

PNB Metlife plans to enter health insurance space

Health insurance logged a 13.5% growth in FY14

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Private sector life insurer, PNB Metlife plans to foray into health insurance to tap the enormous growth opportunities the segment offers, said a top company official.

According to Tarun Chugh, MD and CEO of PNB Metlife Insurance, "We feel there is a lot of opportunity in the health insurance segment. We are looking at offering products covering critical illness and hospital cash."

General insurers primarily

dominate the ₹17,000-crore health insurance market with indemnity products that are normally for a one-year period and which reimburse customers for the claim amount. Life insurance companies typically offer benefits-oriented health products where the policyholder is given a defined benefit, such as per day cash allowance, for the period.

According to data from the Insurance Regulatory and Development Authority, health insurance has been one of the fastest-growing categories for general insurers, logging 13.5 per cent growth in FY 2013-14.

"Although life insurance companies typically have



Tarun Chugh, MD and CEO, PNB Metlife Insurance

good distribution models, because of the various changes in the product space, most of them have been focussing on having their core prod-

ucts in place. Now that there is stability and most products are in place, we can start looking at the health insurance segment as we have a lot of data on various ailments and morbidity," said Chugh.

Chugh said life insurers are, at present, allowed to sell only products of three-year validity, which is a deterrent as they are forced to collect the premium upfront and estimate the medical inflation for three years.

The three-year provision puts life insurance companies at a disadvantage *vis-à-vis* general insurers, as it becomes costly for the customer to pay upfront, Chugh said. He is pitching for "parity between different sectors."