

# A Study on Emerging Trends in Health Insurance Sector

**Prof. Apurv Pathak and Bowgi Savitri Sanjay**

Jai Bharat College of Commerce (Night), Mumbai, Maharashtra, India

**Abstract:** "When praying does not do any good, insurance does help," by Bertolt Brecht. "Insurance has become an inevitable tool of unforeseen risk management for individuals as well as organizations." Emerging Trends in the Health Insurance Sector Customers are more aware of it, especially since the COVID 19 pandemic. The term "insurtech" has become a buzzword in India, completely altering the health insurance industry. The Internet of Things (IoT), big data, and artificial intelligence all play a significant role in the insurance industry. The topic of this paper is the impact of the COVID 19 pandemic on the health insurance industry. The specialist has introduced patterns, open doors and difficulties the health care coverage area is confronting now. There is a major test of digital wrongdoing the protection business needs to deal with. The research design was descriptive. Secondary data gathered from reliable sources like journals, newspaper articles, media reports, press releases, and relevant websites serve as the foundation for the study. The researcher has offered suggestions for taking advantage of the current opportunities and growing the health insurance industry. Insurance companies ought to take advantage of the government of India's efforts to boost the insurance industry and make it possible for them to expand into rural areas.

**Keywords:** Underwriting, Health Insurance, Risk Management, Financial Inclusion, Big Data

## I. INTRODUCTION

Obtaining insurance is in fact a duty to loved ones. Although it may seem like a burden to pay premiums, they are the best risk management tools available to individuals and businesses. Policyholders can get insurance that covers their medical bills in the event of an emergency. The insurance industry in India has experienced significant expansion over the past few decades. There are a lot of new insurance products that not only help people protect their money but also help the economy of the country. The state of the nation's economy is reflected in a well-developed insurance industry. The COVID 19 pandemic has completely altered the commercial landscape across all industries. The customers' perception of insurance products has changed from investment to risk management tool. The researcher was motivated by this to investigate the emerging trends in the health insurance industry following COVID 19.

The Government's policy of Financial Inclusion, which places a particular emphasis on "Insuring the Uninsured," has begun the gradual expansion of insurance across the nation and the creation of a variety of insurance plans to meet client needs, with a particular emphasis on providing coverage for COVID. Monetary vulnerabilities can be overwhelmed with different protection items. Consequently, security items are groundwork of monetary preparation. As a result, the current research paper focuses on the trends, opportunities, and challenges that the Indian health insurance industry has faced since COVID 19

**OBJECTIVES** to investigate how the COVID 19 pandemic has affected the health insurance industry 2. to investigate the difficulties confronting India's health insurance industry 3. to determine the opportunities that the health insurance industry 4 has. To know arising patterns in medical coverage area

## II. LITERATURE REVIEW

The specialist inspected accessible writing on medical coverage area. India's health insurance industry: an investigation of its presentation by Madan Mohan Dutta. (Datta, 2020) The researcher has compiled a summary of India's health insurance industry. The paper's conclusion is that earned premium and underwriting loss are significantly related. (Babuna, 2020) Pius Babuna 1,2,3, Xiaohua Yang 1,\*, Amatus Gyilbag 3,4, Doris Abra Awudi 3,5, David Ngmenbelle 3, and Dehui Bian 1 wrote The Impact of COVID-19 on the Insurance Industry. The creators have concentrated on

effect of Coronavirus by concentrating on the instance of Ghana. According to the study, Ghana has a significant infrastructure deficit that necessitates the implementation of effective insurance policies in order to pursue economic development. Ghana's insurance industry has demonstrated economic expansion. In Ghana, profits are falling and claims are rising overall. As a result, the paper provides an overview of the impact that COVID 19 has had on premiums, profits, and claims in the Ghanaian insurance industry. (Ahire, 2020) The author investigated the connection between people's actions regarding purchasing health insurance following COVID-19. After COVID 19, customers' purchasing patterns for health insurance undergo significant change. (Beam, July 2020) The paper has taken outline of protection area in India and concentrated on open doors and difficulties of this area. Subsequent to surveying the accessible writing, the analyst has zeroed in on arising patterns in Indian health care coverage area explicitly post Coronavirus

### III. RESEARCH METHODOLOGY

As a result, the researcher adhered to the descriptive research design. The majority of the research is based on secondary data gathered from legitimate sources like journals, news publications, media reports, press releases, and relevant websites. The data gathered from secondary sources has been systematically analyzed and presented in this paper.

#### An Overview of the Indian Insurance Industry

The Indian insurance industry is expanding rapidly. It is expanding at a CAGR of 16.5 percent. Insurance payment are likewise on ascent.

The Indian government has taken a number of steps to boost the insurance industry.

