

Internship Training
at
Apollo Munich Health Insurance

Assessment of Cardiac Care Insurance Market

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PG/17/073

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Post Graduate Diploma in Hospital and Health Management

2017-2019



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Abstract

Introduction- Apollo Munich Health (AMHI) Insurance functions as a health insurer and offers Accident, Travel, and Health insurance solutions. It has unique insurance plans such as Energy for Diabetic patients, cancer-specific health insurance plan; named iCan and is in the process of setting up a sustainable cardiac care insurance plan.

Objectives – (1) To know the level of satisfaction of customers towards “Apollo Munich Health Insurance Services”. (2) To assess the current health status of cardiac patients (Lifestyle management-Exercise regimen, alcohol intake, eating habits etc) who have already taken claims from Apollo Munich Health Insurance. (3) To assess the competition scenario : Key Players in cardiac care Insurance .

Methods- Those who have taken claims for Ischemic heart diseases from AMHI in the year 2018 were telephonically interviewed. A total of 258 calls were made and completed responses recorded from 71 customers. An aggregate of 38 respondents either gave very few responses or denied to participate in the telephonic survey. Customers of more than 65 years of age were not included in the sample.

Results- Out of all the customers 95% of them rated their claim experience as excellent and 61% of them rated the insurance products as five. 86% of the customers are involved in physical activity and 66% are under normal weight as per their BMI. Only 7% of the customers consume alcohol occasionally and 3 % of them consume pan masala in very limited amounts.

Conclusion- Customers are quite satisfied with AMHI products and services. And the lifestyle management of cardiac patients also suggests that they can be offered insurance cover and therefore a cardiac care insurance product can be designed.

Keywords- Claim experience, cardiac care, insurance product

Acknowledgement

I take this opportunity to express gratitude and regards to my guide Ms Divya Aggarwal for her guidance and monitoring throughout the course of this project. The help and guidance given by her shall carry me a long way in the journey of life on which I am about to embark.

I also take this opportunity to express gratitude to Dr Debashish Mohanty ,Associate Vice president, Apollo Munich Health Insurance, for his cordial support, valuable information and guidance, which helped me in completing this task through various stages. I am grateful for his cooperation during the period of my assignment.

Table of Contents

<u>Topics</u>	<u>Page Number</u>
Abbreviations	6
Observational Learning	7-9
Introduction	10-13
Objectives	14
Methodology	14
Results and discussion	15-20
Recommendations	21
References	22
Annexure -1	23
Annexure-2	

Abbreviations

AMHI	Apollo Munich Health Insurance
AIIMS	All India Institute of Medical Sciences
BMI	Body Mass Index
CVD	Cardiovascular diseases
CAD	Coronary artery disease
GDP	Gross domestic product
HTN	Hypertension
HBA1C	Haemoglobin A1c
IIB	Insurance Information Bureau
NCD	Non communicable diseases
OOP	Out of pocket
OPD	Out patient department

List of Figures

Title	Figure Number
Claim Experience of customers	1
Product rating given by customers	2
People suffering from diseases	3
Frequency of Health Checkups	4
Preference for healthy foods	5
Salt Intake	6
Involved in more than thirty minutes of physical activity at least 5 days in a week	7
Smoking habits	8
Alcohol Consumption	9
Tobacco Consumption	10

List of Tables

Title	Table number
Hospital Expenses	1
Key players in Insurance Market	2

List of Annexure

Title	Number
Lifestyle Management Questionnaire	1
Verbal Consent	2

Organisational profile

Apollo Munich Health insurance Co.Ltd (AMHI) is a joint venture between the Apollo hospitals group, its associates and Munich Health, world leaders in health insurance, a company of the Munich Re Group. The joint venture brings together the complementary strengths of its partners and is poised to make good the conviction of both of them that Indian health Insurance market is on the brink of explosive growth.

The Apollo hospitals group's extensive understanding of healthcare domain and strong brand equity as a healthcare brand, in India, combined with Munich Health's technical expertise provides a sound foundation for AMHI and also help leverage this understanding for the benefit of its customers .The company operates as a standalone health insurer and offers innovative Health, Accident and travel insurance solutions on a PAN India basis.

Vision

- To be a trusted leader in the health insurance sector by providing innovative solutions to the citizens of India.

Mission

- Constantly introduce innovative Health Insurance and Wellness solutions that meet customer needs.
- Build an organization on the principles of transparency, trust and integrity.
- Create opportunities for our employees to learn and grow in an enjoyable work culture.
- Constantly deliver on our commitments to all our stakeholders.

