



Health Insurance Policy In India

Relevancy

- ✓ G.S. Paper 2
- ✓ Health insurance policy in India
- ✓ Issues related to health insurance and recent Delhi HC ruling

Recently:

- ❖ Delhi High Court has ruled against an insurance firm that rejected the medi-claim of a person, by stating contractual conditions.
- ❖ The ruling further stressed that discriminatory exemption clauses of insurance policies need to be done away with.

Why the claim was denied by the insurance company?

- The insurance claim of a person with a rare heart condition was rejected by the United India Insurance Company.
- This was because the heart condition was due to a genetic disorder, which isn't covered under the policy.
- Notably, insurance policies sold to individuals invariably contain a plethora of exclusions in the fine print, which diminishing their practical value.
- By its very nature, such exclusion defeats the purpose of the health policy and tilt the balance heavily in favour of the insurer firms.

What is the Delhi high court's ruling?

- When the case was taken to the Delhi high court, it ruled against the insurance firm, and stated that the rejection of the claim was discriminatory.
- The court has held that exclusions cannot be unreasonable or based on a broad parameter such as genetic disposition or heritage.
- The order hence upheld the insurance claim made, and noted that the case can't be seen merely as a contractual issue.
- Rather, it has reasoned this as an extension of the 'right to health' as derived from the Article 21 (Right to life) in the Constitution.
- Further, it was noted that 'right to health' is meaningful only with the right to health care, and by extension, health insurance required to access it.
- It also called for the elimination of all other arbitrary exemption clauses in insurance schemes to curtail people's rights.

How significant is the ruling?

- This judgement is indeed a significant one and the central government and the Insurance Regulatory and Development Authority (IRDAI), should heed to it.
- They must review all the policies, and eliminate unreasonable exclusionary clauses designed to avoid claims.
- Notably, the government has already stated its intent in proceeding ahead with a universal "National Health Protection Scheme".

What is the current status of Insurance in India?

- Several studies have pointed out that health insurance in India suffers from lack of scale, and presently covers only about 29% of the households.
- Even among those within the insurance bracket, the coverage is only limited and the health-care system also lacks regulation of costs.
- Also, there is an information asymmetry, and the insured member is usually unable to assess the real scope of the policy.



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- These highlight the need for stronger regulations within the health insurance and hospital sectors in India.

What needs to be done?

- This is a necessity to define costs, curb frauds and empower patients.
- Insurance law has to be revisited to ensure that there is a guaranteed renewal of policies, and that age is no bar for entry.
- It needs to be ensured that pre-existing conditions are uniformly covered.
- State sponsored insurance that is universal in coverage (which is envisioned in the long-term) could help in addressing the problems of exclusion.
- As a short-term priority, it is important to remove discriminatory clauses in policies and expand coverage to as many people as possible.



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Cornered by the Quad?

Relevancy

- ✓ G.S. Paper 3
- ✓ Signs of an emerging priority areas: QUAD
- ✓ Role of china
- ✓ Stand of QUAD nations on the BRI

Recently:

- ❖ Last November on the sidelines of the East Asia Summit in Manila, the Quadrilateral arrangement involving Australia, India, Japan and the U.S. saw a revival as officials exchanged notes on regional and global security.
- ❖ It has been a remarkable turnaround in the prospects of an arrangement which had collapsed a decade ago under the weight of Chinese démarches.
- ❖ In 2017 it was an assertive Beijing that brought the four Indo-Pacific powers together to manage the externalities arising out of the scale and scope of China's rise.

What are the signs of emerging priority areas: QUAD?

- Recently, it was revealed that the four countries are working to establish a joint regional infrastructure scheme as an alternative to China's Belt and Road Initiative (BRI).
- Though the plan is still in its nascent stage, it is clear that the normative order China is trying to construct in the economic sphere will not go unchallenged.
- The Quad has expressed reservations on the BRI in its own ways.
- But the four countries have rightly recognised that merely opposing it will not advance their agenda given the hunger for infrastructure in large parts of the world.



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What does China aim at?

- The BRI is aimed at situating Beijing at the core of the global economy by building global transport links across the world.
- China's ambitions in this regard have also kept expanding with its first official Arctic policy white paper which talks of a "Polar Silk Road".

How to counter china on this?

- The Quad nations will have to present their own model if only to underscore the normative differences between the Chinese and their approach.
- China with its BRI is providing a new economic template to the world.
- And it is important for those powers which view China's approach as opaque and self serving to pro-actively provide credible alternatives.

What is the stand of QUAD nations on the BRI?

- India's opposition has been the strongest partly because the China-Pakistan Economic Corridor, which is a part of the BRI, passes through Pakistan-occupied Kashmir
- India was the only major power which did not attend the BRI summit hosted by China last year
- Japan has laid down specific conditions for its participation in the BRI.
- Australia has challenged the principles which frame the BRI.
- U.S. has suggested that "no one nation should put itself into a position of dictating 'One Belt, One Road'"

What can be done?

- China has already expressed its unhappiness at the emergence of the "Quad" and will see moves to counter the BRI as an attempt to shift the balance of power in the wider Indo-Pacific.
- China's worries will only increase as the combined might of these four powers is quite formidable.



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