In the Union Budget 2021, the FDI limit on insurance was raised from 49 percent to 74 percent. a sum of Rs. Crop insurance schemes receive 16,000 crores.

Through Digilocker, the Insurance Regulatory and Development Authority of India has announced that insurance companies will issue digital insurance policies.

In 2021, Money Service reported to mix Rs. 3,000 crores into insurance companies owned by the state.

In India, there are all out 57 Insurance agency, 24 in life coverage business and 33 non life safety net providers.

#### While choosing Protection plan, following focuses are considered by clients:

Types and characteristics of health insurance plans

Strength of credit only organization medical clinics

Guarantee settlement

proportion of health care coverage organizations

Accessibility and Nature of Client assistance administration

Number of strategies sold

Cases settlement process

The company's digital presence

reviews from policyholders on the website

smooth claim process with fewer formalities.

Insurance companies are forming strategic partnerships to expand their customer base and provide additional services.

#### Emerging Trends in India's Health Insurance Industry:

The researcher examined secondary data gathered from a variety of sources and discovered the following trends:

**E-commerce and Financial Inclusion Promotion:** Through two committees, the Insurance Regulatory and Development Authority (IRDA) has taken significant actions to promote financial inclusion and e-commerce.

**E-safety account:** The e-insurance account and accidental insurance coverage for train passengers, two significant initiatives, have demonstrated a positive impact on the sector's expansion. Customers can easily and effectively maintain their insurance policies thanks to e-account service.

**Online platform:** Demonetization, Jan Dhan accounts, and the Unified Payment Interface (UPI) are just a few of the economic reforms that have established a robust digital platform in the economy that makes it simple to conduct cashless transactions. The insurance financial service's value proposition has significantly changed as a result of this digital transformation.

**Technology's growing role in society:** The term "Insurtech" has recently gained popularity and is transforming the insurance sector. The role of technology has grown significantly. In the insurance industry, robotic process automation is growing. The extent of IoT in Indian protection market has an enormous degree to evaluate client risk. Big data and artificial intelligence are having a significant impact on the financial services industry. Customer satisfaction has been improved by data analytics. Underwriting has undergone significant change. Big data aids electronic underwriting technology.

**Reduced Costs:** Customers have benefited from the cost savings, and insurance companies have seen an increase in productivity and customer satisfaction as a result.

**Small Insurance:** The Indian economy has realized the "Micro Insurance" potential. The main goal is to protect people with low incomes from family members dying from illness or accidents. It's a way to give low-income families financial security and make it easier for them to get modern healthcare.

**Drone Protection items:** Insurance companies have been encouraged by IRADI to offer drone insurance coverage.

#### IV. PROBLEMS

The pandemic has completely altered the situation for all businesses worldwide. It had a significant impact on India's health insurance industry. From planning new insurance contracts to settling cases of clients the protection area needs to bank upon advanced framework exceptionally. In a situation like this, health insurance faces a lot of challenges but also has a lot of opportunities.

Safety and hygiene are now more important than expensive goods. The pandemic has opened people's eyes, reminding them how important it is to have adequate insurance coverage. Youth have shifted their perspective on insurance from investment to risk coverage. As a result, people are more aware of insurance because of the pandemic.

**Low utilization:** India's large population lacks health insurance. Country support must be expanded.

The banking and insurance industries face a significant challenge from **cybercrime** and attacks. Through denial-of-service attacks, phishing, malware, ransomware, and spoofing, unethical hackers are inventing novel methods to hack the information systems of various organizations. The possibility distinguishing and embroiling digital lawbreakers in court is least for example 0.05%. Experts in cybersecurity predict that cybercrime will cause more than \$6 trillion in annual damage to the digital world by 2021, up from \$3 trillion in 2015. Between 2017 and 2018, cybercrime insurance in India increased by 40%. 81% India are worried about loss of individual character.

**Cybersecurity:** (<http://economictimes.indiatimes.com/wealth/personal-finance-news>) Unethical hacking has a significant financial impact. There can be decimation and ruin of important information, misappropriation of assets, efficiency might be lost, abuse of licensed innovation, burglary of information, harm of generosity and so on. The most significant threats to digital security include the following:

Insufficient security for the configuration:

Hacking can cause damage in the following ways:

Failure to adhere to patch management;

Inconsistent encryption enablement within the entity; Lack of strong code security

**Cost of security:** Finding the risk, implementing procedures, investing in software and hardware that protects against cybercriminals, and paying cyber security advisors' fees to create custom solutions all come at a cost. Costly insurance premiums, damage to the brand: a threat to the goodwill of the business, a decline in shareholder confidence, and a loss of customer base.