Values

- Honouring Commitment: No commitment is too small once it's made
- Innovation: Innovations that make consumer life better
- Relationship Beyond Transaction: Being compassionate and valuing consumers as individuals
- Being Accessible: Being available whenever we are needed

- Transparency: Transparency that builds trust

Customer Care Principles

- Compassionate
- Accountable
- Responsive
- Expert

Chief Executive Officer - Mr. Antony Jacob

Staff - Presently the headcount is over 1100 across 40 offices

Product portfolio

As a first step towards bringing in innovative insurance solutions, Apollo Munich has launched its first generation products such as:

- ☐ Easy Health Individual and Family Health Plans (In-Patient Hospitalization Covers)
- ☐ Easy Health for Groups
- ☐ Overseas Travel & Health Covers – individual, family and groups
- ☐ Personal Accident Cover – Corporate and Individual
- ☐ Insure Health – An over the counter health insurance
- ☐ Maxima – India’s first truly comprehensive health insurance plan
- ☐ Optima Cash – A daily hospital cash product with maximum benefits.
- ☐ SME- A pre-packaged group policy for SMEs with manpower of 10 to 100.
- ☐ Optima Plus – A unique top-Up plan for Individuals

Distribution Network

Apollo Munich uses the following distribution channels to map the country and make their insurance solutions available such as: Agents Corporate Agents Strategic Partners Travel Agents Sales Associates and Direct Sales Force

- Apollo Munich currently has a network of over 25,000 agents across the country.
- Apollo Munich also has exclusive tie-ups with NBFC's for distributing their insurance solutions.
- The other channels that Apollo Munich employs are database marketing, Internet etc. across the country; it has tied-up with travel portals for domestic travel insurance along with a tie-up with "www.insurancemall.in" for selling its products through internet.

Market Penetration

Apollo Munich is headquartered out of Gurgaon and has 39 operational offices apart from the corporate office covering major metros and category - A, cities/towns.

Hospital Network: The products of Apollo Munich are valid in all the hospitals across the country on a reimbursement basis. In around 4000 trusted hospitals across 831 cities & towns including the 53 Apollo Group hospitals the customers can avail "Cashless Hospitalization" service.

General Findings

Department

Medical Underwriting- Medical underwriting is a health insurance term referring to the use of medical or health information in the evaluation of an applicant for coverage, typically for life or health insurance. As part of the underwriting process, an individual's health information may be used in making two decisions: whether to offer or deny coverage and what premium rate to set for the policy.

Conclusive Learning

I was involved in the project titled: *Assessment of cardiac care Insurance market.*

In this project I was involved in Secondary Research as well as primary Research at the Following steps:

1. Sample Selection -Identification of respondents for a telephonic survey
2. Telephonic Interview Conduction with customers.
3. Data Collection-Systematic storage and management of information in data tables or transcripts

4. Analysis -Critical analysis of data and knowledge gathered during primaries to form recommendation.

Assessment of Cardiac Care Insurance Market

Study Relevance

Apollo Munich Health (AMHI) Insurance functions as a health insurer and offers Accident, Travel, and Health insurance solutions. It has unique insurance plans such as Energy for Diabetic patients, cancer-specific health insurance plan; named iCan and is in the process of setting up a sustainable cardiac care insurance plan.

The product development process is as follows-

1. Idea generation- It includes interaction with agents, customers and grievance handling teams in order to understand the needs and satisfaction level of the customers for the existing products.
2. Understand the completion scenario- It includes analysing the national as well as international competition in the insurance market, identifying the key players and calculating the market share and market size.
3. Developing a Product roadmap- It involves designing a strategic document and a plan for executing the strategy.
4. To identify the business potential – It includes analysing the previous year sales data and the market size.
5. Filing the products-It involves filing of the group and retail products in IRDA which is Insurance Regulatory and Development authority.
6. Development of the product with the IT team- This process includes development of a scope document, UAT i.e. Universal acceptance testing etc.
7. Launch of the product – This process involves sales and marketing, training of the sales force etc.

In order to design a new product the insurance companies ought to understand the risk that underwriting a new policy for a new customer who in this scenario is cardiac patient will be a profitable endeavour or not. Insurance risk helps to determine the amount of coverage needed as well as how much that coverage should cost.

For cardiac care Insurance, metrics like smoking status, BMI, gender, exercise regimen, blood pressure and cholesterol levels, diabetes and age will determine the risk class. Once

customer applies for the policy, the answers provided to lifestyle and health questions will be evaluated and an underwriting team will provide the most precise quote and risk class possible.

