

Managed care facility to reduce insurance claims

Our Correspondent

Kolkata: The concept of managed care in the Indian insurance sector can help reduce claims and also elevate the quality of an asset.

"Managed care is popular in the developed countries like the US. It can be applied to the health, motor and general insurance sectors to reduce the number of claims by 10-30 per cent," said Joydeep Roy, chief executive officer, L&T General Insurance Co. He was speaking at an event organised by the Confederation of Indian Industry (CII) in the city on Saturday.

Roy emphasised the need for the insurance companies to introduce standards and parameters of maintaining assets like cars or other properties covered under insurance. "Failing to keep up with the standard might even result in non-coverage of the property or the insurance premium amount can be calculated on the basis of the maintenance standard or safety measurements followed. Better-maintained assets will get discount in the amount of premium," Roy added.

The concept will be profitable for the company as it can reduce the amount of

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claims raised due to negligence and can elevate the quality of an asset due to proper maintenance. Insurance companies will keep records of how the assets are being nourished.

Subrat Mohanty, senior vice-president — strategy & product, HDFC Standard Life Insurance, who was also present at the event, laid stress on online insurance and the crucial role of the sector as a provider of capital for investment and growth.

At present, the total amount of insurance premium contribute around five per cent to the GDP of the country.

In October, L&T Insurance forayed into the health insurance space by launching its first health insurance product, my:Health Medisure Prime Insurance.

According to The Boston Consulting Group, the insurance sector in India will grow to \$350 to \$400 billion by 2020.