



STRATEGIES OF INSURANCE IN LIFE AND HEALTH IN BANKING

SECTOR OF SBI AND ANDHRA BANK

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ABSTRACT

The life insurance market was underdeveloped in the developing countries and started to open up new vistas and increase its cover with the entry of private players under the supervision of regulatory bodies. Initially the life insurance was seen more as a tax saving instrument than a life insurance product. At SBI General, its our aim to partner with you and help you achieve better health and a sense of security along the way. In times of rising health care costs, a sudden illness or injury can leave you financially devastated and highly stressed. With SBI General's Health Insurance Policy – Retail, you can be in control by making medical treatment expenses more manageable.

Key words: *Health insurance, risk policies, claims*

INTRODUCTION

Insurance has become an integral aspect in everyone's life today. It is a written contract of insurance that offers protection against future loss. The life insurance generally helps to insure the life of people. A definite compensation is provided by the insurer to the insured person. The non-life insurance provides financial support to people or companies and helps them to overcome the losses. The basic human trait is to be averse to the idea of taking risks. There is always an urge to minimize the risks and provide protection against possible failure. The risk includes fire, the perils of sea, death, accidents and burglary. Any risk may be insured against at a premium commensurate with the risk involved. Thus collective bearing of risk is insurance that provides reasonable degree of security and assurance that insured will be protected in the event of a calamity or failure of any sort. There are number of forces driving the service sector today. Five environmental variables universally affect all industries are; buyer, competitors, government, technology and globalization. In addition, there are four factors of particular importance to service providers- change in how quality is perceived, cost control, customer services and the new definitions of the customer. Services are relatively intangible, produced and consumed simultaneously and often less standardized than goods. These heterogeneous characteristics of services present special challenges and strategic marketing opportunities to the service marketers. The real competition between the service marketers is set on after globalization, financial reforms and information technology progression. The service marketing organization has to adopt professional management approach and its marketers have to imbibe the qualities of professionalism in order to meet the expectation of the policyholders. Hence, in this study an attempt has been made to discuss the status of insurance in economy, penetration of insurance industry, key issues in insurance, behaviour of policyholders, regulations and legislations insurance industry and other such emerging areas of marketing of insurance, which is one of the leading services in our country. The life insurance market was underdeveloped in the developing countries and started to open up new vistas and increase its cover with the entry of private players under the supervision of regulatory bodies. Initially the life insurance was seen more as a tax saving instrument than a life insurance product.

OBJECTIVES:

1. Benefits to banking customers by investing in health insurance.
2. Whether the policies implemented by banking sector is reachable to easy to invest or not.

METHODOLOGY

Secondary data : From the official websites of banking and magazines of banking sector

INSURANCE CONCEPT, NEED AND MEANING

The insurance industry has both economic and social purpose and relevance. It provides social security and promotes individual welfare. Generally the insurance companies are big investors in long gestation infrastructure development projects. Insurance reduces risk and helps to raise productivity in the economy.

Insurance is a device for the transfer of risks of individual entities to an insurer who agrees for a consideration (called premium) to assume to a specified extent losses suffered by the insured. Insurance covers insurable risks and the probability of insurable risk can be determined or forecasted for example risk related to life, property, riots, thefts are insurable.

NEED FOR LIFE INSURANCE

As life insurance became more established and useful tool for a number of situations, including:

I) Temporary needs/ threats-The original purpose of life insurance remains an important element, namely providing for replacement of income on death etc. Typically in the case of the breadwinner dying an early death.

II) Regular Savings-Providing for one's family and oneself, as a medium to longterm exercise (through a series of regular payment of premiums). This has become more relevant in recent times as people seek financial independence from their family.

III) Investment- Insurance also helps in building up of savings while safeguarding it from the ravages of inflation. Unlike regular saving products, investment products are traditionally lump sum investment, where the individual makes a one-time payment.

IV) Retirement-Provision for one's own later years becomes increasingly necessary, especially in a changing cultural and social environment. Therefore, a suitable insurance policy can provide periodical payments in one's old age.

V) Minimizing Risk- Life cannot be compensated by anything but financial help in hard time can support anyone. An earning member in family wants to secure his family who are financially dependent and need life insurance. Nevertheless, the question is „how much life insurance is required“ at a time. There are many factors that are relevant in determining the amount of life cover one should buy at a time. It is essential that a particular level of income should be maintained for the family even when its breadwinner is not around.