**Opportunities** The COVID 19 pandemic has caused a lot of changes in the health insurance industry, which has led to a lot of opportunities.

**The Indian rural market:** Legislature of India is going to lengths for Monetary Incorporation. Insurance agency ought to take endeavors to enter protection in provincial India. In rural India, there is a huge market for insurance. Funding

from the government: The insurance industry has a bright future thanks to government efforts to boost by raising the FDI limit and injecting funds.

**Reinsurance:** Reinsurance area is developing business sector. The Indian Finance Ministry has announced plans to invest 3,000 crores in insurance companies with the intention of improving their financial well-being.

**Increasing insurance demand:** The need for insurance is growing following COVID 19. Individuals are showing revenue in protection to shield risk as opposed to simple venture. Innovative products that meet customer demand present a huge opportunity.

**Digital platform use:** Digital platforms make it possible to spread insurance. The most recent computerized innovations like Enormous information, information examination can be utilized to change the protection business and will be useful to send off clients need based protection items and administrations which will be esteem expansion to clients' lives.

**Insurance contracts for startup and MSME:** An hour is needed to buy insurance policies for startups, medium-sized businesses, and small businesses. Sending off drone protection items: IRADI has emerged with rules for issuance of outsider responsibility

**Remote-guided airplane frameworks (RPAS), also called drone.** Use of the most recent technology in the launch of use-based insurance products with the "pay as you use" concept: There can be remote onboarding, guaranteeing, claims settlement and strategy overhauling can be presented for modernizing insurance agency. End Hence, subsequent to investigating the auxiliary information gathered, the specialist has offered patterns, valuable open doors and difficulties the health care coverage area is confronting. The Indian government is taking steps to boost the insurance industry by injecting funds into the economy and raising the FDI limit, so there is a lot of room for growth in the health insurance sector. The government of India wants to reach rural India through Financial Inclusion initiatives. The health insurance industry is experiencing a digital revolution.

**The use of cutting-edge technologies** like big data, IoT, and artificial intelligence has simplified the underwriting and risk assessment processes, as well as reduced costs and increased productivity. To confront the test of digital assaults and cybercrimes, the insurance agency need to go to somewhere safe and secure lengths appropriately.

## V. RECOMMENDATIONS

Insurance companies should consider the following when expanding health insurance products: The following recommendations have been made by the researcher after they examined the current trends, opportunities, and challenges that the health insurance industry is facing:

- i) Health insurance plan features should be developed after conducting a gap analysis, market analysis, and customer requirements research.
- ii) The benefit ought to be gone to of State run administrations' lengths of Monetary Incorporation and insurance agency ought to tap provincial market of India.
- iii) Insurance agency ought to utilize computerized framework to send off new medical coverage plots and grow the business
- iv) Most recent strategies ought to be utilized of computer based intelligence, IoT and Enormous information in risk evaluation and guaranteeing.
- v) Strong cyber security measures should be taken to deal with cybercrimes and cyberattacks.
- vi) India's insurance penetration rate is significantly higher than that of other nations. The insurance industry needs to take specific steps to boost penetration, which will help the country's economy grow.

## VI. CONCLUSION

Thus it has identified trends, opportunities, and challenges facing the health insurance industry after analyzing secondary data. There is an enormous extension for medical coverage area to grow, as Legislature of India is going to lengths to help protection area by implantation of assets in the economy, expanding breaking point of FDI. The government of India wants to reach rural India through Financial Inclusion initiatives. The health insurance industry is experiencing a digital revolution. Most recent advances like large information, IoT, Computerized reasoning are utilized and the method involved with endorsing, risk appraisal has become simple, it has additionally diminished costa

and expanded efficiency. To confront the test of digital assaults and cybercrimes, the insurance agency need to go to somewhere safe lengths appropriately.

#### REFERENCES

- [1]. 2021, July. This information can be found at <https://www.insurancedekho.com/health-insurance/companies>
- [2]. V. Ahire (2020). The impact of COVID 19 on the insurance industry. 1 through 4 of the International Journal of Scientific Research in Engineering and Management.
- [3]. P. Babuna (2020). The Insurance Industry's Impact on COVID 19. 2-14 of the International Journal of Environmental and Public Health Research.
- [4]. Datta, M. M. (2020). An Investigation of the Indian Health Insurance Industry. Vilakshan XIMB Diary of The board, 97-109.
- [5]. Gadre, G. (July 12, 2021). how your choices regarding health and life insurance will be affected by the coronavirus pandemic. Financial Times.
- [6]. India's insurance industry 2021, June). It can be found at <https://www.ibef.org/research/case-study>.
- [7]. S. Ray (July 2020) The Insurance Sector in India: Difficulties and Potential open doors . Indian Council for the Study of Relationships Between International Economic