



Digit Insights

Trends in Health Insurance Claims: 2021 Vs 2020

March 2022



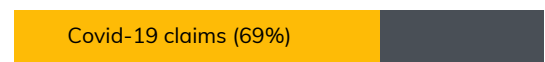
Health Claims Surge Over 3.5x in 2021; Non-metros Report 17% More Claims than Metros: Digit Insurance Data

Ever since the onset of the Covid-19 pandemic in March 2020, the number of health insurance claims have increased significantly. The “Delta” variant, popularly called as the second wave, caused higher hospitalizations across the country compared to the first wave of the pandemic in 2020. This led to a surge in overall health claims by 257% in 2021 compared to 2020. In 2020, while both metros and non-metros reported nearly the same number of Covid-19 claims, the trend changed in 2021 as non-metros reported 17% more claims than metros.

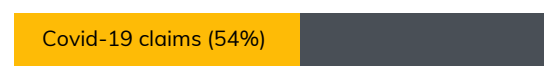
The study is based on Digit’s claims settled data for retail as well as group products evaluated between January 2020 and December 2021. We compared 2020 data with that of 2021 to understand the trends in health insurance claims in the two years that were hit by Covid-19.

It’s important to note that in 2020, Covid-19 accounted for about 69% of the overall health claims and in 2021, the same stood at 54%. Between January 2020 and December 2021, Digit’s health portfolio grew by 218%.

2020

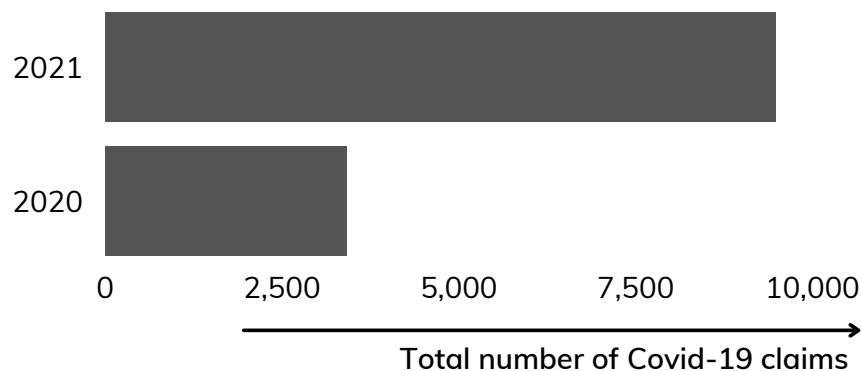
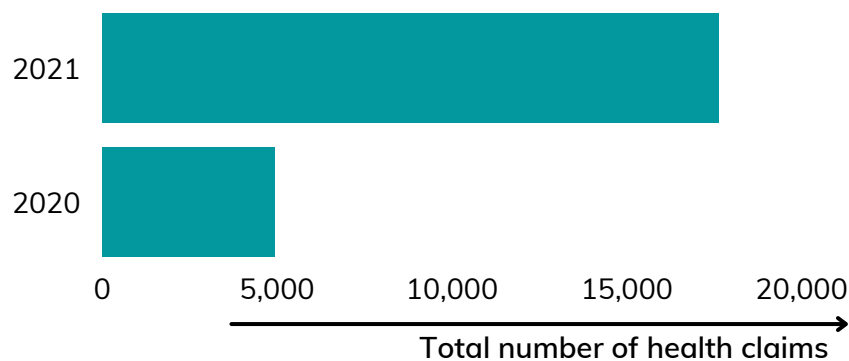


2021



Total health claims surge 3.5x in 2021, Covid-19 claims zoom 178%

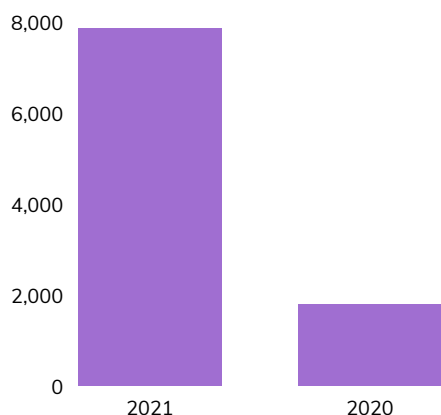
Total number of health claims saw a huge jump of 257.4% (3.5x) in 2021 versus the same period in 2020. During the same period, Covid-19 claims, too, surged by 178% due to the onslaught of the Delta variant.



