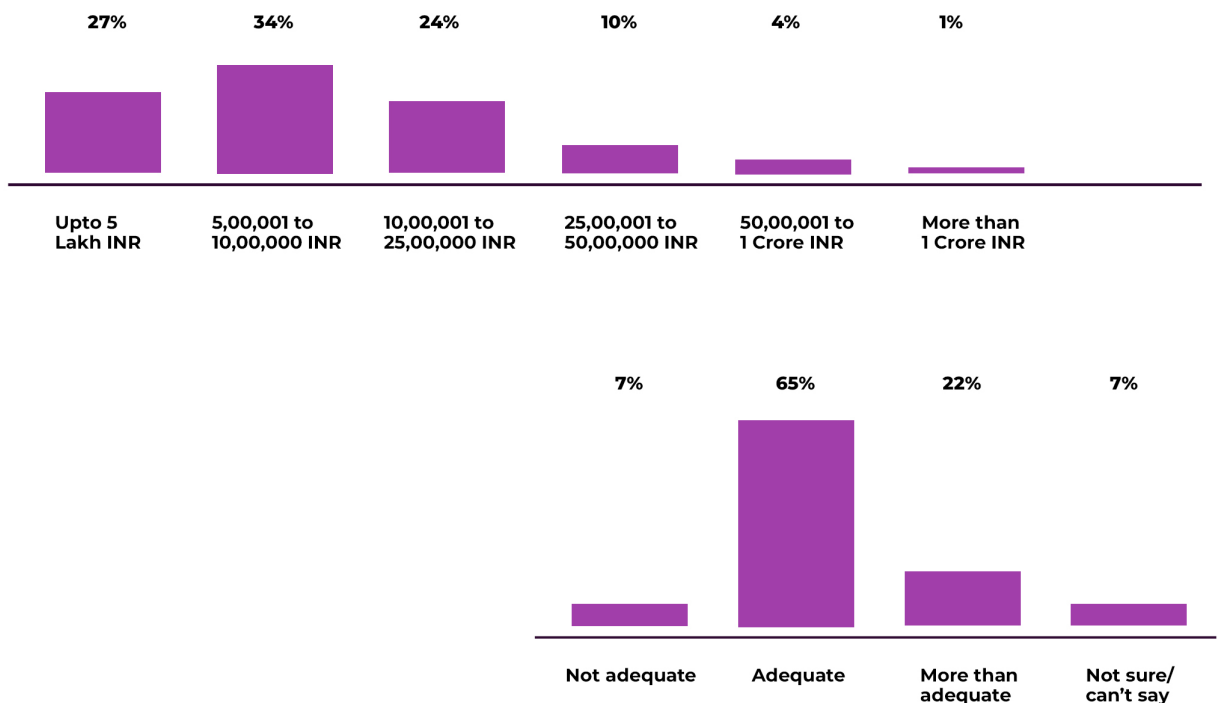
61% of intenders are not looking at buying health insurance policies with a sum insured that's greater than Rs. 10 lakhs.

65% Intenders have also submitted that a coverage of Rs. 10 lakhs would be adequate for their health needs.

Once again, this is a worrying statistic that indicates Indians not having sufficient coverage and putting themselves at financial risk in case of medical emergencies.



Intenders



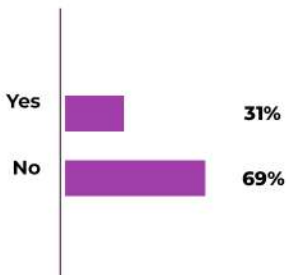
Among the 31% of policy holders who filed a claim in the last one year,

34% responded that they disliked the claims process because their bill was only paid in part.

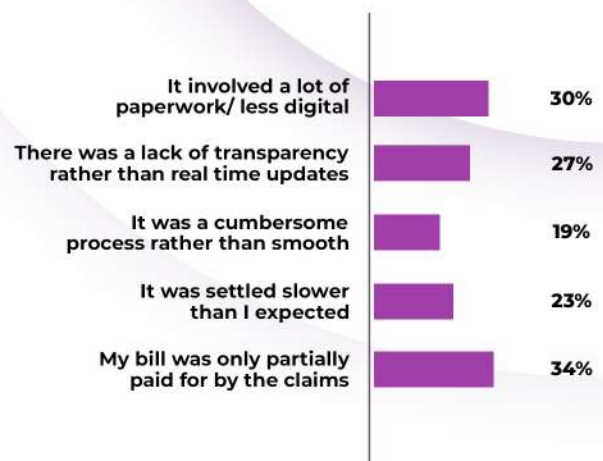


Holders

Made any claims in the last 1 year?



Dislikes about claim process



Summary

India is highly under-penetrated when it comes to health insurance. While the pandemic has raised awareness and increased the demand for health insurance, a considerable number of policyholders and individuals intending to purchase insurance remain unaware of the appropriate sum insured for themselves and their families, and the specifics of what is covered and excluded in their policies.

The findings of this survey highlight a significant gap in the preparedness levels of Indians concerning health emergencies. Many individuals think that they have an understanding of their requirements and the health policies they are buying but, worryingly, they lack the knowledge and understanding required to make informed decisions. This half baked knowledge when it comes to health insurance is highly risky since it can result in vulnerable to financial risks in the event of a medical crisis.

Methodology: ACKO worked with YouGov to speak to 1000 respondents from Tier 1 cities, between the ages of 28 to 55.