Aim- The proposed study is an attempt to understand whether the cardiac patients can be provided insurance cover or not based on their health and lifestyle. And to understand the need gaps and customer demands. It would be apt to highlight here that the proposed baseline study will provide important insights for designing a sustainable cardiac care insurance product.

Review of Literature

The healthcare market in India is growing rapidly. Ageing population, increasing income levels, increasing insurance coverage and the misbalance in demand – supply presents a window of opportunity for healthcare providers to invest in this sector. Healthcare is growing due to an increasing expenditure by private as well as public players. The Indian healthcare market today is worth US\$100 billion and is expected to grow to US\$280 billion by 2020. The outcome of growth in healthcare is excellent infrastructure, medical inflation, technological advancement and improved service delivery which ultimately leads to rise in healthcare costs.

The estimated expenses in hospital are:

Table-1 Hospital expenses

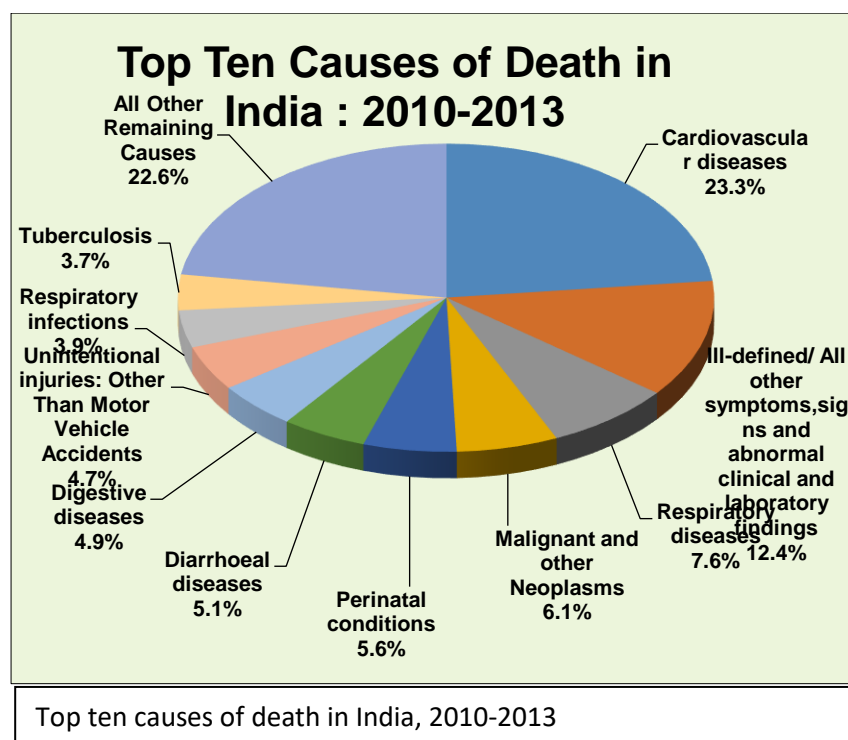
Disease	Treatment Cost(Rs)
Renal failure	5 lakhs
Stroke and Paralysis	5 lakhs
Major Organ failure	4 lakhs
Coronary Artery Disease	1.5 lakhs

Source: AIIMS

It is only Health Insurance policy taken by a person that can take care of hospitalisation cost of this magnitude. Health Insurance is basically where individual or a group buys in advance health coverage by paying a fee called premium.

Insurance penetration of India i.e. Premium collected by Indian insurers has grown around 12 times in last 10 years. Healthcare costs are on a rise and as people have become familiar with the significance of preventive care, which has boosted the demand for health Insurance products.

India, today, is poised to become the country with the highest incidence of cardiovascular (cardiac) diseases in the world. Currently, approximately 45 million people suffer from CADs. Such diseases are expected to account for around 36% of all deaths by the year 2030. The impact of these diseases is on health as well as finances. Hospital stays, surgeries, diagnostic and day care treatments, ambulance expenses, cost of medicines, stents etc can affect one's savings as well as hamper the earning capabilities. The share of out-of-pocket expenses in these scenarios may go as high as 80%.



According to IIB (Insurance Information Bureau) data, the average amount claimed from health insurers for heart diseases increased by 52.5% annually between 2007-08 and 2009-10. Not only this, the total claimed amount for heart diseases was more than twice the total amount claimed for the next highest disease category, cancers.