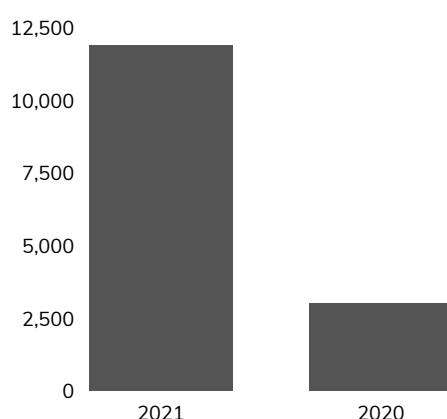
Total number of health claims in 2021 rose primarily due to the second wave of Covid-19, which proved to be more severe, resulting in higher number of hospitalizations. Also, increased awareness for health insurance after the first wave resulted in an uptick in demand for health policies, leading to higher number of claims during the second wave. In 2021, Covid-19 claims made for 54% of the overall claims compared to 69% in 2020 as more scheduled surgeries and treatments took place given the relaxed Covid-19 restrictions during second half of 2021.

Non-metros make 17% more Covid-19 claims than metros in 2021

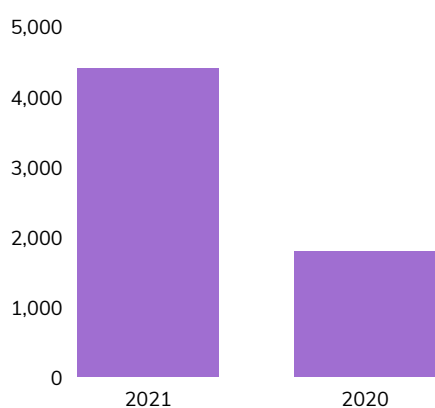
Metros and non-metros both reported similar number of claims for Covid-19 in 2020; however, Covid claims surged by 17.14% in non-metros compared to metros in 2021. Across all types of hospitalizations as well, non-metros reported 51% higher claims than metros in 2021. In the same year, overall claims from non-metros jumped nearly 300% compared to 2020.



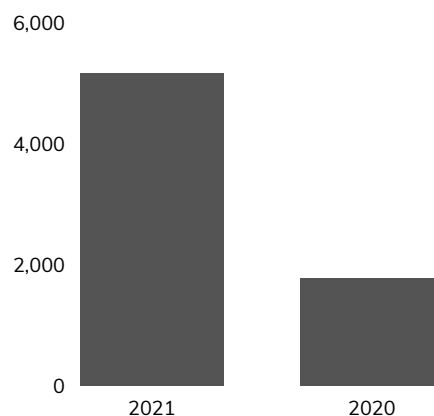
Total number of health claims from metros



Total number of health claims from non-metros



Total number of Covid-19 claims from metros



Total number of Covid-19 claims from non-metros

*As per IRDAI, locations with a population more than 10,00,000 are classified as Metro (Tier I). Locations with population below 10,00,000 are classified as non-metros.

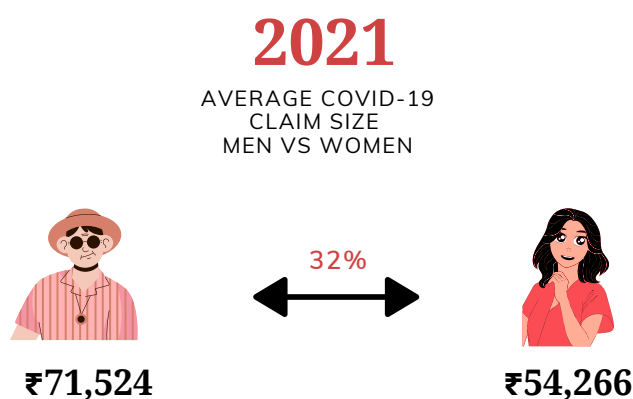
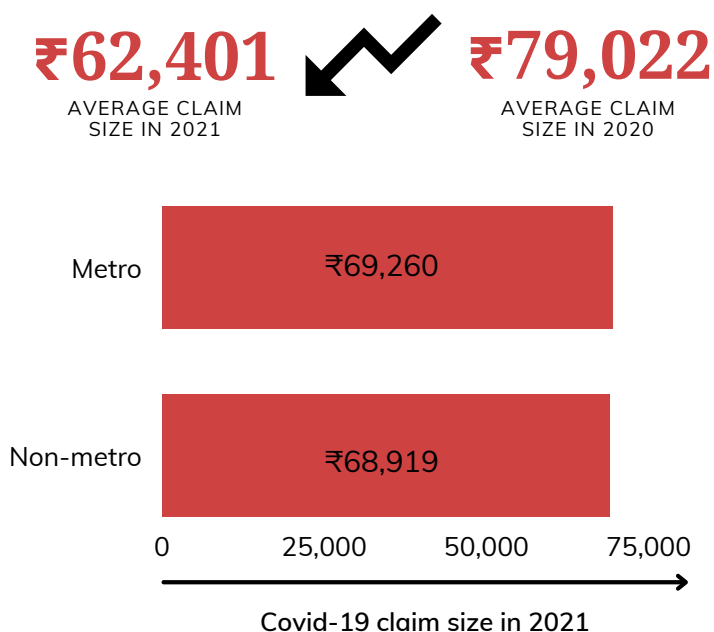


