

Health Over Wealth: ICICI Lombard Study Shows 70% Choose Health Insurance for Reasons Beyond Tax Benefits

Mumbai, Feb 16, 2024 – ICICI Lombard General Insurance, one of India's leading general insurers, unveiled its latest research report today, providing a deep dive into the intricate relationship between tax savings and health insurance among financially savvy customers. Titled: "**ICICI Lombard's report on emerging trends in health insurance with focus on taxation benefit**", the report offers a comprehensive analysis of the financial behaviour and preferences of individuals who have made at least one tax-saving financial investment and own health insurance or have an intention to purchase.

Sheena Kapoor, Head of Marketing, Corporate Communications & CSR at ICICI Lombard, said, "Our recent report on 'Tax Savings & Health Insurance' uncovers valuable insights. It's evident that while tax benefits play a role, they're not the driving force behind most consumers' decision to invest in health insurance. Only 30% of respondents identified tax exemptions or rebates as their primary motivation. What truly resonates with our customers is the assurance and security provided by health insurance, surpassing mere fiscal advantages. This revelation reshapes the dialogue in our industry, underscoring the fundamental value of health insurance."

Key takeaways from the study include:

1. Purchasing health insurance purely for protection – The changes in perception

- Only 30% of consumers cited 'Tax exemptions/tax rebates' as one of the top reasons for purchasing health insurance, indicating that tax benefits are not the primary driver for most consumers.
- Women, with the growing female working population, are more likely to purchase health insurance for tax exemptions in the next year

2. What drives Indians to purchase Health Insurance?

- 'Cashless Claim' emerges as the top reason for the intention to purchase health insurance, followed by the protection of savings and managing inflating medical costs.
- Intentions for health insurance purchase are not solely driven by tax benefits.

3. Information Sources for Tax Savings

- More than 6 in 10 respondents (61%) rely on friends, family, and their bank relationship manager as key sources of information for understanding how to make tax savings.
- The younger age group (21-35 years) shows a greater reliance on self-awareness through knowledge in the public domain.

4. Understanding all facets of Health Insurance – protection and investment

- While the understanding of health insurance as a tool for protection is on the rise, only 54% of consumers are fully aware of how they can save tax by investing in health insurance, highlighting the need for increased awareness initiatives.

- The future for health insurance looks promising, with close to 98% of existing health insurance owners expressing their likelihood to renew next year, and 72% intending to 1st time purchase or buy more health insurance in the next year.’

5. *The Indian Financially Savvy Customers have found the sweet spot when it comes to Health Insurance Investments*

- A remarkable 84% of financially savvy customers have invested in health insurance, showcasing the growing recognition of the importance of health coverage.
- The preference for health insurance as a tax-saving option is on the rise in non-metro areas, emphasizing its increasing appeal beyond major cities.
- Age and life stage play a critical role in financial decisions, with individuals aged 26-45 making a greater set of investments.

6. *Financial Investments and Age Demographics*

- Individuals aged 26-35 exhibit the highest intention to invest in health and life insurance, fixed deposits, and mutual funds in the next year, indicating a proactive approach towards financial planning.

7. *Brand Consideration*

- ICICI Lombard is the topmost considered brand for the purchase of health insurance, both for tax-related and non-tax-related reasons.

#ICICILombard #SheenaKapoor #General Insurance #ILTakeCareapp #Taxation #Innovation

About ICICI Lombard

ICICI Lombard is the leading private general insurance company 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 21 years, ICICI Lombard is committed to customer centricity with its brand philosophy of ‘Nibhaaye Vaade’. The company has issued over 32.7 million policies, settled 3.6 million claims and has a Gross Written Premium (GWP) of ₹217.72 billion for the year ended March 31, 2023. ICICI Lombard has 305 branches and 12,865 employees, as on March 31, 2023.

ICICI Lombard has been a pioneer in the industry and is the first large scale insurance company in India to migrate its entire core systems to cloud. With a strong focus on being digital led and agile, it has launched a plethora of tech-driven innovations, including the industry first Face Scan on its signature insurance and wellness App - IL TakeCare, with over 8.5 million user downloads. The company has won several laurels including ET Corporate Excellence Awards, Golden Peacock Awards, FICCI Insurance Awards, National CSR awards etc. for its various initiatives. For more details log on to <https://www.icicilombard.com/>



For details, contact:

ICICI Lombard GIC Ltd.	Adfactors PR
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Rima Mane	Sailee Nayak
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rima.mane@icicilombard.com	Sailee.nayak@adfactorspr.com
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Tel: +91 99877 87103	Tel: +91 99301 67115
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