VI) Social security- Insurance also provide some social security that insured expects in future such as a particular sum of money for the education and wedding of children. One may like to buy an insurance policy for a specific sum to meet such a lump sum commitment.

VII) Transfer of risk- Payment of insurance premium results in an outflow of disposable income. Insurance may solve future cash inflow problems that will occur during ones lifespan. Therefore, provide a cover and transfer the risk

VIII) Diffusion of risk- The amount and mode of payment spend on insurance is as per the option picked by one according to his own choice. Therefore one can park funds according to their choice of risk and return.

IX) Profitable opportunity- Our present age is a critical factor in deciding the quantum of insurance that one can afford. The rates of premium go up with the advancing age of the life assured. Hence, one can buy more insurance for the same premium at a younger age than at an older age. The final decision rests upon a careful consideration and balance of all the above factors. The need for minimum protection may be quite high, but the current need for disposable income may not immediately permit buying adequate insurance. XI) Tax Savings- If people have an option of risk coverage with guaranteed return and tax saving they will surely prefer it. Generally policyholders take into account the tax benefit under Section 80C.

Country an Category Assigned to Insurance Market

Category	Country
Mature	Australia, Hong Kong, Japan, Korea, New Zealand, Singapore, Taiwan
Developing	China, India, Malaysia, Thailand
Emerging	Indonesia, Philippines, Vietnam

Andhra Bank**AB Arogyadaan Scheme**

"AB AROGYADAAN SCHEME" is a Group Mediclaim Health Insurance scheme introduced in association with M/s United India Insurance Company Limited & administered by Good Health Plan Ltd (TPA)

AB Arogyadaan successfully meets the Hospitalization expenses of your family at a very affordable (nominal) premium, thus

taking care of your **HEALTH & WEALTH** simultaneously.

Eligible: account holders

Age Limit: Age Limit for the first time coverage is from 3 months to 75 years and renewal is lifelong. For new entrants above the age of 70 years are to be covered subject to pre medical examination conducted at authorized diagnostic centers. The tests to be done are –
1.ECG 2. BP Readings 3.Blood Sugar (fasting& Post Prandial) 4.CBC & ESR, Urine routine and microscopic 5. Lipid profile (cholesterol) 6. SGPT 7. Serum Creatinine 8. Stress test and other tests as advised by company before accepting the insurance cover.

The main attraction in this policy is that we can cover the parents along within the same policy.

Hospitalization Benefits

Cataract
Hernia
Hysterectomy / Myomectomy
Following Specified major surgeries –

Cardiac Surgeries
Cancer Surgeries
Brain Tumor Surgeries
Pacemaker Implantation for Sick, Sinus Syndrome
Hip Replacement
Knee Joint Replacement

Limits for each Hospitalization

10% of the Sum Insured subject to a maximum of Rs. 25,000/-
15% of the Sum Insured subject to a maximum of Rs. 30,000/-
20% of the Sum Insured subject to a maximum of Rs. 50,000/-
80% of the Sum Insured subject to a maximum of Rs. 16 Lakhs

However, Policyholders who have opted for Super Top Up Policy will be eligible for Room Rent of 1% of Threshold Sum Insured subject to maximum of Rs. 5,000/-or actual whichever is less.

PRE & POST HOSPITALIZATION CLAIMS :

Hospitalization Benefits

Pre & Post Hospitalization in respect of any illness

Limits for each Hospitalization

Actual expenses subject to a maximum of 10% of Sum Insured Policy-wise that is under Main Policy and Super Top Policy respectively.

MAIN POLICY PREMIUM RATES :

PLAN- A (1+3)		
S.NO.	SUM INSURED(Rs.)	Premium PA(Rs.) for 2017-2018
1	100000	2218
2	200000	4189
3	300000	5847
4	400000	7304
5	500000	8750

SUPER TOP UP POLICY PREMIUM RATES :

S.I SLAB	300000	500000	700000	1000000	1500000
PLAN A	4367	5428	8496	10856	15340

Andhra Bank has launched an improved health insurance scheme 'AB Arogyadaan' in the new financial year to take care of health and wealth of the entire family of account holders.

The new plan entails lesser premium rates for a maximum coverage of medical expenses up to Rs. 20 lakh.