During the first wave of Covid-19, the case load in non-metros was in line with metros, if not lower. However, during the second wave, non-metros saw a huge spike in cases leading to a sharp rise in number of hospitalizations and therefore, claims.

Note: Between 2020 and 2021, Digit's health portfolio (including the Covid-19 product) grew significantly, leading to a huge spike in claims.

Difference in average overall claim size between men and women widens to 29% in 2021

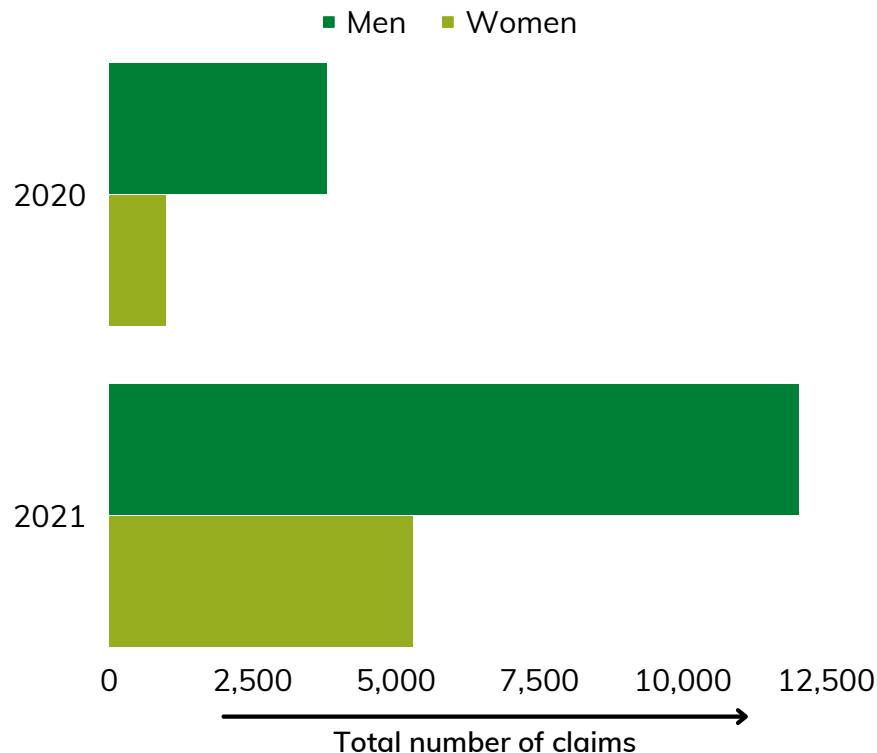
Across all types of hospitalizations, average claim size in 2021 dropped by over 21% compared to 2020. For Covid-19 claims in 2021, the average claim size in metro and non-metros was nearly the same at ₹69,259.4 and ₹68,919.5 respectively. Further, the overall claim size for women in 2021 was ₹51,692, while the same for men stood at ₹66,636, a gap of 29% between the two sexes.



We saw a rise in number of women opting for health insurance, which explains the 5x rise in claims made by women between 2020 and 2021. However, the claim size for women is 29% lower compared to men in 2021. A possible explanation for this could be that women are hospitalized for less expensive treatments or have relatively shorter hospital stays. However, a deeper analysis is needed to understand this trend better.

Men make 127% more claims than women in 2021

Men reported 127% more claims than women in 2021. In 2020, the same stood at 283%. When it comes to Covid-specific claims, men reported over 4.5x more claims than women in 2021 and over 7.5x more claims in 2020.



Traditionally, men have bought more insurance than women. Also, when it comes to group insurance, we see a higher percentage of men in the workforce compared to women, which explains the difference in the number of claims reported. According to the World Bank, participation of women in the labor force is one of the lowest in India at 21%. Additionally, multiple reports suggest that men were more vulnerable to Covid-19 than women.

Also, in 2021, Digit's health portfolio comprised of 77% men due to higher share of group policies. This further illustrates the reason behind higher number of claims made by men.