Indian Healthcare overview

India has seen a rapid transition in its disease burden (number of cases/lakh) over the past couple of decades. The load of communicable and non-communicable diseases (NCDs) is projected to get reversed in 2020 from its distribution in 1990. Noncommunicable diseases (NCDs) which include diabetes, cancer, heart disease, stroke, and chronic lung disease, are collectively responsible for almost 70% of all deaths worldwide.

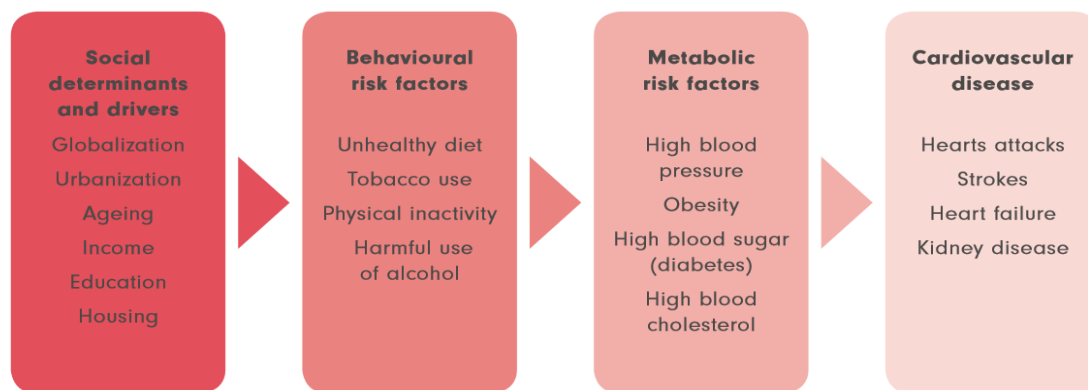
Nearly two-thirds of the burden of NCD mortality in India is currently contributed by CVD-related conditions.

This is largely because, with India's economic growth and urbanization over the past decades, a large section of the population has moved towards sedentary lifestyles with decreasing physical activity, increasing stress levels and intake of saturated fats and tobacco. The average life span has increased due to improvements in medical care; the rapidly ageing population, more prone to NCDs, will also fuel the growth of NCDs over the next few decades.

Cardiovascular diseases are the largest cause of mortality, accounting for around half of all deaths resulting from NCDs. Overall, CVDs accounted for around one-fourth of all deaths in India in 2008. CVDs are expected to be the fastest growing chronic illnesses between 2005 and 2015, growing at 9.2% annually, and accounting for the second largest number of NCD patients after mental illnesses. A more worrying fact is that the incidences of CVDs have gone up significantly for people between the ages 25 and 69 to 24.8%.

The risk factors for CVD include behavioural factors, such as tobacco use, an unhealthy diet, harmful use of alcohol and inadequate physical activity, and physiological factors, including high blood pressure (hypertension), high blood cholesterol and high blood sugar or glucose which is linked to underlying social determinants and drivers.

Fig. 1. Factors contributing to the development of cardiovascular disease and complications



Source: WHO Package of essential noncommunicable disease interventions (8).

The Indian healthcare sector has seen improvements over the past couple of decades, but there is still a long way to go. Healthcare financing remains a key issue. In 2010, 5.0% of the GDP was spent on healthcare, less than any other nation, out of which the government spend, was only 0.9%. Further, 74% of total health spending in India was out-of-pocket (OOP), with only 14% of the population being covered by some form of health insurance.

Objectives of the study-

- To assess the current health status of cardiac patients (Lifestyle management-Exercise regimen, alcohol intake, eating habits etc) who have already taken claims from AMHI.
- To assess the claim experience of customers/To know the level of satisfaction of customers towards “Apollo Munich Health Insurance Services”.
- To assess the competition scenario : Key Players in cardiac care Insurance

Methodology

Study design- Descriptive study

Study population

- I. Those who have taken claims for Ischemic heart diseases from AMHI in the year 2018 were included in the study. Customers were telephonically interviewed from 6-17 May 2019.

- II. A total of 258 calls were made and completed responses recorded from 71 customers. An aggregate of 38 respondents either gave very few responses or denied to participate in the telephonic survey. Customers of more than 65 years of age were not included in the sample.

Instrument- A questionnaire was developed in consultation with the experts from the organisation. (Annexure 1)

Data Analysis- Ms- Excel was used for entering the data as well as for carrying out the data analysis.

