Health insurance sector records Strong growth momentum with premiums exceeding ₹1.2 lakh crore in 2024-25

Prescribed timelines and regulatory measures aim to ensure efficiency and fairness in Health insurance claim settlements

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India's health insurance sector continues to witness robust growth, growing at a rate of around 9%, with total health insurance premiums volume exceeding ₹1.2 lakh crore in 2024–25. This growth reflects increasing awareness, improved access to healthcare financing, and a rising demand for financial protection against medical expenses.

In order to enhance efficiency and ensure timely support to policyholders, the Insurance Regulatory and Development Authority of India (IRDAI) has prescribed specific timelines for the processing of cashless health insurance claims.

Time taken for cashless settlement

The following timelines have been prescribed by IRDAI: -

i. Cashless pre-authorization - Within one hour.
ii. Final authorization - Within three hours.

These timelines are aimed at minimizing delays and ensuring that patients receive timely access to medical care.

Increase in health insurance premiums:

The increase in health insurance premiums is driven by factors such as ageing policyholders, higher coverage, enhanced features, among others.

IRDAI's 2024 regulations specify that insurance products are priced fairly, based on all relevant risk factors, and remain viable and value-driven, with periodic review by the Appointed Actuary using credible data and customer feedback.

Health claims settlement

The claims paid ratio (by number of claims) for Year 2022-23, 2023-24 and 2024-25 is shown below:

Financial Year	Claims Paid Ratio (by number of claims)
2022-23	85.66%
2023-24	82.46%
2024-25	87.50%

Further, as per Bima Bharosa portal of IRDAI, during FY 2024-25, 1,37,361 general and health insurance grievances were reported, out of which 1,27,755 (93%) were disposed of during FY 2024-25 itself.

Instances of claims disallowance or repudiation are largely attributable to specific policy conditions and limitations. Some of the reasons for claims disallowance or repudiation include exceeding sum insured, co-payment clause, sub-limits in policies, deductible in top-up policies, room rent capping, proportionate charges, non-medical expenses etc.

Additionally, several measures have been taken by the IRDAI to enhance clarity, streamline claims processing, and strengthen policyholder trust. In essence, a balanced, informed approach from all stakeholders would be crucial in fostering a transparent and trustworthy health insurance ecosystem.

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