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Written by [George Mathew](#) | Mumbai |

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A vaccination drive for homeless and migrant workers in New Delhi. (PTI)

SINCE the time the Covid pandemic began in March 2020, insurance companies have received 25.64 lakh claims for Rs 31,624 crore from people affected by the virus, with badly hit Maharashtra accounting for the largest numbers by far. The average claim works out to Rs 1.23 lakh per person, and the average settlement to Rs 91,287.

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While 8.47 lakh insurance claims were filed in Maharashtra for Rs 8,650 crore, it was followed by Gujarat (3.24 lakh claims for Rs 3,793 crore), Karnataka (2.53 lakh claims for Rs 2,712 crore) and Tamil Nadu (2.41 lakh claims for Rs 3,447 crore). Telangana reported the highest average per person claim of Rs 1.72 lakh while Arunachal Pradesh registered the highest average per person settled claim of Rs 1.24 lakh.



In the five months ending August 21, the health portfolio of insurers jumped by 32.25 per cent to Rs 30,192 crore, as against Rs 22,830 crore in the same period a year ago. “The second wave of the pandemic was more severe than the first, causing higher uncertainty and fear among the masses. This resulted in increased demand for health insurance, including group policies, as more employers realised the need to cover their employees,” said Vijay Kumar, CEO and principal officer, Digit Insurance.

Retail health policies jumped 22.35 per cent to Rs 9,566 crore and group policies rose 25.79 per cent to Rs 11,903 crore in the April-August period.

Kumar added that most of the growth happened in the first quarter compared to the same period last year. “We are seeing the demand plateauing now that the second wave has stabilised,” Kumar said. However, insurers do not expect a steep plunge given the lingering fear of a third wave, apart from the general growth in awareness about insurance and its benefits. Despite the payouts due to the spike in claims, the insurers expect an accelerated growth for the segment due to this. Health insurance premiums have been the main drivers of the non life insurance industry since the commencement of the pandemic.



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“In India, structural growth has been the key driver for the health insurance business for a long time, with an exceptionally high share of out-of-pocket expenditure, poor state of government health facilities and rising affluence among the masses,” notes a report by Emkay Global Financial Services. “An increase in the number of people (retail and group) opting for health insurance, demand for better coverage among existing policyholders, demand for short-term [Covid-19](#) health cover and increased claims costs driving prices up have resulted in very strong growth in premiums,” the report adds.

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According to Care Ratings, growth in premiums of standalone health insurers has continued to be higher than the industry average FY22 so far.



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