Findings and Discussion

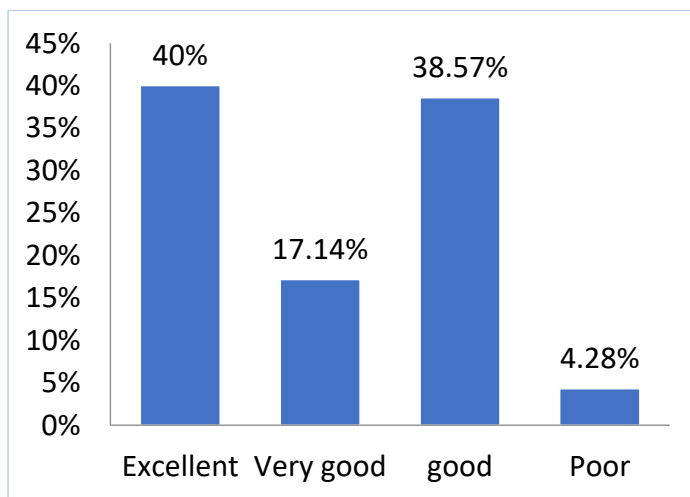


Fig-1 Claim Experience of customers

Out of all the customers only 4% rated their experience poor.

40% of them rated their experience as Excellent.

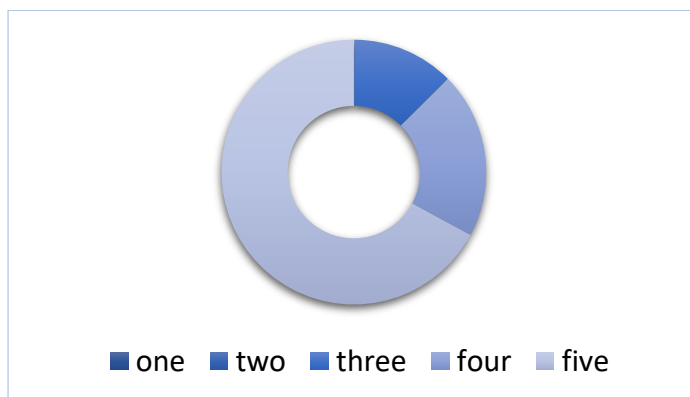


Fig-2 Product rating given by customers

61% of the customers rated AMHI insurance products as five.

They considered AMHI as the best health Insurance company.

Customers have following concerns from a service point of view-

- Agents should pass correct information timely to the customers. They should empathize with the customers and never indulge in any sort of frauds.
- Customer complains should be addressed at the earliest and a better grievance handling system should be in place.
- There should be a faster reimbursement process while processing claims.

Customers have following concerns from a product point of view-

- Customers should be sent a hard copy of the policy kit along with the soft copy as they need to submit it for tax redemption.
- Products should be available at lower premium rates after comparing it with other brands.
- More benefits such as certain diagnostic procedures, OPD benefits, cost of stents, etc should be included in the product so that customers don't have to pay extra amount during claim settlement to the hospital.

Customer satisfaction surveys are conducted in first place to understand how the company is perceived by the customers they serve. The survey gives companies insights on their weaknesses and strengths and to determine the product features that customers want. In this scenario it is evident that customers are quite satisfied with AMHI products and services and from a product point of view they want more benefits and lower premium rates.

