

THE NEW NORMAL
CHALLENGES OF MANAGING BUSINESS,
SOCIAL AND ECOLOGICAL SYSTEMS
IN THE POST COVID-19 ERA

Editors

H CHATURVEDI
AJOY K DEY

Sub-editors

NIMISHA SINGH
SHREYA MISHRA

B L O O M S B U R Y
NEW DELHI • LONDON • OXFORD • NEW YORK • SYDNEY

BLOOMSBURY INDIA
Bloomsbury Publishing India Pvt. Ltd
Second Floor, LSC Building No. 4, DDA Complex,
Pocket C – 6 & 7, Vasant Kunj,
New Delhi 110070

BLOOMSBURY, BLOOMSBURY PRIME and the Diana logo are
trademarks of Bloomsbury Publishing Plc

First published in India 2021
This edition published 2021

Copyright © BIMTECH, 2021

H Chaturvedi and Ajoy K Dey have asserted their right under the
Indian Copyright Act to be identified as the Editors of this work

All rights reserved. No part of this publication may be reproduced or
transmitted in any form or by any means, electronic or mechanical,
including photocopying, recording or any information storage or
retrieval system, without the prior permission in
writing from the publishers

The book is solely the responsibility of the author and the
publisher has had no role in creation of the content and does not have
responsibility for anything defamatory or libellous or objectionable.

Bloomsbury Publishing Plc does not have any control over, or
responsibility for, any third-party websites referred to or in this book.
All internet addresses given in this book were correct at the time of
going to press. The author and publisher regret any inconvenience caused
if addresses have changed or sites have ceased to exist, but can accept no
responsibility for any such changes

ISBN: 978-93-54350-79-5
2 4 6 8 10 9 7 5 3 1

Typeset by Fortune Graphics, Naraina, New Delhi
Printed and bound in India by Replika Press Pvt. Ltd

To find out more about our authors and books, visit
www.bloomsbury.com and sign up for our newsletters

The Implication of COVID-19 on Health Insurance Business – India and Bangladesh Market

Abhijit Chattoraj¹, Farzanah Chowdhury², Steward G. Doss³ and Geeta Bhardwaj⁴

Abstract: *The COVID-19 pandemic has shown that health is being now considered a priority by individual lives, families, and society as a whole. India alone contributes 10 percent of the total positive cases of the world. Close to 75,000 people have already succumbed to this deadly disease. In Bangladesh also, the number of deaths is increasing with more and more people reporting positive. The health gains resulting from effective use of immunizations, antibiotics, sanitation, the traditional form of medicines, and nutrition have protected millions of lives and helped stimulate economic growth and productivity, yet, the apathy and inability of individuals and the society as a whole, to build an effective and efficient healthcare facility is palpably noticeable. COVID-19 is an unsolicited cue of just how much health matters to individuals, communities, nations, and the global economy.*

The paper tries to study the implication of COVID-19 on the health insurance business in India and Bangladesh as both countries have similar demographic profiles. The penetration of private voluntary insurance is low in both countries. The paper tries to examine both the positive and negative Impacts of COVID-19 on the health insurance business – the positive being, the growing awareness for health insurance, supported by intense desire to go for health insurance and, the introduction of several innovative COVID-19 related products. The negative impact is the increase in claim frequency and severity due to the increase in the incidence rate. The paper tries to explore to what extent, COVID-19 acted as an impetus for people, hitherto, uninsured to go for health insurance. The paper also tries to understand the gamut and nature of increased awareness about

¹ Professor & Chairperson – PGDM (Insurance Business Management), Birla Institute of Management Technology (BIMTECH), Greater NOIDA, India.

E-mail: abhijit.chattoraj@bimtech.ac.in

² Managing Director & CEO, Green Delta Insurance Company Ltd, Bangladesh.

E-mail: farzanah@green-delta.com

³ Associate Professor, National Insurance Academy (NIA), India.

E-mail: gdoss@niapune.org.in

⁴ General Manager MD, India Healthcare Services (TPA) Pvt. Ltd, India.

E-mail: gbhardwaj@mdindia.com

* Corresponding author.

health insurance and an increase in the health insurance business in the wake of COVID-19. The paper also tries to examine the preparedness of health insurers to deal with pandemics vis-à-vis institutional settings and reimagining distribution in a more remote world.

Keywords: *Pandemics, Health Insurance, Effective and Efficient Healthcare Facility, Incidence Rate Institutional Settings*

Introduction

The COVID-19 pandemic has changed the whole world around us but most significantly, it has changed the mindset of people about healthcare and health insurance. Healthcare in particular has found itself tested and tormented by the pandemic, yet health is at the centre of all actions and activities.

There was a time when people used to ignore insurance as a tool for risk mitigation. The above perception has, however, changed as many people realize the importance of insurance. A lot of changes have been witnessed in the insurance industry during this period. Despite several reversals, this pandemic has also opened some doors to opportunities while addressing the challenges. A Swiss Re Institute – Sigma research predicts that global health resilience is likely to worsen as a result of the COVID-19-driven recession. The pandemic has been putting families into a kind of financial stress, never experienced before. The health protection gap is likely to cross the USD 588 billion witnessed in 2019. One way of alleviating the hardships of households is to build resilience through potent health insurance covers designed as per the population’s healthcare needs. This is the time when health insurers should try to create positive vibes in people’s mind regarding health insurance.

Research Design

Primary Data collected through a questionnaire administered to 175 respondents online using google forms. 38 respondents were from Bangladesh. Secondary Data have been collected from MD India a Third Party Administrator (TPA), India, and Green Delta Insurance Company Ltd., an Insurer from Bangladesh. The secondary data have been extrapolated to make it country representative for this study. The data have been illustrated through graphic representation, i.e. graphs and figures as and where required.

Impact on Health Insurance Business in India

The Pandemic-COVID-19 has impacted over 28.5 million people worldwide and 4.66 million people in India. Over 91 million people died globally with