

In India, 1 in 5 Health Insurance policy owners unaware of basic policy terms despite purchasing the policy on their own – ICICI Lombard Insurance Literacy Report

- *The report suggests that the younger population is more aware of financial nomenclature and highlights the nuances that lead to low insurance penetration in India*

Mumbai, Jan 27, 2022: ICICI Lombard General Insurance, one of India's leading general insurers has published the findings of its 'Quality of Insurance Literacy in India' report. Given that lack of awareness and accessibility are the top reasons for low insurance penetration in India, through this report, ICICI Lombard aims to understand the quality of awareness of general Insurance in the country. This includes general insurance related information among users and intenders, misconceptions around insurance, which could pose as barriers to informed insurance purchase in India.

The survey quantifies the current state of general insurance literacy among people across categories encompassing overall awareness about insurance regulatory body, awareness about companies providing GI, awareness about health insurance and policies, understanding and participation in motor insurance. The latest study was carried out with 732 respondents – both Insurance owners (Health & Motor Insurance) and intenders (Health Insurance) from all over India across metros and Tier 1 cities.

Further, the report ([*report link](#)) also highlights that younger people are more likely to have engaged proactively in activities like attending seminars, visiting websites and contacting the call centre that would aid in improving their understanding about GI. Insurance jargons also played a major role in creating ambiguity about insurance products.

Sanjeev Mantri, Executive Director, ICICI Lombard General Insurance said, "At ICICI Lombard, our endeavour is to impart knowledge and holistically educate people about insurance and making the customer journey an intuitive and judicious one that maximises value for the customer. Insurance policies tend to have a lot of complex jargon, which is difficult to understand by a layman. This is where insurance literacy comes into play. The only way to accelerate financial inclusion and thereby insurance penetration in the country is by improving financial literacy. Our research paper sheds light on a wide range of subtleties that contribute to the insurance literacy gap in India and basis the same; we aim to launch initiatives to bridge the gap."

Key takeaways from the study:

- 46% of the Health Insurance owners claimed that they purchased their Health Insurance policy completely own their own while 51% of the intenders claim that they are very confident about choosing their Health Insurance plan completely by themselves

ICICI Lombard General Insurance Company Limited

IRDA Reg. No. 115

Mailing Address:

401 & 402, 4th Floor, Interface 11,
New Linking Road, Malad (West),
Mumbai - 400 064.

CIN: L67200MH2000PLC129408

Registered Office:

ICICI Lombard House, 414, Veer Savarkar Marg,
Near Siddhi Vinayak Temple, Prabhadevi,
Mumbai - 400 025.

You can contact us at:

Toll free No.: 1800 2666

Email: customersupport@icicilombard.com

Website: www.icicilombard.com

- However,
 - Among existing health insurance policy owners 42% had no understanding of any of the common Health Insurance abbreviation such as NCB, OPD, TPA
 - 48% of health insurance policy holders were unable to explain any of the common terms like 30-day waiting period, pre/post hospitalization, OPD cover etc.
 - Less than 1 in 5 of HI policy holders were able to correctly explain terms like Sub-limits, Daily Cash, Free Look period, Reset benefit or day-care /inpatient procedure
 - 90% of the health insurance owners inaccurately believe that - Only expenses during the hospitalization is covered in Health Insurance or hospitalization is needed for a minimum of 24 hrs to avail insurance benefits
 - Only 1/3rd of Health insurance owners , are aware that HI cannot be claimed from the 1st day of availing a policy
 - 28% of the HI Policy owners were unable to identify at least 5 items that are important while calculating premium for HI
- Similarly 60% Motor Insurance owners are very confident about their ability to select the right insurance, however,
 - Less than 20% of Motor Insurance policy owners have an understanding of abbreviated terms such as IDV, or Zero-Dep
 - Less than 25% of Motor Insurance policy owners fully understand the features / terms such as IDV, Zero-Dep Comprehensive Coverage & Roadside Assistance
 - Only half (49%) of Motor policy owners believe that Third Party Motor/ vehicle Insurance is compulsory
 - Age of Vehicle, Coverage period and Type of Vehicle are the most Top of mind & acknowledged aspect determining Motor Insurance Premium
- Among intenders of Health Insurance –ICICI Lombard is among the Top 3 Brands in terms of Awareness, with 6 in 10 (62%) aware of ICICI Lombard
 - Awareness higher among younger generation (21-30 years) □ 68%
 - ICICI Lombard is also one of the most considered and preferred brands for Purchase among HI policy Owners
- ICICI Lombard also among the Top 3 Motor Insurance Provider in terms of Awareness
 - It's also one of the most considered and preferred brand