Lifestyle Management of Cardiac Patients

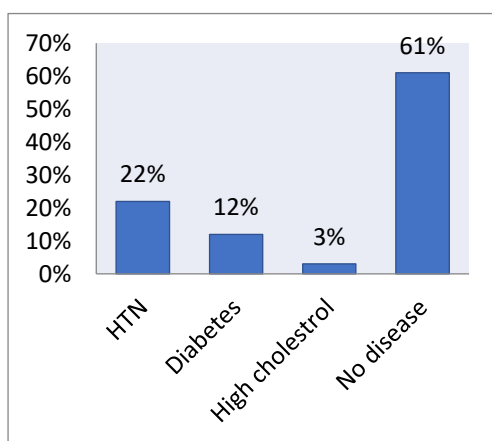


Fig-3 People suffering from diseases

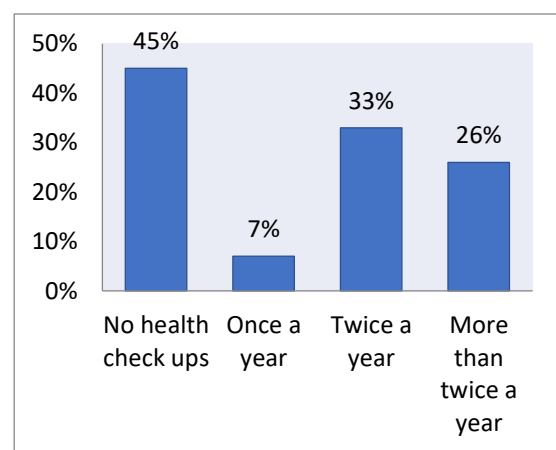


Fig-4 Frequency of Health Checkups

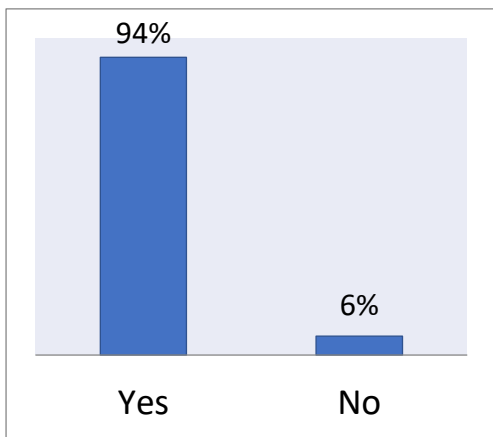


Fig-5 Preference for healthy foods

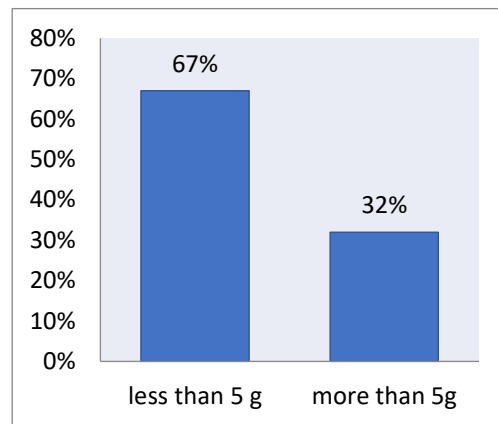


Fig-6 Salt Intake

- Out of all the customers 61% are not suffering from hypertension, Diabetes or high cholesterol which is the risk factors for Cardiovascular Diseases.
- Most of the customers eat a heart healthy diet i.e. salt <5g/day and avoid processed foods, canned foods, junk foods, stock cubes etc.
- Most of them have reduced salt when cooking and restricted their salt intake less than 5 grams per day.
- Most of them undergo preventive health checkups on a frequent basis and routine checkups.

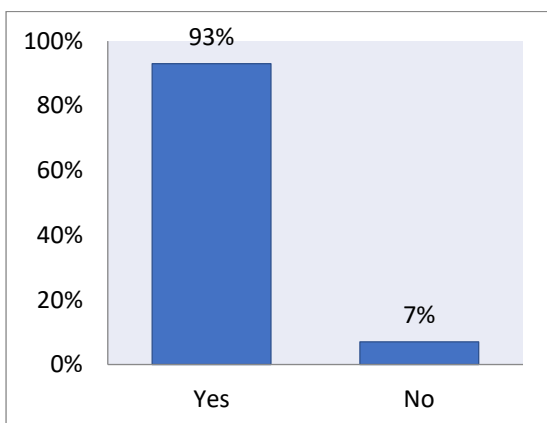


Fig-7 Involved in more than thirty minutes of physical activity at least 5 days in a week

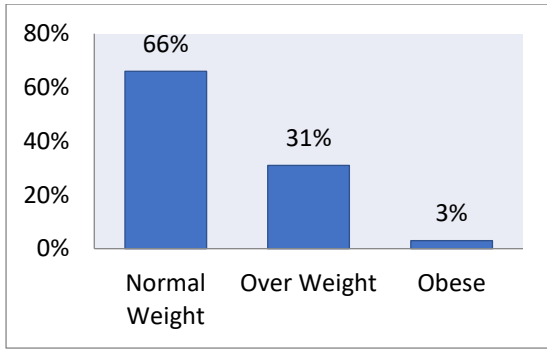


Fig-8 Body Weight

- I. 86% of the customers are involved in physical activity such as brisk walking, yoga, breathing excersises, swimming or gym workouts.
- II. 93% of them are involved in in more than thirty minutes of physical activity at least 5 days in a week
- III. 66% are under normal weight as per their BMI and only 3% of them are obese.

