

● BUDGET ANALYSIS



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Insurance industry sees growth opportunities in Budget proposals



ILLUSTRATION: SHYAM

IT WAS HEARTENING to see the finance minister announce a slew of measures in the Union Budget in the direction of making India a healthier and secure nation.

The measures undertaken and proposed to be undertaken by the government sounded like music to the ears of millions of beneficiary citizens and was a delight for the health insurance industry that has been seeing gross under-penetration.

National Health Protection Scheme

The flagship scheme of National Health Protection Scheme that will bring 10 crore families under the umbrella of a ₹5-lakh health cover is slated to be the biggest initiative by any government. The insurance cover of ₹5 lakh could provide citizens a taste of how insurance products can protect their earnings and could lead them to reduce risks to safeguard other assets such as home and vehicle. However, the success of the scheme would depend on efficient management of logistics, including hassle-free claims administration. A commitment of funds from the government in the future would ensure continuity of cover for billions of individuals in the country.

The deduction under Section 80D, which includes amount paid towards health insurance premium for covering senior citizens has been increased from ₹30,000 to ₹50,000 which would help increase penetration of health insurance.

The success of the National Health Protection Scheme would depend on the efficient management of logistics, including hassle-free claims administration. A commitment of funds from the government would ensure continuity of cover

Supporting social fabric

The Pradhan Mantri Fasal Bima Yojana (crop insurance) and Jan Suraksha Yojana (accident insurance) announced in earlier Budgets have supported the social and financial structure of the country and driven away the malices of under-penetration of insurance, especially from rural India. But the increase in incidences of natural calamities has left our physical assets of home vulnerable. We are hopeful that future Budgets would focus on home insurance as an important piece of transferring the risk. There is a further need to cover farmers' assets such as homesteads, cattle, etc., which will protect them holistically.

Growth opportunity

UDAN scheme, which aims to connect 56 unserved airports and NABH Nirman project proposing expansion of airport capacity to handle a billion trips a year are likely to boost domestic air travel. More than 18,000 kilometers of railway network expansion and 5,000 kilometres of gauge conversion to broad gauge would improve rail connectivity for passengers. The Bharatmala Pariyojana to provide connectivity to interior and backward areas by developing 35,000 km-plus roads at an estimated cost of ₹5,35,000 crore is positive for the insurance sector, given the opportunity to insure such projects. Infrastructure enhancement apart, development of 10 prominent destinations and 100 Adarsh monuments would woo visitors across the nation. The general insurance armory has several treasures which would assist the government in strengthening its nation-building capacity through partnership and standalone projects. Together the worries of both the government and the citizens can be transferred to the insurers, thus pushing the development agenda of the country forward.

The writer is CEO, Reliance General Insurance