ICICI Lombard General Insurance Company Limited

IRDA Reg. No. 115

Mailing Address:
401 & 402, 4th Floor, Interface 11,
New Linking Road, Malad (West),
Mumbai - 400 064.

CIN: L67200MH2000PLC129408

Registered Office:
ICICI Lombard House, 414, Veer Savarkar Marg,
Near Siddhi Vinayak Temple, Prabhadevi,
Mumbai - 400 025.

You can contact us at:

Toll free No.: 1800 2666
Email: customersupport@icicilombard.com
Website: www.icicilombard.com



ICICI Lombard's 'Quality of Insurance Literacy in India' report serves as a benchmark parameter to capture nuances that fuel the gap in financial literacy in India. The company aims to run financial education/awareness campaigns in the near future based on the learnings from this research and help in furthering the reach of insurance in India.

*<https://drive.google.com/drive/folders/1-0oOpySRG8nRu46MbXITS7ldcVs45yX2>

#ICICILombard #SanjeevMantri #NibhaayeVaade #ILTakeCare

About ICICI Lombard General Insurance Company Ltd.

ICICI Lombard is one of the leading general insurance companies and the leading motor insurer in the country. The Company offers a comprehensive and well-diversified range of products through multiple distribution channels, including motor, health, crop, fire, personal accident, marine, engineering, and liability insurance. With a legacy of over 20 years, ICICI Lombard is committed to customer centricity with its brand philosophy of 'Nibhaaye Vaade'. The company has issued over 29.3 million policies, settled 2.3 million claims and has a Gross Written Premium (GWP) of ₹185.62 billion for the year ended March 31, 2022. ICICI Lombard has 283 branches and 11,085 employees as on March 31, 2022.

ICICI Lombard has been a pioneer in the industry and migrated its entire core systems 100% to cloud. With a strong focus on being digital led and agile, it has launched a plethora of tech-driven innovations, including Face Scan and Cal Scan on its signature insurance and wellness App - IL TakeCare, with over 3+ million downloads. The company has won several laurels including the 'Emerging Company of the Year' at ET Corporate Excellence Awards, 'Best General Insurance Company' at Annual Best & Emerging Insurance Company Awards, 'ACEF Asian Leadership' for 'Combatting COVID 19' initiatives, Guinness World Record for its CSR initiatives and many more. The awards are a testament to the trust reposed in the Company by its customers, partners, and other stakeholders. For more details log on to www.icicilombard.com

For details, contact:

ICICI Lombard GIC Ltd. Rima Mane rima.mane@icicilombard.com Tel: +91 99877 87103 Jayshree Kumar jayshree.kumar@icicilombard.com Tel: +91 97692 86661	Adfactors PR Sailee Nayak Sailee.nayak@adfactorspr.com Tel: +91 99301 67115
--	---

ICICI Lombard General Insurance Company Limited

IRDA Reg. No. 115

Mailing Address:
401 & 402, 4th Floor, Interface 11,
New Linking Road, Malad (West),
Mumbai - 400 064.

CIN: L67200MH2000PLC129408

Registered Office:
ICICI Lombard House, 414, Veer Savarkar Marg,
Near Siddhi Vinayak Temple, Prabhadevi,
Mumbai - 400 025.

You can contact us at:

Toll free No.: 1800 2666
Email: customersupport@icicilombard.com
Website: www.icicilombard.com