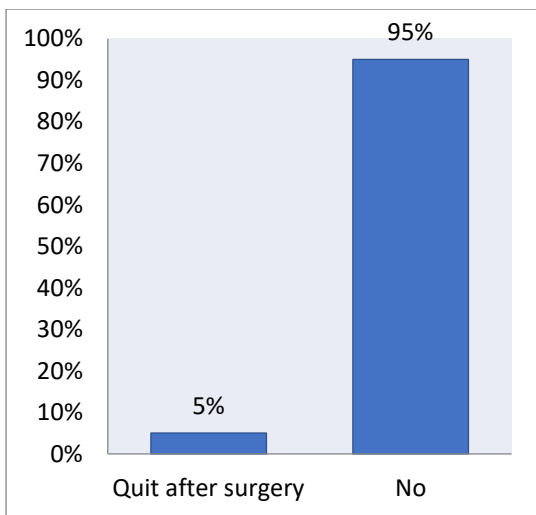


Fig-9 Smoking habits

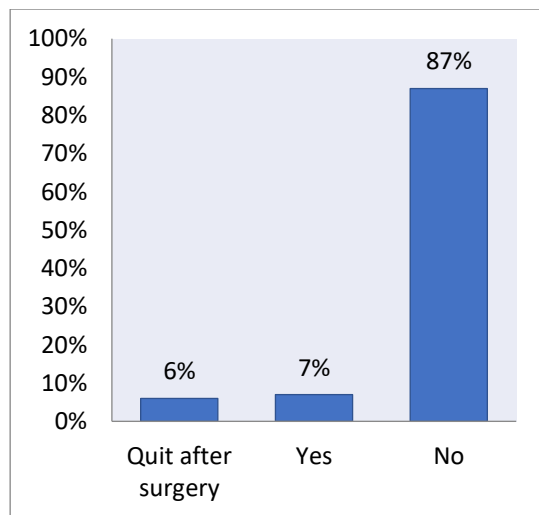


Fig-10 Alcohol Consumption

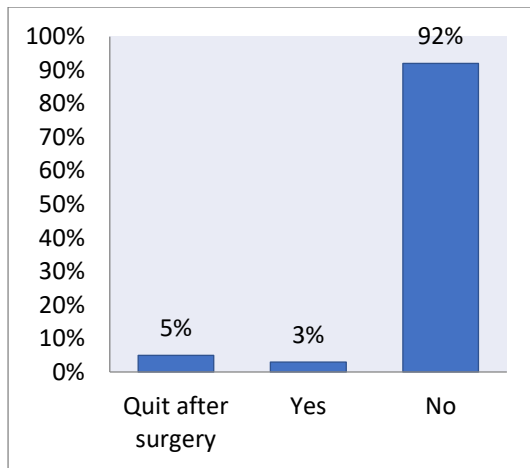


Fig- 11 Tobacco Consumption

1. For cardiovascular diseases the risk factors include behavioral factors such as harmful use of alcohol, smoking and tobacco consumption.
2. Only 7% of the customers consume alcohol occasionally and 3 % of them consume pan masala in very limited amounts.
3. None of them is involved in smoking and 5% have quit smoking, alcohol and tobacco consumption after their surgery.

It is evident from the study that the customers adhere to their treatment plan and undergo preventive health checkups or routine health checkups wherein they are monitored at each visit. The customers understand the seriousness of their disease and have improved dietary and exercise behaviour after their surgeries. They have understood the benefits of lifestyle modification and have quit smoking, tobacco use or alcohol consumption.

Market scenario

- I. Gross premiums written in India reached Rs 5.53 trillion (US\$ 94.48 billion) in 2018, with Rs 1.51 trillion (US\$ 23.38 billion) from non-life insurance. Overall insurance penetration in India reached 3.69 per cent in 2017 from 2.71 per cent in 2001.
- II. In 2019 (up to Jan 2019), gross direct premiums of non-life insurers reached Rs 1.39 trillion (US\$ 19.28 billion), showing a year-on-year growth rate of 12.65 per cent.