Explaining the salient features of the Floater Health Insurance scheme launched in association with the United India Insurance Company Limited and administered by the Good Health Plan Ltd, he said that premium had been slashed in all sum insured slabs. Four persons, including spouse and two dependent children of prime Account Holder, would be covered under Plan I and six members under Plan II. The policy holders were eligible to claim Income Tax relief under 80D for premium paid.

Entry age under the policy was three months to 65 years and with scope for renewal life long, said bank Assistant General Manager..

SBI-State Bank of India

SBI understand that people are unique and have varying levels of control over their health. Each of us would like to define a healthy life on our own terms. At SBI General, its our aim to partner with you and help you achieve better health and a sense of security along the way. In times of rising health care costs, a sudden illness or injury can leave you financially devastated and highly stressed. With SBI General's Health Insurance Policy – Retail, you can be in control by making medical treatment expenses more manageable. Thus ensuring quality health & happiness of your family.

The major covers provided by the SBI General's Health Insurance Policy - Retail?

This policy covers the following subject to the terms and conditions: We understand that people are unique and have varying levels of control over their health. Each of us would like to define a healthy life on our own terms. At SBI General, its our aim to partner with you and help you achieve better health and a sense of security along the way. In times of rising health care costs, a sudden illness or injury can leave you financially devastated and highly stressed. With SBI General's Health Insurance Policy - Retail, you can be in control by making medical treatment expenses more manageable and ensuring quality health & happiness for your family. Wide Coverage – From Rs.50,000 up to Rs.500,000 No medical test up to the age of 45 for people with no medical history Family Floater benefit giving comprehensive protection to your family members under one single Policy Flexible Plan Options–Metro Plan, Semi Metro Plan & Rest of India Add-on Covers available including removal of sub-limits on Room & ICU rent, Operation and Consultancy charges Assured renewal You can now renew your current Health Insurance Policy (any Insurer) with us The premium paid is exempt from Income Tax under Sec 80 D of Income Tax Act (Tax benefits are subject to change in tax laws) Coverage of Pre and Post Hospitalisation Expenses - 30 days before and 60 days after the hospitalisation Free Medical check.

Basis of claims payment

a) If Insured suffer a relapse within 45 days of the discharge from Hospital, obtaining medical treatment or consulting a Doctor and for which a claim has been made, then such relapse shall be deemed to be part of the same claim, as long as the relapse occurs within the Policy Period.

b) The day care procedures listed are subject to the exclusions, terms and conditions of the Policy and will not be treated as independent coverage under the Policy.

c) The plan which Insured is covered for will be shown on the Schedule. The table below sets out the percentage of the eligible claim amount that Insurer will be accountable for where a claim cost is incurred in a Location other than that prescribed in the Schedule.

1. Plan A - 100% of the admissible claim amount for all Locations subject to the Policy terms and conditions.
2. Plan B - 100% of the admissible claim amount for Locations B and C, and 80% for Location A subject to the Policy terms and conditions.,
3. Plan C - 100% of the admissible claim amount for Locations C, 80% for Location B and 70% for Location A subject to the Policy terms and conditions.

The percentage of amount shown in the above table is with respect to the admissible claim amount. The Insurer will make payments only after being satisfied, with the necessary bills and documents submitted with reference to the claim.

Section 80 D Income-Tax Act: The premium paid is exempted from Income Tax under Sec 80 D of Income Tax act

Benefits:

1. No pre-policy medical test up to the age of 65 years for people with no medical history
2. Just 1 year waiting period for specified diseases (Pre-existing diseases covered after 4 years)
3. Guaranteed renewal
4. Multiple Coverage Options – Individual & Family Floater options for Sum Insured
5. The premium paid is exempt from Income Tax under Sec 80 D of Income Tax Act (Tax benefits are subject to change in tax laws)
6. Coverage of Pre and Post Hospitalization Expenses – 30 days before and 60 days after the hospitalization
7. Cashless treatment at over 3,000 Network hospitals
8. Wide Coverage – From Rs.100,000 up to Rs.500,000

Conclusions:

Health insurance is important in the present world .giving more flexibilities to the people by online is good and more it should be reach to cutomers and people to enroll the policies.

Some Hospitals genuinty is required for not to misuse of medical claims.

Better technology in claimimg process.

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