States that reported highest claim size in 2021



Karnataka

₹62,549

AVERAGE OVERALL CLAIM SIZE

₹71,435

AVERAGE COVID-19 CLAIM SIZE



Telangana

₹78,076

AVERAGE OVERALL CLAIM SIZE

₹95,484

AVERAGE COVID-19 CLAIM SIZE



Tamil Nadu

₹55,983

AVERAGE OVERALL CLAIM SIZE

₹71,397

AVERAGE COVID-19 CLAIM SIZE



Maharashtra

₹73,252

AVERAGE OVERALL CLAIM SIZE

₹66,110

AVERAGE COVID-19 CLAIM SIZE



Gujarat

₹60,132

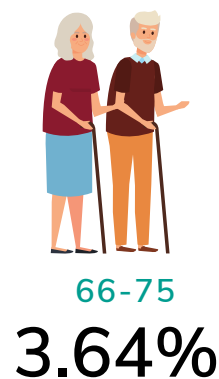
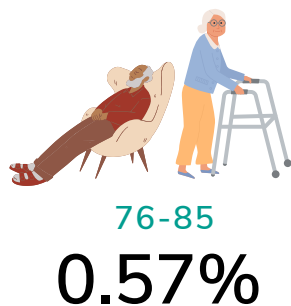
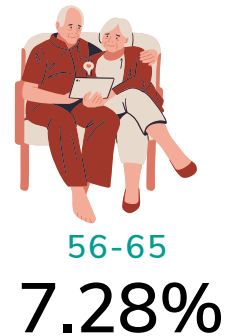
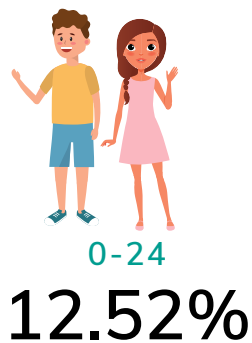
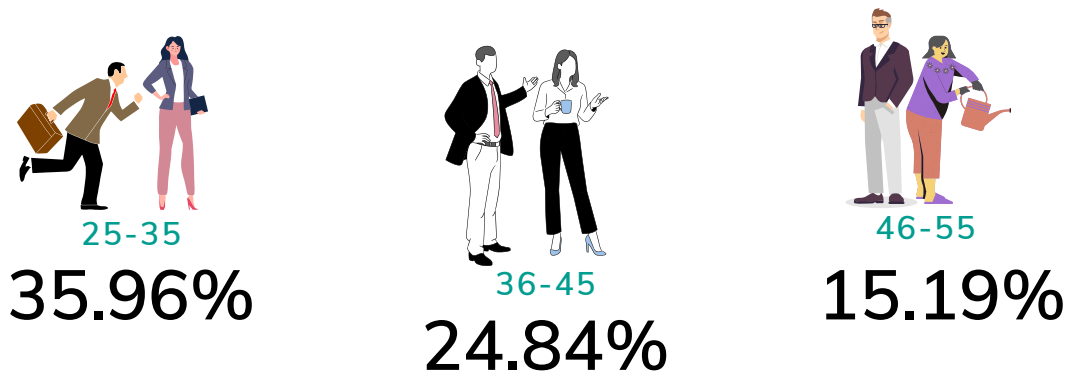
AVERAGE OVERALL CLAIM SIZE

₹63,924

AVERAGE COVID-19 CLAIM SIZE

*Only cities that reported more than 1000 claims have been considered.

Which age group reported the highest number of claims in 2021?



Digit Take

Policyholders between the age 25-35 and 36-45 reported the highest number of claims in 2021. We saw a similar trend in 2020 as well. The fact that a larger share of the working class falls under these age groups and has an employer-offered health insurance cover explains the significant share of claims from the two groups in the overall number of claims. This could also be an indication of the lower insurance penetration among other groups or individuals that are not covered under an employer cover and therefore may not have health insurance. At Digit, group policies make for a large part of the health portfolio.

DISCLAIMERS

- The study is based on Digit's internal data evaluated between January 1, 2020 and 31 December 2021.
- According to IRDAI, locations are classified based as below:

Metro (Tier I): population 10,00,000 and above

Urban (Tier I): 1,00,000 to 9,00,000

Semi-urban (Tier II, III and IV): 10,000 to 99,000

Rural (Tier V and VI) population up to 9,999

For the convenience of metro vs non-metro comparison in this study, we've considered urban, semi-urban and rural locations as non-metro.

- Between January 2020 and December 2021, Digit's health portfolio grew by 218%.
- The data quoted is across Digit's retail as well as group health products.
- "Digit Takes" are personal opinions and observations made by different underwriters based on Digit data and may not necessarily reflect the overall industry trend.

For any feedback or queries, you may reach out to:

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