COMPETITION SCENARIO

Table-2 Key players in market

Key Players	Strength	Weakness
Aviva Heart Care	Provides for loss of income 2. Waiver of premiums 3. Multiple claims under a single policy 4. Individual + Couple plan 5. Restoration benefit 6. SI-10L TO 50 L 7. Severity classified	Fixed payout irrespective of the cost of treatment
Star Cardiac Care Insurance	OPD benefit 2. Day care covered 3. Personal accident death cover 4. Premium options are fixed	1.SI options available are only 3-4 lakhs 2. Individual plan only
HDFC Life Cardiac Care Plan	1. Indexation benefit 2. Multiple claims 3. Income benefit 4. Severity classified 5. Premium waiver 6. Optional benefits available- Option A: Hospitalization Benefit(per day) Option B: Indexation Benefit Option C: Income Benefit	1.Fixed payout irrespective of the cost of treatment 2.Loan Disbursal in 4 hours
ICICI Pru Heart/Cancer Protect	1. Heart + Cancer cover 2. High cover at low premiums 3. Individual+ couple plan 4.	Consumer complaints filed against ICICI

	Waiver of premium 5. No claim bonus upto 200% 6. Hospitalisation benefit per day 7. Customer friendly brochure 8. Income benefit even after policy expires	
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Conclusion

Customers are quite satisfied with AMHI products and services. And the lifestyle management of cardiac patients also suggests that they can be offered insurance cover and therefore a cardiac care insurance product can be designed. The baseline data recorded in this project would be important to compare changes in cardiac care insurance products already present in the market. This project will provide valuable information to build a concerted cardiac care plan as the next step.

Recommendations

- I. Frequent on job training and workshops to be given to the agents, brokers, sales associates and direct sales force.
- II. Simplify medical terminologies in the proposal forms and also for the agents.
- III. Free Health checkups at least once a year to be added in the cardiac care Insurance product.
- IV. Cover both cardiac and non cardiac patients in the cardiac care insurance product.
- V. Classify heart disease severity as mild, moderate, severe and policy benefits to be given as per the disease severity.
- VI. Provide no claim bonus up to 200% to the healthy customers.

- VII. Provide health coaching to the customers and provide discount offers or additional coverage on the basis of the number of steps they cover in a day, HbA1c levels, cholesterol levels, blood pressure levels etc.
- VIII. Provide upto 160% Lump Sum Payout to the customers.
- IX. Lower the premium rates after carrying out the risk assessment.

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Annexure 1

Lifestyle Management Questionnaire

Name-

Date of Birth-

Height- weight--

Gender-

1. In general would you say your claim experience was:

- ☐ Excellent
- ☐ Very good
- ☐ Good
- ☐ Poor

2. On a scale of 1 to 5 how do you rate our products in relation to your needs.

Ans_____

2.1 How would you suggest we improve our services to cater to you better?

Ans_____

3. Are you suffering from any of the following conditions?

- a) Hypertension
- b) High cholesterol
- c) Diabetes

4. How frequently do you undergo health check-ups?

- (a) No health check ups
- (b) Once a year
- (c) Twice a year
- (d) More than twice a year

5. Do you have a preference for healthy foods such as (fruits, vegetables, cereals, lean meat and lower-fat dairy products)?

- Yes
- No

7- What is your salt intake per day?

Ans-

Reference range- less than 5 grams (1 teaspoon) per day (including cooked food)

8. Do you Exercise?

- a. Yes
- b. No

9. Do you take regular physical activity of at least 30 minutes' duration on average 5 times a week?

- a) Yes
- b) No

10. Do you smoke? If yes then please mention the number of cigarette and bidi sticks.?_____

- (a) No
- (b) Less than 10 a day
- (c) Less than 20 a day
- (d) 20+ a day

11. Do you drink alcohol?

- Yes
- No

12. If yes then how often do you drink alcohol?

Ans- _____

- i. Everyday

- ii. 5-6 times a week
- iii. 3-4 times a week
- iv. 1-2 times a week
- v. Occasionally

13. How many units of alcohol do you drink on a typical day when you are drinking? ((30ml pegs of hard liquor/bottles of beer/glasses of wine)

Ans-_____

- ☐ 1 or 2
- ☐ 3 or 4
- ☐ 7, 8 or 9
- ☒ 10 or more

14. Do you consume pan masala/gutka? If yes, then please specify the number of pouches per day-_____

- ☐ Yes
- ☐ No

15. As a heart patient what 3 features would you want in a health insurance product for you?

Annexure-2

VERBAL CONSENT DOCUMENTATION FOR PARTICIPATION.

I attest that the aforementioned written consent has been orally presented to the Apollo Munich Health Insurance customers to seek the oral assurance of their willingness to participate in the research.

• I.....**Participant name**..... Voluntarily agree to participate in this research study.

I have had the purpose and nature of the study explained to me and I have had the opportunity to ask questions about the study.

• I understand that I will not get any financial benefit by participating in this research.

• I understand that recording of my interview may be retained forever with Vanshika, employee at Apollo Munich Health Insurance.

