

Health insurers upgrading services before portability

By R Srividhya Feb 16 2011 , Chennai

Health insurance companies are gearing up their service offerings to keep their flock of customers together with the onset of health insurance portability from July 1, 2011. With service being the prime differentiator between the health insurance providers, companies want to ensure that situations like the mobile number portability launch, where customers left one service provider in droves to the other, who offered better services, does not arise.

The launch of portability will see a huge movement of customers across the board initially, industry experts point out. However, the companies are gearing up for the new regime. "Once health insurance portability comes into force, service is going to play a major role. We have set up an in-house service centre and would start providing service all by ourselves instead of directing the customers to third party administrators (TPA)," says Shreeraj Deshpande, head health insurance, Future Generali Insurance Company.

"There will definitely be a shake-up in the industry once portability is launched. It is not expected to be severe though. Health insurance being one of the fastest growing segment, insurers will have to pull up their socks and offer better their service to ensure that they do not lose their customers to the other players in the business," says Meena Nair, vice president, India Insure Risk Management and Broking Services.

The increased competition would be good not just for customers in the long run but also for the insurance companies themselves to look inwards into their operations and set things right, industry representatives say.

However with the launch still a few months away, many players preferred to keep their cards close to their chest, on their game plan for the new scenario.

"For those companies that believe in customer service, the ease of transition is always an opportunity. However, one needs to set the systems and processes to take care of a possible adverse selection creeping into the system," says Sanjay Datta head customer service, ICICI Lombard General Insurance Company.

Many like Shreeraj Deshpande also foresee a potential increase in premium amounts of health insurance products in the years to come. "Each company would have specific underwriting principles that would form the basis for the different products that it launches. Shifting the product from one company to another with different underwriting principles carries a cost. So there could be an increase in premium amount of health insurance policies," he says.

<http://www.mydigitalfc.com/insurance/health-insurers-upgrading-services-portability-733>