Insurers Keep a Social Distance from Risky Covid Covers

The Plans on Offer

ICICI Lombard: Covid-19 Protection Cover 100% of the sum insured if death occurs from coronavirus. Age Group 18-75, premium at a premium of Rs 125 and provides a sum insured of Rs 50,000.

Future Generali: Group Insurance Cover (MediClaim Policy) 100% of sum insured would be paid if death occurs from coronavirus and 50% for those tested positive for coronavirus and 50% for those tested positive for coronavirus and admitted in a hospital and the hospitalisation continues for 15 days.

Star Health Insurance: Star Novel Coronavirus Plan provides cover to those tested positive for coronavirus between age group 18 and 65, premium at a premium of Rs 599 for a sum insured of Rs 25,000.

Digit: Digital Health Care Plus provides cover to those tested positive for coronavirus and provides 200% of the sum insured for a sum insured of Rs 2,00,000.

In addition, Digit has launched a policy for those who have got Covid-19. "The policy will cover medical expenses for home quarantine periods and is available at a premium of Rs 200 for a sum insured of Rs 50,000. The policy covers medical expenses for home quarantine or isolation periods and is available at a premium of Rs 200 for a sum insured of Rs 50,000.

Non-life insurers are keeping a close watch on the evolving coronavirus situation and if economic activity remains subdued amid major disruptions in the supply chain, they may see a spurt in claims arising from the trade credit insurance segment.

The spread of the coronavirus and subsequent lockdowns have disrupted the supply chain which may lead to a situation where buyers fail to pay their dues to manufacturers or make delayed payments.

Trade credit insurance covers a supplier of goods and services against the risk of non-payment by its customers because of wilful default or insolvency. The repayability capability of the customer depends on various macroeconomic and microeconomic factors. Claims in trade credit insurance mirror the economy — higher claims point to a liquidity crunch in the economy.

"Credit insurance policies allow sufficient flexibility to policyholders to extend due dates on their trade receivables. Consequently, there has not been any significant uptick in claims under this segment, so far," said Sanjiv Datta, chief underwriting, claims & reinsurance, ICICI Lombard General Insurance.

"However, if economic activity were to remain significantly subdued with major disruptions in the supply chain, coupled with the lack of consumer demand, an increase in claims incidence is possible," he added.

So far, there has not been a noticeable impact of the current pandemic situation on trade credit insurance.